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# Preliminary 2021/22 End of Year Financial Summary and Budget Carry Forwards

*Responsible Officer: Group Manager Corporate and Commercial (Guy Bezrouchko)*

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## Recommendation

That Council:

1. Receive and note the Preliminary 2021/22 End of Year Financial Summary Report, acknowledging that it is a preliminary summary prior to end of year adjustments and audit.
2. Approve the transfers to and from reserve as detailed in Tables 2 - 8 of this report.
3. Approve the funds to be carried forward as detailed in Tables 9 - 16 of this report.

## Background

This report provides a preliminary overview of the 2021/22 financial performance of the organisation, detailing the cash transfers to and from reserve and identifying the works to be carried forward to the 2022/23 financial year. It should be noted that non-cash transactions (for example accruals, depreciation) are eliminated to determine the cash amount to be transferred to or from reserve.

While the figures and commentary will provide a guide to performance, it is important to note that it is subject to change as end of year accounting adjustments are in progress and the audit has not yet commenced.

It is anticipated that any year-end adjustments will not affect the cash position. Therefore, it is reasonable to adopt the transfers to and from reserves as well as the works carried forward budgets.

The attachment provides a summary of the completed capital works program as at 30 June 2022.

## End of Year Financial Summary

The End of Year financial summary is presented for the whole organisation and then broken down on a Reporting Unit basis. Actual income and expenditure is compared to estimates as at the March 2022 quarterly review. The tables summarise the financial performance; accompanying commentary is high level and reflects the preliminary nature of the results.

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## Whole Organisation

Table 1 shows income and expense for Council. It highlights those preliminary results have generally been better than anticipated with an operating deficit of \$3,294,900.

**Table 1: Whole Organisation Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	27,472,300	28,066,900	(594,600)
Operating Expense	30,767,200	34,118,000	3,350,800
<b>Operating Result (Deficit)</b>	<b>(3,294,900)</b>	<b>(6,051,100)</b>	<b>2,756,200</b>
Eliminate Depreciation	8,523,800	7,577,200	946,600
Eliminate Other Non-Cash Transactions	1,462,000	0	1,462,000
<b>Cash Result</b>	<b>6,690,900</b>	<b>1,526,100</b>	<b>5,164,800</b>
Add: Capital Income	6,563,100	4,930,000	1,633,100
Less: Loan Capital Repayment	3,397,900	3,419,700	21,800
Less: Capital Expense	17,212,100	35,751,600	18,539,500
Transfer to/(from) Reserve	(7,356,000)	(32,715,200)	(25,359,200)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>42,024,200</b>	<b>16,665,000</b>	<b>25,359,200</b>

It is fair to summarise 2021/22 as a difficult year with the region continuing to deal with Covid-19 related restrictions and its impact on services. However, the scale of the March 2022 floods significantly altered plans and budget forecasts as resources were focused on business continuity and restoring services once the flood waters subsided.

Subsequently, much work has been undertaken on our insurance claim, assessing grant funding availability and accounting for assets lost or damaged in the events.

In this context the forecast financial operating result from 2021/22 is satisfactory.

Operating revenue was impacted by the delayed settlement of grant funds, specifically those related to Natural Disaster Relief and Recovery Arrangements (NDRA) from 2021.

Operating expense was less than forecast by approximately \$3.35 million. Several projects have committed funds that require carryover due to not being completed in this financial year which are covered later in this report. Also, operating expense was impacted by accelerated depreciation charges due to several infrastructure assets requiring renewal earlier than anticipated. The budget was not adjusted during 2021/22 as a revaluation of water infrastructure assets was in progress and depreciation will be further adjusted as part of this process.

Actual capital income exceeded forecast due to \$1.6 million in grant funds being received. A grant was received from the NSW Government's new dedicated construction body, the Northern Rivers Reconstruction Corporation and is to be utilised for urgent repairs and resilience building of water infrastructure damaged by the floods of March 2022.

Capital expense was significantly under budget with various projects not completed in the financial year. Later in this report, Council approval is requested to rollover the unexpended capital budget forward to the 2022/23 financial year.

As a result, the net transfer from reserves required to fund the approved budget was significantly less than the forecast which is reflected in the increased reserve balance.

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## Bulk Water Reporting Unit

Table 2 indicates that overall budget forecasts were quite accurate, and the Reporting Unit achieved a preliminary operating deficit of \$1,612,200, which is \$2.97 million better than forecast.

**Table 2: Bulk Water Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	19,913,800	19,825,700	88,100
Operating Expense	21,526,000	24,413,100	2,887,100
<b>Operating Result</b>	<b>(1,612,200)</b>	<b>(4,587,400)</b>	<b>2,975,200</b>
Eliminate Depreciation	7,006,500	5,986,000	1,020,500
Eliminate Other Non-Cash Transactions	1,441,900	0	1,441,900
<b>Cash Result</b>	<b>6,836,200</b>	<b>1,398,600</b>	<b>5,437,600</b>
Add: Capital Income	5,710,000	4,080,000	1,630,000
Less: Loan Capital Expense	3,397,900	3,419,700	21,800
Less: Capital Expense	16,861,100	33,174,700	16,313,600
Transfer to/(from) Reserve	(7,712,800)	(31,115,800)	(23,403,000)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>33,052,300</b>	<b>9,649,300</b>	<b>23,403,000</b>

Operating income was in line with the forecast, with the majority of actual income being derived from constituent council contributions for bulk water, which amounted to \$19.4 million.

Operating expense was approximately \$2.89 million below budget forecast. This relates to operational savings in electricity (\$395,500) and specific delayed projects (\$1.5 million) identified for carry over.

Capital income derived from section 64 developer contributions (\$4.1 million) met budget expectations whilst \$1.6 million from Northern Rivers Reconstruction Corporation was previously unbudgeted.

The majority of the unexpended budget in the capital works program will need to be carried forward to 2022/23. The attachment to this report details all the capital projects and their expense compared to budget.

The reserve balance of \$33.05 million is better than forecast primarily due to the level of projects to be carried forward.

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### Retail Water Reporting Unit

Retail Water has generally performed in line with the forecast and based on preliminary results shown in Table 3 will record an operating deficit of approximately \$19,300.

**Table 3: Retail Water Preliminary Financial Results for 2021/22**

	<b>2021/22 Actual \$</b>	<b>2021/22 Estimated March Review \$</b>	<b>Variance \$</b>
Operating Income	3,068,100	3,117,700	(49,600)
Operating Expense	3,087,400	3,158,200	70,800
<b>Operating Result</b>	<b>(19,300)</b>	<b>(40,500)</b>	<b>21,200</b>
Eliminate Depreciation	381,400	361,100	20,300
Eliminate Non-Cash Transactions	3,300	0	3,300
<b>Cash Result</b>	<b>365,400</b>	<b>320,600</b>	<b>44,800</b>
Add: Capital Income	2,700	0	2,700
Less: Capital Expense	122,600	1,527,700	1,405,100
Less: Transfer to/(from) Reserve	245,500	(1,207,100)	(1,452,600)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>2,909,600</b>	<b>1,457,000</b>	<b>1,452,600</b>

Operating income was short of the forecast budget and is comprised of retail water sales, connection fees and water filling station sales. Revenue from retail water sales is the primary contributor to operating income.

Operating expense is 2% below forecast and is due to small labour savings.

Spending on capital works is significantly below forecast, with Smart Metering (\$865,400) and Reticulation (\$403,700) projects identified for carryover into the 2022/23 financial year.

The reserve is currently in a sound position.

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### Flood Mitigation Reporting Unit

The preliminary figures in Table 4 indicate that Flood Mitigation actual results will vary considerably from forecast predominantly due to grant funding not being received as predicted.

The Flood Reporting Unit has recorded a preliminary operating loss of some \$1.789 million. It should be noted that depreciation includes the Lismore Levee (approx. \$383,300) and exclusion of this cost reduces the loss to approximately \$1.406 million.

