
Preliminary 2022/23 End of Financial Year Summary and Budget Carry Forwards

Responsible Officer: Group Manager Corporate and Commercial (Geoff Ward)

Recommendation

That Council:

1. Receive and note the Preliminary 2022/23 End of Year Financial Summary Report, acknowledging that it is a preliminary summary prior to end of year adjustments and audit.
2. Approve the funds to be carried forward as detailed in Tables 11 - 12 of this report.

Background

This report provides a preliminary overview of the 2022/23 financial performance of the organisation, detailing the cash transfers to and from reserve and identifying the works to be carried forward to the 2023/24 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.

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 2023 quarterly review. The tables summarise the financial performance; accompanying commentary is high level and reflects the preliminary nature of the results.

Whole Organisation

Table 1 shows income and expense for Council. It highlights those preliminary results have generally been better than anticipated with an operating surplus (including capital revenue) of \$4,578,300.

Table 1: Whole Organisation Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	30,540,831	30,127,600	413,231
Capital Income	4,291,917	4,223,000	68,917
Operating Expense	30,254,491	33,221,100	2,966,609
Operating Result (Deficit)	4,578,258	1,129,500	3,448,758
Eliminate Depreciation	7,580,344	7,813,800	(233,456)
Cash Result	12,158,602	8,943,300	3,215,302
Loan Capital Repayment	3,604,564	3,604,600	36
Capital Expense	10,895,589	17,341,000	6,445,411
Transfer to/(from) Reserve	(2,341,551)	(12,002,300)	(9,660,749)
Net Cash Movement	0	0	
Reserve Balance	38,212,549	28,552,000	9,660,549

2022/23 has been a year about resetting priorities and adjusting financial forecasts to better align with current conditions. Council has aimed to get back to business-as-usual conditions post Covid-19 and the 2022 flood events, however, market conditions, pricing of projects and the availability of contractors and staff have impacted services.

Operating revenue has been aided by the increased bulk water price path and success with obtaining grant funds for several projects including the Future Water Program.

Capital income (Section 64 contributions) has again grown slightly as the area experiences an increase in housing developments.

Operating expense was less than forecast by approximately \$2.96 million. This is largely attributable to works planned for contractors and consultants and partly reflected in the carryover requests later in this report.

Capital expense was significantly under budget with various projects not completed in the financial year. A large number of capital works were deferred throughout the year via quarterly budget reviews in order to accommodate the high level of carryovers from the previous year. Later in this report, Council approval is requested to carry the unexpended capital budget forward to the 2023/24 financial year. An assessment of the overall capital works program will be undertaken for the September 2023 quarterly budget review statement with the need to prioritise works and make adjustments in order to set an achievable program for the 2023/24 financial year.

As a result, cash reserves at 30 June 2023 are significantly higher than forecast.

Bulk Water Reporting Unit

Table 2 indicates that overall budget forecasts need refining, with the Reporting Unit achieving a preliminary operating surplus (including capital revenue) of \$5,913,800, which is \$3.13 million better than forecast.

Table 2: Bulk Water Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	23,350,111	23,084,800	265,311
Capital Income	4,291,729	4,223,000	68,729
Operating Expense	21,728,004	24,525,800	2,797,796
Operating Result	5,913,836	2,782,000	3,063,107
Eliminate Depreciation	6,188,731	6,357,300	(168,569)
Cash Result	12,102,567	9,139,300	2,963,267
Loan Capital Expense	3,604,564	3,604,600	36
Capital Expense	9,220,474	12,851,600	3,631,126
Transfer to/(from) Reserve	(722,472)	(7,316,900)	(6,594,428)
Net Cash Movement	0	0	
Reserve Balance	29,420