**Table 4: Flood Mitigation Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	1,256,800	2,112,000	(855,200)
Operating Expense	3,046,500	3,184,200	137,700
<b>Operating Result</b>	<b>(1,789,700)</b>	<b>(1,072,200)</b>	<b>(717,500)</b>
Eliminate Depreciation	719,200	685,000	34,200
Eliminate Other Non-Cash Transactions	(12,000)	0	(12,000)
<b>Cash Result</b>	<b>(1,082,500)</b>	<b>(387,200)</b>	<b>(695,300)</b>
Less: Capital Expense	49,800	150,300	100,500
Transfer to/(from) Reserve	(1,132,300)	(537,500)	(594,800)
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>(33,200)</b>	<b>561,600</b>	<b>(594,800)</b>

Operating income varies considerably from the forecast budget due to grant funds of \$970,000 that were due prior to the end of the year but not received. If these funds had of been received prior to 30 June 2022 the reserve balance would have been \$936,700. This reserve will be restored when these funds are received in 2022/23.

Operating expense was \$137,700 less than forecast.

Capital expense related partially to the renewal and replacement of floodgates and 'heavy' repairs and maintenance work on rural levees. The 'heavy' maintenance work may be relocated to operating expense as part of the end of year accounting adjustments.

The reserve balance is in negative by approximately \$33,200 which is concerning and attributable to the grant funding not yet received. The Reporting Units are an internal reporting segregation designed to provide transparency and accountability to the different functions performed by Rous. Consolidated funds are available to ensure continuity of flood mitigation operations until the timing issue of receiving grant funds for the works already undertaken occurs. The long-term financial plan predicts recurrent operating losses that gradually improve and ongoing capital expenditure that will be financed from reserves.

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### Weed Biosecurity Reporting Unit

Preliminary figures in Table 5 indicate that Weed Biosecurity has performed better than expected with a preliminary surplus of \$488,900.

**Table 5: Weed Biosecurity Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	2,021,700	1,870,900	150,800
Operating Expense	1,532,800	1,935,300	402,500
<b>Operating Result</b>	<b>488,900</b>	<b>(64,400)</b>	<b>553,300</b>
Eliminate Depreciation	24,500	27,000	(2,500)
Eliminate Non-Cash Transactions	(138,400)	0	(138,400)
<b>Cash Result</b>	<b>375,000</b>	<b>(37,400)</b>	<b>412,400</b>
Capital Expense	100	110,000	109,900
Transfer to/(from) Reserve	374,900	(147,400)	522,300
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>2,453,600</b>	<b>1,931,300</b>	<b>522,300</b>

Operating income is above forecast by \$150,800 due to grant funding that was received in the last quarter of 2021/22.

Operating expense was approximately \$402,500 below the budget forecast. This relates to several grant funded projects that are ongoing into 2022/23.

The capital project associated with updating the geographic information system (GIS) (data capture system) was delayed and unspent funds have been identified to carry forward.

The reserve balance of \$2.45 million represents a strong position with further works planned for 2022/23 from the available funds.

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## Richmond Water Laboratories (RWL) Reporting Unit

Table 6 depicts the RWL preliminary operating result is a \$305,400 deficit.

**Table 6: Richmond Water Laboratories Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	956,700	857,700	99,000
Operating Expense	1,262,100	889,300	(372,800)
<b>Operating Result</b>	<b>(305,400)</b>	<b>(31,600)</b>	<b>(273,800)</b>
Eliminate Depreciation	18,300	15,200	3,100
Eliminate Other Non-Cash Transactions	112,200	0	112,200
<b>Cash Result</b>	<b>(174,900)</b>	<b>(16,400)</b>	<b>(158,500)</b>
			0
Less: Capital Expense	0	44,100	44,100
Transfer to/(from) Reserve	174,900	60,500	114,400
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>234,700</b>	<b>349,200</b>	<b>(114,500)</b>

Income exceeded budget by \$99,000, which is positive given the disrupted trading conditions experienced within the last financial year.

In 2021/22, approximately 64.2% of income was derived from external customers with the remaining income coming from internal (Rous County Council) sales.

Operating expense is \$372,800 over budget, with additional expenditure on contractors as testing had to be subcontracted to other laboratories (\$141,800), the write off inventory (\$50,000) due to the flood event and the disposal of flood affected equipment (\$214,900). These additional expenses were offset by some minor savings in salaries and lease costs.

No capital expense has been incurred in the replacement of instruments and equipment but forecast budgets exist for this purpose.

The reserve balance of \$114,500 below the forecast is due to the increased expenditure.

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## Property Reporting Unit

A loss of \$179,700 is the preliminary result shown in Table 7. It is important to note that operating expense includes Perradenya maintenance of approximately \$52,600.

**Table 7: Property Preliminary Financial Results for 2021/22**

	<b>2021/22 Actual \$</b>	<b>2021/22 Estimated March Review \$</b>	<b>Variance \$</b>
Operating Income	158,700	189,400	(30,700)
Operating Expense	338,400	369,900	31,500
<b>Operating Result</b>	<b>(179,700)</b>	<b>(180,500)</b>	<b>800</b>
Eliminate Depreciation	56,900	62,900	(6,000)
Eliminate Other Non-Cash Transactions	16,300	0	16,300
<b>Cash Result</b>	<b>(106,500)</b>	<b>(117,600)</b>	<b>11,100</b>
Add: Capital Income	850,400	850,000	400
Less: Capital Expense	53,700	290,800	237,100
Transfer to/(from) Reserve	690,200	441,600	248,600
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>1,893,600</b>	<b>1,645,000</b>	<b>248,600</b>

Operating income was below the forecast budget and consists of rental income from leased properties. Several commercial lease properties were affected by the February/March flood and rental income was suspended for the final four months of the financial year.

Operating expenditure was close to the forecast budget and consists of leased properties and Perradenya maintenance expenses

Construction of the Perradenya land development - Stage 7 is an ongoing project while capital income arose from the sale of the property at 56 Carrington Street.

The reserve balance of \$1.89 million is better than forecast.



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## Fleet Reporting Unit

Fleet operations generated a operating surplus of \$122,500 as per Table 8 with expenses under budget. A cash surplus of \$478,100 was achieved once depreciation is eliminated.

**Table 8: Fleet Preliminary Financial Results for 2021/22**

	2021/22 Actual \$	2021/22 Estimated March Review \$	Variance \$
Operating Income	96,500	93,500	3,000
Operating Expense	(26,000)	168,000	194,000
<b>Operating Result</b>	<b>122,500</b>	<b>(74,500)</b>	<b>197,000</b>
Eliminate Depreciation	317,000	440,000	(123,000)
Eliminate Other Non-Cash Transactions	38,700	0	38,700
<b>Cash Result</b>	<b>478,200</b>	<b>365,500</b>	<b>112,700</b>
Less: Capital Expense (Net of Trade-In)	124,800	454,000	329,200
Transfer to/(from) Reserve	353,400	(88,500)	441,900
<b>Net Cash Movement</b>	<b>0</b>	<b>0</b>	
<b>Reserve Balance</b>	<b>1,513,500</b>	<b>1,071,600</b>	<b>441,900</b>

Operating income is made up of staff contributions for private lease vehicles and interest revenue earned by the Reporting Unit and was closely aligned with the forecast budget.

Operating expense includes all recurrent costs such as repairs/maintenance, depreciation, insurance, registration, fuel etc. less plant hire income. Plant hire income is an internal charge raised against those Reporting Units benefitting from the use of the fleet item. The 'expense' is debited to the benefitting Reporting Unit in the form of a plant hire rate and the 'income' is credited to Fleet.

Plant hire income presents as a negative expense in the Fleet Reporting Unit (a contra journal), which explains why total fleet expense is negative \$26,000.

Operating expenses were significantly under budget by \$194,000. Most of the difference relates to depreciation expense (\$317,000), with a number of vehicles having been fully depreciated in the previous year. General operating expenses were all slightly less than forecast.

Fleet sales and purchases resulted in capital revenue of \$45,100 and capital expense of \$169,900. Council staff have experienced availability issues with procuring new fleet items due to the ongoing impact of the pandemic and market supply conditions.

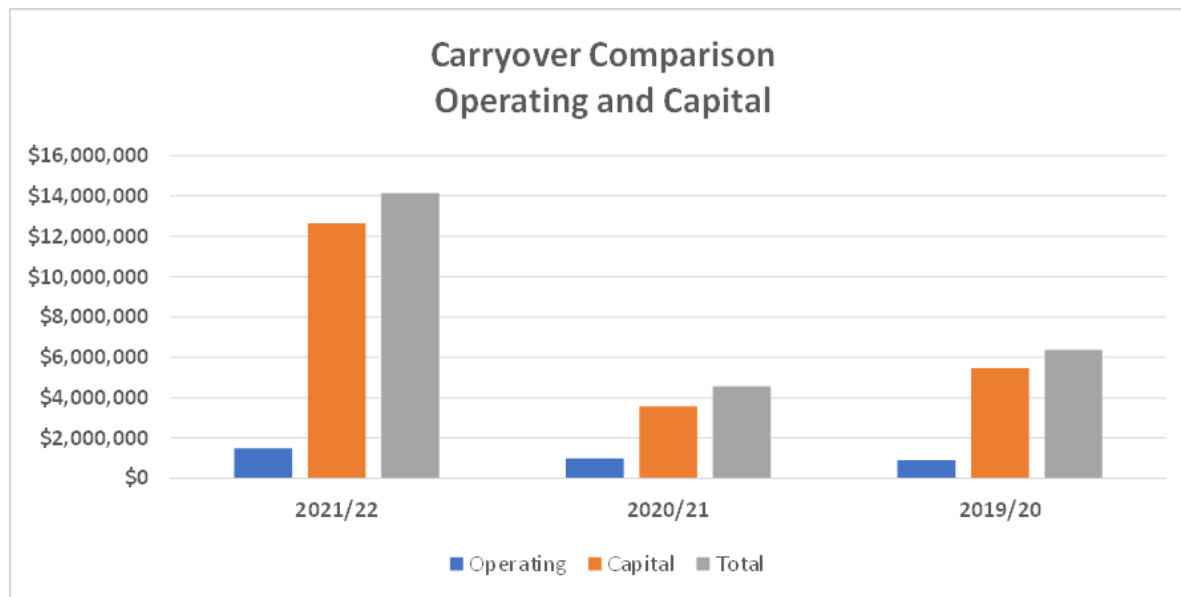
The reserve balance of \$1.51 million is better than forecast.

## Works Carried Forward

This section of the report identifies those unexpended budgets that require being rolled forward to the 2022/23 financial year or in some cases a later financial year. The projects to which the budget relate are either not complete or in some cases not commenced. The works have been split between operational projects and capital works. Additionally, they are presented in three different categories; standard carryovers, major project carryovers and carryovers deferred to later years.

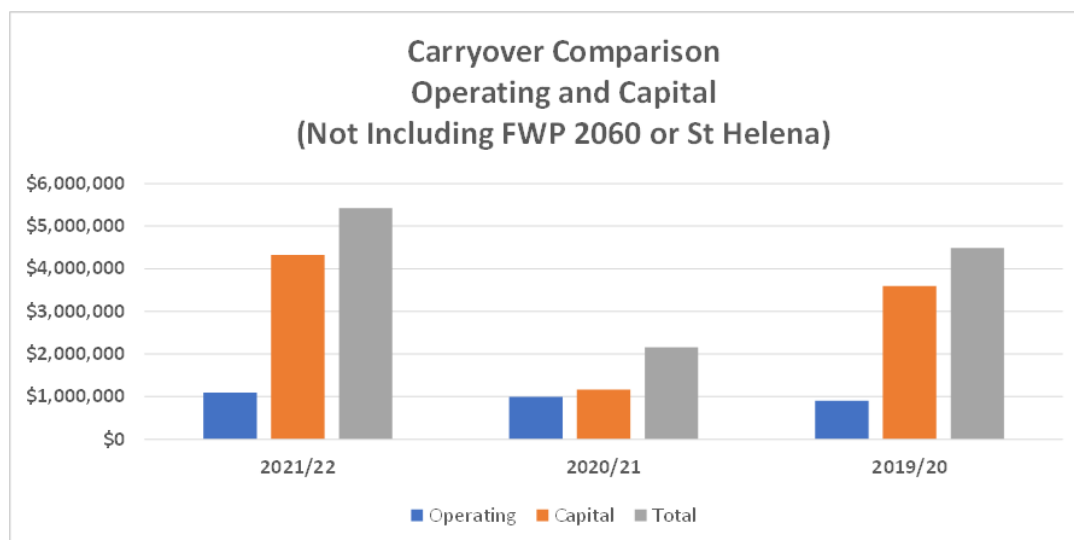
The proposed carryovers from 2021/22 total \$14,135,000 which is a significant increase on the previous two years; 2020/21 totalled \$4,552,800 and 2019/20 totalled \$6,375,100 as per Table 9 below.

**Table 9: Carryover Comparison – Operating and Capital**



These carryovers predominantly relate to the Bulk Water Reporting Unit (89.5%) and the Retail Water Reporting Unit (8.9%). It is important to note that the carryover amounts are significantly impacted by two areas being the Future Water Program 2060 (FWP 2060) and St Helena 600mm Main Renewal (St Helena). When these projects are removed the carryovers total; 2021/22 \$5,422,900, 2020/21 \$2,156,300 and 2019/20 \$4,489,500. This is displayed in Table 10 below.

**Table 10: Carryover Comparison – Operating and Capital (Not Including FWP 2060 or St Helena)**



**Table 11: Standard Operating Budgets to be Carried Forward**

Operating Project Name	Total (\$) 2022/23	Comments
Catchment Landholder Education and Awareness (P-CMP 20-25 A1)	32,000	<p>Action A1 of the RCC 2020-25 Catchment Management Plan consists of on-going promotion/ education and awareness building concerning the impact of catchment activities on drinking water quality and the role of all catchment stakeholders in protecting catchments.</p> <p>All of the above-mentioned activities were effectively unable to proceed during 2022/23 due to COVID restrictions on events/gatherings and the flood-related impacts that removed any capacity for engagement. In addition, there was the loss of a large amount of educational collateral at the Lismore based Cultural, Education and Information Centre.</p> <p>Whilst there are existing funds allocated in 2022/23, it is proposed to carry forward the unspent funds to allow both the replacement of physical collateral, the support and promotion of events, hosting of the catchment activity trailer, and the engagement of contractors as required to facilitate these actions.</p> <p>In addition, it should be noted that this action also incorporates engagement with our constituents on related issues, and there is substantial engagement required during 2022/23 with our constituents ahead of some key catchment projects in 2023/24. Carry forward of these funds will allow the engagement of a contractor to assist with constituent engagement and the preparation of technical briefs for the 2023/24 projects.</p>
Catchment Water Quality Monitoring Program (P-CMP 20-25 A5)	31,700	<p>Action A5 of the RCC 2020-25 Catchment Management Plan consists of the conduct of catchment water quality monitoring to assess risk, monitor changes, allow for operational adaptive management as needed and identify emerging issues.</p> <p>The RCC Catchment Water Quality Monitoring Program is an on-going part of the RCC Drinking Water Mgt System (DWMS) to assess raw water quality risk and inform operational management of drinking water. Additional investigative monitoring and assessment actions have been identified within each catchment to measure the success of previous work, evaluate emerging risks and to provide information for evidence-based recommendations for on-going work.</p> <p>RCC has engaged a contractor (and a PO issued) to conduct a comprehensive review of catchment water quality data (five yearly review) to examine trends in detail and review and update the monitoring program methodologies and outputs. It is proposed to carryover the unspent funds to allow this work to be completed.</p>
ECD River Reach Plan Audit and Planning (P-CMP 20-25 EC19)	22,500	<p>River Reach Plans in both the Wilsons River Source and Emigrant Creek Dam catchments have been largely successful with good landholder up-take and on-ground implementation for priority reaches. The approach has involved initial reach-scale assessments of riparian zones (incorporating vegetation condition and extent, bank erosion, stock access etc.) and development of property-scale action plans to address key issues. On-ground works included weed control, cattle exclusion fencing, vegetation planting and erosion control works.</p> <p>In June 2021 RCC engaged Australian Wetlands Pty Ltd to (a) review work completed as part of the Emigrant Creek Source River Reach Plan over the past 5-year period; and (b) develop a new River Reach Plan for the upper Emigrant Creek catchment.</p> <p>Some key tasks have been completed however, the work has been delayed due to both COVID restrictions that have impacted the ability to engage landholders, and the devastating floods of March 2022.</p> <p>It is proposed to carryover the unspent funds for the implementation phase which involves finalisation of the new River Reach Plan (scheduled for the first quarter of 2022/23) and preparation of the Property Site Action Plans for the identified priority locations.</p>
EC River Reach Plan Extension (P-CMP 20-25 EC20)	60,000	<p>The Emigrant Creek River Reach Plan and associated Property Site Action Plans will be finalised between July-December 2022.</p> <p>This will allow staff to proceed to quotation stage with bush regeneration contractors in late 2022/early 2023 and the commencement of on-grounds works during the third and fourth quarters of 2022/23.</p> <p>Funds are required to be carried forward to allow implementation of the River Reach Plan through the engagement of contractors for the on-ground work phase.</p>

Operating Project Name	Total (\$) 2022/23	Comments
WRS River Reach Plan Audit and Planning (P-CMP 20-25 WR15)	37,400	<p>In June 2021 RCC engaged Hydrobiology Pty Ltd to:-  (a) review work completed as part of the Wilsons River Source River Reach Plan over the past 10-year period; and  (b) develop a new River Reach Plan for the extent of Wilsons River between the Boatharbour Nature Reserve and Eltham.</p> <p>Some key tasks that have commenced however, this work has been substantially delayed due to both COVID restrictions that have impacted the ability of the consultants to travel to NSW and the ability to engage landholders, as well as the devastating floods of February/March 2022.</p> <p>Preparation of the new River Reach Plan is expected to be completed in the first quarter of 2022/23. This will allow the consultant to prepare Property Site Action Plans for the identified priority locations during the second quarter of 2022/23.</p>
WR16: WRS River Reach Plan Extension (P-CMP 20-25 WR16)	75,000	<p>The Wilsons River Reach Plan and associated Property Site Action Plans will be finalised between July-December 2022.</p> <p>This will allow staff to proceed to quotation stage with bush regeneration contractors in late 2022/early 2023, allowing commencement of on-grounds works during the third and fourth quarters of 2022/23.</p> <p>Funds are required to be carried forward to allow implementation of the River Reach Plan through the engagement of contractors for the on-ground work phase.</p>
Regional Demand Management Plan (P-DM PLAN)	4,500	<p>The Draft Plan has been prepared in consultation with constituent councils. The Draft Plan was presented at the July 2022 Council workshop - this date was pushed back to July following the floods March 2022 flood events. The finalisation and adoption of this Plan will take place in October 2022, following public exhibition.</p>
Drought Management Review (P-DROUGHT REVIEW)	24,700	<p>Although ongoing water sources within the Future Water Project 2060 remain uncertain, there is a need to commence the update of the new Drought Management Plan late within the 2022/23 FY to improve our preparedness for the next drought.</p>
Dam Safety Management System (P-DSMS)	246,700	<p>Dambreak studies and hydrological modelling was delayed due to the need to include latest March 2022 flood event data in the hydrological model. The deliverables of these studies are prerequisites to the Dam Risk Assessments and Safety Assessments and Reporting. Work to be done on dam safety requires a staged implementation approach with a peer review and has taken longer to implement due to the impacts of the recent floods. These funds and future financial year funds are required to perform work required by Dams Safety NSW.</p>
Project - Developer Servicing Plan Update (P-DSP)	60,200	<p>The project to review and update Council's Development Servicing Plan (DSP) was unable to commence until the water infrastructure asset revaluation had been . This was expected to occur in December 2021, however final values were not provided until February 2022. The DSP update project was then commenced with a suitable consultant being selected and the draft DSP being prepared for audit, review and Council adoption. There were some delays in the drafting of the DSP due to Council staff seeking external legal advice. A workshop on the Draft DSP is planned for Councillors in September 2022. The Draft DSP is currently with a third party auditor and will be presented to the October Council meeting for public exhibition with the final DSP being presented to the December 2022 Council meeting for adoption. It is proposed to carryforward the remaining funds to cover existing purchase commitments for the revised DSP plus \$30,000 project contingency.</p>
Hydraulic Capacity Assessment [Distribution Network] (P-HYDRAULIC ASSES)	48,600	<p>This project is for the assessment of the bulk water network to determine its suitability for meeting the future peak demand forecasts, and confirmation of the future capital works program for pipe replacements etc. Delays in the provision of water demand information for future developments in Constituent Council LGA's and challenges with extracting water demand data have caused this project to take longer than what was originally estimated. The water demand information was required for the hydraulic modelling of the bulk water network, which is currently in progress.</p> <p>Funds are already committed to this project with an existing purchase order to be carried forward for this multi-year project implementation.</p>

Operating Project Name	Total (\$) 2022/23	Comments
Project - Mains Swabbing (P-MAINS SWABBING)	185,000	<p>This project has been delayed as there are several limitations on when these works can be carried out. The full Water Operations team needs to be available due to the large number of shut downs, cut ins, and the risk of emergency repairs. This meant that the work could not be carried out during 2022/23 as the team was functionally split into blue/green teams during COVID restrictions. As there is a school on a section of the main, the works also need to be arranged to be carried out outside of school hours. The water supply will need to be interrupted throughout the works, and this main services both the Ballina Heights and the Water Wheels bulk flow meter, the works can also not be carried out during periods of high water demand.</p> <p>The nature of the works involves dechlorinating and discharging large volumes of water into low-lying swamp land in key locations along the main, so the works cannot be carried out when the groundwater table is elevated. Works were initially planned during school holidays in 2020, but heavy rain two weeks before the scheduled date meant that the works could not be completed, with the groundwater table very high, and working surfaces super saturated. The project was then planned during school holidays in 2021/22 when the weather was dry enough to carry out the work, state borders were open, and our teams were not functionally split, but the contractor we had engaged was already committed elsewhere on a major project, and despite their best efforts were not available.</p> <p>Since then issues with the intermittent and unpredictable rainfall associated with the La Nina cycle, heavy rainfall in February 2022, and extreme flooding of the area in March 2022 the groundwater table in the North and Emigrant Creek catchments and floodplain is still elevated. The plan remains to carry out the works as soon as we have a long enough dry period to see a drop in groundwater table giving us storage capacity for discharged water, with contractor and staff availability, outside of peak consumption periods and school times.</p>
Communications Team Support (S-ADMIN)	10,000	<p>Funds to be carried over will be used to provide support to the Communications Team through the continuation of social media content creation and monitoring and content writing during the probationary period of the Communications Business Partner role, up until the end of August 2022.</p> <p>The intention moving forward is to rationalise the use of all communication contract service providers after this period.</p>
Training and Professional Development (S-ADMIN)	50,000	<p>Covid-19 has restricted the ability of the People and Performance team to coordinate training and professional development for all employees over the past 12 months. This was due to restricted travel with border closures, Registered Training Organisations unable to facilitate training, the vaccination status of employees and the recent natural disaster of the flood events in March 2022. This coupled with an increase in recruitment activities, training and professional development were unable to be coordinated or delivered. As last years training did not occur, an increase in the amount of mandatory training for employees will be required in 2022/23.</p> <p>It is proposed to carryover \$50,000 in unspent training funds from 2021/22 and allocate \$12,500 to each Group Manager as a professional development budget for their Groups.</p> <p>Note also that the General Manager has a separate professional development budget allocation.</p>
Wilsons River Source (S-WRS)	11,900	<p>The 2021/22 budget contained a total of \$88,300 – the intention of these funds being allocated was (i) to allow us to conduct further work with private landholders and school sites to allow handback during 2021/22; and (ii) to allow the establishment of a partnership project with the The Casino Food Co-Op (Northern Co-operative Meat Company).</p> <p>In relation to (i), whilst some works have been completed, following the substantial impact of the February/March 2022 floods, it will be important to conduct a follow-up visit in Spring 2022 to address the likely weed response.</p> <p>The project agreement has already been executed in relation to (ii).</p> <p>To meet this overall objective, RCC will conduct follow up bush regeneration and tree planting works on a series of sites within the Wilsons River Tidal Pool sub-catchment that have had previous works undertaken, but require additional post-flood work to bring them to a standard for handover to the landholders.</p>

Operating Project Name	Total (\$) 2022/23	Comments
Grant - Coastal Management Plan Scoping Study (GC-CMP STUDY)	12,600	<p>RCC (on behalf of its constituent councils) is coordinating the conduct of a Scoping Study as the first stage in the preparation of the Richmond River Coastal Management Program (CMP). The purpose of a CMP is to set the long-term strategy for the coordinated management of the coastal zone with a focus on achieving the objects of the CM Act and associated catchment-wide objectives.</p> <p>RCC and its constituent councils have contributed a total of \$50,000 funding to the project, which has been matched 2:1 by the Department of Planning and Environment (DPE) Coast and Estuaries Grant. This provides for a project to the value of \$150,000.</p> <p>This project is currently at the final draft stage, however the DPE has effectively placed the project on hold pending legal advice relating to the scope (this is yet to be received).</p> <p>RCC and its consultants are currently addressing Council/agency comments on the final draft. Subsequent stages that are still to be completed include completion of a public exhibition process, conduct Councilor briefings at 6 Councils and also secure budget endorsement from the same 6 Councils for the Stage 2 investigations. This will take the majority of 2022/23 to complete.</p> <p>A carry forward of expenditure to 2022/23 to allow this project to proceed, and to meet the requirements of our funding agreement (contract) established between RCC and DPE. A grant reinstatement will be required under AASB 1058 and will be included in the September 2022 QBRs.</p>
Coastal Zone Management Plan (P-CZMP)	36,900	<p>In 2021/22, CZMP funds were allocated for the following:</p> <p>Action 6b: Identify priority riparian areas and rehabilitate: These RCC funds are matching funds as part of a successful grant application to the DPI Fish Habitat Action Grant program in 2021/22.</p> <p>Action 4b: Review floodgate management protocols: Conduct of water quality monitoring to support the conduct of a Drainage Options Study at Keith Hall, South Ballina.</p> <p>The project site in relation to Action 6b is in Coraki, and the project partners the Bandjalung Aboriginal Corporation (Native Title Holders for this area), Bogal Local Aboriginal Land Council (LALC), and Richmond Valley Council (RVC) have all been severely impacted by the February and March 2022 floods and have been in no position to be able to progress such a project in recent months. The balance of these CZMP funds are required to be carried forward to allow RCC to honour our matching funds contribution under the grant agreement.</p>
Risk Based Framework - Water Quality Sampling (P-RBF WQ)	29,900	<p>Monitoring of sediment yield from grazing/macadamias: DPE funding to support NSW Government Risk Based Framework: DPE is developing a water quality monitoring program using dataloggers constructed by SCU under the MEMA program to better understand sediment and nutrient loads associated with various sized events comparing different standards of land management within the grazing and macadamia industries. This sampling is also intended to measure past best management practice works (through the MEMA Clean Catchments Program and others) against 'business as usual approaches.' DPE has allocated a total of \$29,905 to enable RCC to assist with the installation of sampling equipment - leveraging the experience gained through the Richmond River Water Quality Monitoring Program (renewal of the datalogger network across the floodplain). This project shall effectively be a fee for service – i.e. DPE would pay for the time spent by staff installing this equipment and associated materials, together with additional analytical support through RWL.</p> <p>These funds are required to be carried forward to allow this work – funded by DPE to proceed in 2022/23.</p>
<b>Total Operating Budget to be Carried Forward</b>	<b>979,600</b>	



**Table 12: Standard Capital Budgets to be Carried Forward**

Capital Project Name	Total (\$) 2022/23	Comments
Upgrade of Broadwater Water Supply. 250mm Water Main from Langs Hill to Broadwater (CE-BROADWATER 150)	10,000	<p>The project construction was unable to commence in 2021/22 due to inclement weather and poor ground conditions. Peak day demand forecasts have recently been updated for the bulk water supply system and the existing system capacity is sufficient to meet current demand and the pipeline upgrade can be deferred for approximately five (5) years. A revised Broadwater water supply strategy report will be prepared for the Leadership Team. Part of the pipeline is in poor condition and there may be some additional costs resulting from the decision to defer this project associated with potential water main breaks. Materials purchased for the project will be stored until the project is commenced.</p> <p>A Building Better Regions Grant application was submitted for part funding of this project however Council is yet to receive an outcome.</p> <p>At the same time Council's peak day forecast was updated and was decreased for Broadwater, allowing the pipeline upgrade project to be deferred by five years which will relieve short term pressure on the capital works budget. It is recommended the project be deferred up to five years with remaining funds from 2021/22 to be returned to reserves. Should the grant application be successful it is proposed to be utilised, subject to grant funding conditions, to construct a 700m section of the Broadwater 250mm pipeline which will replace the oldest, and highest risk of failure, section of the existing Broadwater pipeline.</p> <p>A minor carryforward is requested to cover existing purchasing commitments.</p>
Byron 200/150 - Shelley Rd, Byron Bay. Planning and Design (CE-BYRON200)	20,000	Consultants have been engaged to prepare design plans and documentation. Due to flooding in the Northern Rivers the consultant resources, as agreed with RCC staff, were reallocated to flood recovery assistance for the local Councils. Documentation is expected to be completed in June/July 2022. It is proposed to carryforward these funds to complete the design plans and an environmental assessment.
Chemical Tank Farm Upgrade (CE-CHEM FARM)	40,700	Funds are required to be carried forward to cover existing committed funds for the concept design of the bulk chemical storage facility and to progress the project to a preliminary design stage in 2022/23. There is additional budget in 2022/23 for this project. Further funding of \$75,000 may be required to complete design based on current estimates and will be addressed in a future QBRS if required.
Wyrallah Rd Section - Relocation Works (CE-CORAKI225)	250,000	An assessment of options was completed to determine the preferred approach to replace, relocate or abandon a deteriorated water main north of Wyrallah. The preferred option is to transfer approximately 12 customers to a duplicate pipeline in the area. Customers have been engaged and water relocation agreements have been received from most customers with negotiations ongoing. Further modelling and review work is being undertaken with regard to the long-term water supply strategy for the area, which may affect the preferred option going forward. It is recommended funds are carried forward to progress and complete these works in 2022/23. This project is ranked as a high priority in the project prioritization matrix (No. 10 out of 72 projects).
Emigrant Creek Dam Water Treatment Plant Biologically Activated Carbon (BAC) Replacement and Steel Shell Corrosion Repairs (CE-ECWTP BAC)	368,800	This project was unable to be completed due to delays in contractors and consultants being able to attend site due to COVID restrictions and high demand. The works include replacement of the BAC media, recoating of the BAC internal steel shells and installation of internal pipework for a future air scour upgrade. The media must be removed to complete the internal works. The BAC media has been tested and is recommended for replacement to maintain filter performance and a suitable supplier has been identified. However, the project is awaiting consultant advice on recoating products and methodology and internal resources to progress the planning and implementation. It is recommended that all funds are carried forward.
Emigrant Creek Dam Outlet Pipe Underwater Inspection/Condition Assessment (CE-ECWTP PIPE)	6,700	Design and installation of new removable outlet pipe grate has not been completed due to competing priorities within Council and flood recovery response taking precedence over other works. There were further delays in arranging divers to attend site and inspect the existing grate. The new grate will be designed and fabricated for installation before December 2022. Fabrication of the grate may require additional funding to be sourced from operational budgets.
Fosters Spur Shed (CE-FOSTERS SPUR)	22,700	The shed is to be constructed in an isolated location that is accessible by four (4) wheel drive vehicles only in dry conditions. The work was planned to be completed in 2021/22 however continual wet weather and then the flood events in March 2022 has hindered access to the site.
Solar - Nightcap (CE-GREENHOUSE)	154,600	This project was not completed in 2021/22 due to several competing priorities for the planning and delivery team within Council. This project was assessed as a low priority relative to renewal and repair projects on existing assets. The project was initiated early in 2022 however due to flood impacts in the region, solar contractors were unable to attend the site for several months to inspect the project. The project re-commenced in May/June 2022. It is proposed to carryforward the remaining funds to cover existing purchase commitments for the Nightcap Water Treatment Plant 100kW solar PV installation with additional funds for structural assessments, roof height safety upgrades and electrical switchboard safety upgrades. This is due to be completed in the first half of 2022/23.
Instruments - Emigrant (CE-INSTRUMENTS EC)	8,500	Procurement of replacement instruments was not completed due to interruptions from regional flooding. Instrument replacements will be carried out in 2022/23.
Instruments - Nightcap (CE-INSTRUMENTS NC)	23,000	Procurement of replacement instruments was not completed due to interruptions from regional flooding. Carried over funds will be used to implement additional instrumentation upgrades recommended from the Nightcap Strategic Review. Instrument replacements will be carried out in 2022/23.

Capital Project Name	Total (\$) 2022/23	Comments
IT - Communications (CE-IT COMMS)	100,000	Due to the floods in early 2022 procurement of the replacement telephone system was delayed. Staff are currently working through commercial terms with the preferred vendor. Procurement is expected to be complete in the first quarter of 2022/23.
IT - Computer Fleet (CE-IT COMPUTERS)	30,000	Shortages in the supply of I pads over the COVID-19 pandemic and the floods in early 2022 meant the priority for procuring these items decreased. However, these devices are still required by the operational branch of Council. Procurement is expected to occur in the first quarter of 2022/23.
IT - Microwave Bridge (CE-IT MICROWAVE)	75,000	Microwave bridge renewals were due to be carried out in the first half of 2022. However, due to the March 2022 floods part of these funds were used to install a microwave bridge at the Gallans Road worksite in Ballina to enable it to be used as an office site for staff. The maintenance and replacement work is still due to be carried out.  Note: \$150,200 will be carried over to 2023/24 to complete these project.
IT - Network (CE-IT NETWORK)	69,000	The procurement process for a fibre link at Gallans Road has started and the civil works are due to begin in the first quarter of 2022/23. Payment is not due until the fibre connection is completed.
Nightcap WTP Main Switchboard and PLC Network Replacement - Planning and Preworks (CE-NCWTP PLC SB)	150,600	Multi year project being undertaken by a combination of internal and contract resources. Project has been interrupted with both internal and contract resources responding to recent flood events. Project was recently assessed as a high priority based on the high consequence of no action. Previous carry over funds of \$23k have been used to progress PLC upgrades as part of this project. Additional contract resources have been committed to progressing the design of the switchboard upgrade with aim to issue contract for the construction before the end of 2022/23.
Water Source - Rocky Creek Dam Aerator Replacement (CE-RCD DESTRAT)	327,400	The Project was not completed in 2021/22 due to competing priorities within Council and flood recovery response taking precedence over this and other works. The work is very specialist in nature with a small number of consultants and contractors able to advise and assist, making access to them more difficult and contributing to the delays. The Project remains a medium priority, with the Infrastructure Program Manager appointed as Project Manager, and it is recommended for the budget to be carried forward for completion in 2022/23.
Reservoir Renewals - Decommissioning of Pineapple Rd Res. Renewal of St Helena Reservoir Roof (CE-RESERVOIR)	25,000	An updated cost estimate for the refurbishment of St Helena Reservoir exceeds the available budget. Based on the current condition of the roof, the majority of the works can be deferred for 3 years without significant impact to the assets condition, water quality, safety or asset security. Furthermore, delaying of the project will enable the St Helena 600 pipeline to be constructed which will create options for bypassing the reservoir to undertake the required works which could result in a significant cost saving for this project. It is recommended that \$25,000 is carried forward to cover existing commitments and complete temporary sealing works to address water quality risks. Minor pipework modifications works relating to Pineapple Rd Reservoir can be undertaken from existing operational budgets.
Corrosion Repairs St Helena 525 and Lismore 600 (CE-ST HELENA600/525)	459,300	The project has been impacted by the ongoing wet weather and the floods, but is proceeding well around these issues. The project is tracking to be completed under budget and will enable a small number of other activities to be completed as variations under the Contract. The remaining funds are required to be carried over to cover our contractual commitments.
Engineering Drawing Management System (CE-TDM)	82,600	A technology solution has been selected and the vendor engaged. Project has incurred slippage caused by floods and the required redirection of work efforts. Project is back on track and will be completed in the first half of 2022/23.
Reticulation - General (CE-RETIC)	93,200	This is a contingency budget for the construction of reticulation water mains. Based on initial estimates this will be required to complete the works at Richmond Hill and as such needs to be carried over.
Reticulation Renewal - Richmond Hill: Kahala, Laihaina, Ridgeland Close and Quail Place (CE-RETIC RH)	310,500	Works were unable to be scheduled in first six months of 2022 due to COVID-19 and persistent wet weather. Works are currently planned to commence in August 2022 once the tender process is finalised.  Recent discussions with contractors have suggested that the current budget, including the carry-over of Reticulation-General above, will be insufficient to complete the project
<b>Total Capital Budget to be Carried Forward</b>	<b>2,627,600</b>	



**Table 13: Major Projects Operating Budgets to be Carried Forward**

Operating Project Name	Total (\$) 2022/23	Comments
Consultation on Cultural Heritage Dunoon Dam Council Land (P-FWP2060 CHDCL)	136,400	This budget was originally intended to support the disposal of land originally set aside for the proposed Dunoon Dam. Following the Council decision in February 2022 to undertake cultural heritage and biodiversity investigations into the proposed Dunoon Dam, this budget was reassigned to that activity. Scoping of the investigations has commenced and consultants will be engaged in late 2022 to commence work. Work has also commenced to determine the hydrologic benefits or impacts of the proposed Dunoon Dam. This work will continue into 2022/23.
Indirect Potable Reuse Investigations (P-FWP2060 IPR)	140,000	Throughout 2021/22 a full review of the work done to date was completed internally and a revised approach developed to progress Purified Recycled Water (PRW) activities within the FWP. Scoping for additional PRW investigations was completed and put to tender at the end of 2021/22. The tender is expected to be awarded in the first quarter of 2022/23 and the work is expected to take 12-15 months to complete.  Note: the budget required for 2022/23 is approximately \$400k. It is proposed to carryover \$140k to 2022/23 and allocate \$120k to 2023/24 to reflect the cashflow required for the contract when it is in place.
<b>Total Operating Budget to be Carried Forward</b>	<b>276,400</b>	

**Table 14: Major Projects Capital Budgets to be Carried Forward**

Capital Project Name	Total (\$) 2022/23	Comments
FWP 2060 - Alstonville Groundwater (CE-FWP ALSTON)	1,038,300	Following the decision by Ballina Shire Council not to transfer the Marom Creek Water Treatment Plant (WTP) and associated supply and distribution assets to RCC, Council progressed with work for site selection and concept design for a new treatment plant in the Alstonville area. The site selection process and concept design will conclude early in 2022/23. Following the outcome of the Convery's Lane bore development, work will progress on the Convery's lane bore fit out, as well as progressing planning for additional bore/s, design of the new WTP and survey/design for connecting pipe infrastructure.  Some deferral of the 2022/23 budget to future years is expected and will be addressed in the September 2022 QBRS.
Direct Potable Reuse Pilot Scheme (CE-FWP DPR)	60,000	It is proposed to carry over this budget to future years. This would involve deferring the 2021/22 budget and reducing the 2022/23 budget via the September 2022 QBRS to reflect a revised approach to purified recycled water (PRW). It is expected that planning for the PRW pilot plant will commence in 2023/24 following completion of more detailed investigations into the potential for PRW schemes. These budgets will be re-forecast in the LTFP in the future based on a 2023/24 commencement.  Note: it is proposed to carryover \$60,000 to 2022/23 and allocate \$563,800 to 2023/24.
Woodburn Existing Bores (CE-FWP WEB)	205,900	Initial work was commenced in 2022/23 to determine a concept plan and the requirements to make the existing bore (Bore 3) operational. A grant funding application was also made to the Building Better Regions fund. Advice regarding the outcome of the grant application has been delayed due to the federal election. Some other delays have been experienced due to wet weather and flooding resulting in limited site access and a need to assess infrastructure damage. Work is expected to progress in 2022/23 with the proposal to carry over all of the remaining 2021/22 funds.
Woodburn New Bores (CE-FWP WNB)	846,400	The first stage of the Woodburn New Bores commenced in 2021/22 with consultants engaged to undertake a catchment risk assessment and bore site selection. This work will be completed in early 2022/23. Further work to acquire bore sites and construct new bores and the associated infrastructure will be undertaken in 2022/23. Total funding to be retained as estimated in the forecast FWP calculations.
Gallans Road Workplace Site (CE-GALLANS)	550,300	The consolidated worksite at Gallans Road in Ballina requires significant design and construction works to be undertaken over the next two financial years to be fit for purpose. It is proposed to carryover all the unspent funds over to 2022/23.
St Helena 600 Stage 19 (CE-ST HELENA600 S1)	339,200	Project is complete. Savings to be used for the restoration of landslip in Stage 1 with all remaining funds to roll into Stage 2.
St Helena 600 Stage 2 (CE-ST HELENA600 S2)	3,806,100	Project underway with funds committed. Recent flooding has resulted in project delays and changes to the construction methodology/scope which will result in additional costs. It is anticipated that the current budget surplus will be sufficient to cover these works. A revised project budget will be completed in the first quarter of the 2022/23 once the full extent of required works has been costed. It is planned to return excess funds via the September 2022 QBRS.
Smart Metering Project (CE-S-METERS)	856,400	The Project Manager was appointed in August 2021 and has completed key tasks, project planning and internal consultation to enable an Expression of Interest to be issued in early July 2022. On-ground works for smart metering rollout are planned to commence in the 1st quarter of 2023, following the February 2023 Council meeting, and be substantially completed by 30 June 2023, with the need to extend some funding into 2023/24, depending on weather and other variables. Expenditure to date has been for the Project Manager. The unspent budget needs to be carried forward to allow completion of the works.
Perradenya Cycleway (CE-PERRA CYC)	35,000	Wet weather throughout much of 2021/2022 has resulted in delays to works in the Perradenya Estate. It is proposed to carryforward all unspent funds to 2022/23.
Perradenya Release 7 (CE-PERRA REL 7)	86,800	Wet weather throughout much of 2021/2022 has resulted in delays to works in the Perradenya Estate. It is proposed to carryforward all unspent funds to 2022/23.
Perradenya Whole of Subdivision (CE-PERRA WOS)	20,000	Wet weather throughout much of 2021/2022 has resulted in delays to works in the Perradenya Estate. It is proposed to carryforward all unspent funds to 2022/23.
<b>Total Capital Budget to be Carried Forward</b>	<b>7,844,400</b>	

**Table 15: Deferred Operating Budgets to be Carried Forward**

Operating Project Name	Total (\$) Future Years	Comments
RCC Contribution to a Joint Application to the Australian Research Council Linkage Program (P-ARC)	30,000	<p>In August 2019, Council resolved to support a research application to the Australian Research Council Linkage Program for research on natural flood mitigation measures – a key plank of the Northern Rivers Watershed Initiative. The original extent of this commitment was \$90,000 (3 years of funding at \$30,000 pa).</p> <p>Since the original Council resolution, the core project team has been seeking to build a comprehensive research team and seeking to attract additional local contributions. Lodgement of the application was also delayed by the extensive restructuring process that has taken place in the relevant schools at SCU.</p> <p>The research team has now been confirmed and the research application has been lodged in partnership with UNSW in December 2021. There is yet to be any advice from the ARC as to whether this application has been successful or not.</p> <p>The 2022/23 budget already contains an amount of \$30,000 allocated to this project, therefore it is recommended that the unspent funds be carried forward to 2023/24 to allow RCC to meet our</p>
Intensive Pesticide Sampling Program (P-CMP 20-25 A7)	75,000	<p>Action A7 of the RCC 2020-25 Catchment Management Plan consists of the conduct of an intensive pesticide monitoring program in each catchment to better define risk and provide up to date information. The last intensive program was completed in 2009-2010 (over 10 years ago) and therefore an updated program is necessary to evaluate current risks considering changes in pesticide use and current monitoring techniques and technology.</p> <p>This program requires substantial lead in time as well as financial support from NSW Health to maximise leverage from the RCC investment. In order to provide adequate lead-in time both to prepare an appropriate technical specification as well as to apply for NSW Health funding, it is proposed to carryover and defer this expenditure to 2023/24. This is also more consistent with the capacity of staff to support the project.</p>
Investigate Potentially Harmful Contaminants (P-CMP 20-25 A8)	12,000	<p>Action A8 of the RCC 2020-25 Catchment Management Plan aims to provide information to better assess the risk of catchment pollutants. The Investigation aims to determine the presence and potential impacts of pharmaceuticals, EDCs and PFAS in source water.</p> <p>The risk assessment for the WRS identified that there are known potential sources of these contaminants in the catchment however, to date there has not been any assessment of presence and levels in source water. An investigative study is recommended to provide more information on potential human exposure from drinking water. The last intensive program was completed in 2009-2010 (over 10 years ago) and therefore an updated program is necessary to evaluate current risks considering changes in pesticide use and current monitoring techniques and technology.</p> <p>As with the pesticide investigation, this program requires substantial lead in time as well to maximise leverage from the RCC investment. In order to provide adequate lead-in time both to prepare an appropriate technical specification as well as to apply for NSW EPA funding, it is proposed to carryover and defer this expenditure to 2023/24. This is also more consistent with the capacity of staff to support the project.</p>
<b>Total Operating Budget to be Carried Forward</b>	<b>117,000</b>	

**Table 16: Deferred Capital Budgets to be Carried Forward**

Capital Project Name	Total (\$) Future Years	Comments
Groundwater Land Acquisition (CE-FWP LAND)	520,000	Land acquisition for Woodburn and Alstonville Groundwater sites are dependent on the outcomes of bore and treatment plant site selection processes, and the outcome of the Convery's Lane bore development. These processes will continue early into 2022/23. The proposal is to defer the 2021/22 budget to 2023/24 and reduce the 2022/23 budget via the September 2022 QBRS and re-forecast land acquisition costs in LTFP in the future as more information regarding project timing becomes available.
Tyagarah Groundwater (CE-FWP TYAG)	936,000	Due to impacts of flooding, FWP project delays and staff resourcing, commencement of further investigations into Tyagarah Groundwater Scheme 1 have been rescheduled to commence in 2022/23. The proposal is to defer the 2021/22 funding to 2024/25 and reduce the 2022/23 funding via the September 2022 QBRS to reflect the updated scope of work planned for 2022/23. Funding required for Tyagarah Groundwater will be re-forecast in the LTFP in the future as more information becomes available as investigations progress.
<b>Total Capital Budget to be Carried Forward</b>	<b>1,456,000</b>	

## Governance

- Finance**

All approved carryover requests will be added to Council's Long-Term Financial Plan.

- Legal**

In accordance with section [211](#) of the *Local Government (General) Regulation 2021* (NSW), money cannot be expended unless Council has first approved the expenditure and the budget. Council approval is therefore sought for the proposed carryover works.

## Consultation

The carryover information contained in this report was obtained through submissions from staff across the organisation.

## Conclusion

The Preliminary 2021/22 End of Financial Year Summary report has been prepared to indicate the financial results, subject to any further adjustments. The resulting transfers to and from reserve and proposed carryover works are included, it is recommended that Council approve the preliminary financial results, transfers to and from reserve and carryovers.

## Attachment

1. Rous County Council 2021/22 Capital Works

## Rous County Council 2021/22 Capital Works

Area	Description	Actual 2021	Budget 2021	% Consumed
CE-BROADWATER 150	Broadwater 150 upgrade	235,948	600,000	39%
CE-BUSINESS PAPER	Electronic Business paper	65,746	50,000	131%
CE-BYRON200	Byron 200 - mains renewal	16,686	50,000	33%
CE-CHAMBERS	RW Admin Building	12,195	250,000	5%
CE-CHEM FARM	Chemical Farm	90,819	140,500	65%
CE-CMP	Catchment Management Plan - High Priority Actions	0	5,000	0%
CE-CORAKI225	Coraki 225 - mains renewal	0	250,000	0%
CE-DEPOT	Depot Upgrade	35,000	100,000	35%
CE-DEPOT PRO	Depot procurement	0	50,000	0%
CE-DIAP	Disability Inclusion Action Plan - Priority Action	23,135	78,500	29%
CE-ECD ACCESS	ECD Access	5,909	10,100	59%
CE-ECWTP BAC	Emigrant Creek Water Treatment Plant - BAC	13,216	382,000	3%
CE-ECWTP PIPE	Emigrant Creek Water Treatment Plant - Outlet pipe	3,300	10,000	33%
CE-ECWTP RAW	Emigrant Creek Water Treatment Plant - Raw water	4,414	150,000	3%
CE-FOSTERS SPUR	Fosters Spur Shed	7,320	30,000	24%
CE-FWP ALSTON	Future Water Program - Alstonville groundwater	458,764	520,000	88%
CE-FWP DPR	Future Water Program - DPR pilot scheme	176	624,000	0%
CE-FWP LAND	Future Water Program - Groundwater land acquisition	0	520,000	0%
CE-FWP MAROM	Future Water Program - Marom Creek WTP	55,116	1,040,000	5%
CE-FWP PM	Future Water Program - Project management	580,381	3,054,000	19%
CE-FWP TYAG	Future Water Program - Tyagarah groundwater	0	936,000	0%
CE-FWP WEB	Future Water Program - Woodburn existing bores	2,144	208,000	1%
CE-FWP WLI	Future Water Program - Water loss implementation	18,163	520,000	3%
CE-FWP WNB	Future Water Program - Woodburn new bores	21,608	868,000	2%
CE-GREENHOUSE	Greenhouse Gas Abatement	41,493	200,000	21%
CE-IT NETWORKS	IT Network	0	69,000	0%
CE-IT MICROWAVE	IT Microwave Bridge	19,809	245,000	8%
CE-NCWTP JETTY COR	Nightcap Water Treatment Plant - Jetty Corrosion	6,537	450,000	1%
CE-NCWTP PLC SB	Nightcap Water Treatment Plant - PLC SB Upgrade	70,822	223,000	32%
CE-RCD DESTRAT	Rocky Creek Dam Destratification	14,468	340,000	4%
CE-RESERVOIR	Reservoir Defect Repairs	55,900	300,000	19%
CE-ST HELENA600 S2	St Helena 600 Upgrade - Stage 2	6,512,732	11,695,600	56%
CE-ST HELENA600/525	St Helena 600/525 Elevated Main Corrosion Repairs	298,124	738,800	40%
CE-TDM	Technical Drawing Management	17,430	100,000	17%
CE-TOOLS	Tools & Equipment	0	5,000	0%
CE-UNPLAN DT	Unplanned dams & treatment replacements	0	8,000	0%
CE-VALVE	Valve Renewal	46,759	72,000	65%
F-FLEET	Fleet Capital Purchase	124,771	454,000	27%
CE-FMI FG HR-MR	Flood Mitigation - Floodgates High & Medium Risk	101	22,000	0%
CE-FMI LG	Flood Mitigation - Lifting Gear	1,697	11,000	15%
CE-FMI LI HM	Flood Mitigation - Inspection and Heavy Maintenance	11,066	50,000	22%

Area	Description	Actual 2021	Budget 2021	% Consumed
CE-PERRA CYC	Perradenya – shared footpath/cycle way	0	35,000	0%
CE-PERRA REL7	Perradenya - Release 7	31,736	184,700	17%
CE-PERRA WOS	Perradenya - Whole of Subdivision	15,233	15,300	100%
CE-RURAL PROP	Rural Properties upgrades	0	55,800	0%
CE-RETIC	Reticulation Mains - Various	8,595	519,000	8%
CE-S-METERS	Meter Reading Software	89,610	946,000	9%
CE-RENEWALS	Richmond Water Laboratory - Renewals	0	44,100	0%
CE-WB GIS	GIS Data Capture New System	79	75,000	0%
CE-WB SB FG	Swan Bay Floodgated Pipe	0	25,000	0%
<b>Works in progress</b>		<b>9,035,191</b>	<b>27,354,400</b>	<b>33%</b>

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**Rous County Council 2021/22 Capital Works (Ctd)**

Area	Description	Actual 2021	Budget 2021	% Consumed
CE-BULK	Bulkflow Meters	18,189	25,000	73%
CE-EASEMENT	Easement Creation	9,000	22,000	41%
CE-ECWTP COMM	Emigrant Creek Water Treatment Plant - Communications upgrade	34,682	35,000	99%
CE-ECWTP TANK	Emigrant Creek Water Treatment Plant - Steel tanks	104,147	125,000	83%
CE-GALLANS	Gallans Road - Consolidation of workplace	6,890,465	7,487,500	92%
CE-INSTRUMENTS DIS	Instruments Distribution	4,645	5,000	93%
CE-INSTRUMENTS EC	Instruments Emigrant Creek Water Treatment Plant	11,753	22,000	53%
CE-INSTRUMENTS NC	Instruments Nightcap Water Treatment Plant	1,953	25,000	8%
CE-IT COMMS	IT Communications	71,678	123,500	58%
CE-IT COMPUTERS	IT Computer Fleet	6,706	64,300	10%
CE-IT FUTURE	IT Future Improvements	8,250	10,500	79%
CE-IT SERVERS	IT Servers	66,020	79,000	84%
CE-IT SOFTWARE	IT Software	74,931	75,000	100%
CE-NCWTP DISINF	Nightcap Water Treatment Plant - Disinfection	2,278	3,000	76%
CE-NCWTP SEPTIC	Nightcap Water Treatment Plant - Septic renewal	12,900	15,000	86%
CE-RAW PUMP	Raw Water Pumps	68,687	64,200	107%
CE-ST HELENA600 S1	St Helena 600 Upgrade - Stage 1	680,296	1,019,500	67%
CE-FMI UNPLAN	Flood Mitigation - Unplanned Replacements/Repairs	32,101	33,000	97%
CE-FILLING STATION	Filling Station	24,441	26,200	93%
<b>Works completed</b>		<b>8,123,122</b>	<b>9,259,700</b>	<b>88%</b>

Note: The internal salaries for capitalisation budget allocation have been removed from the above totals. All actual expenditure has been journaled to the appropriate capital projects.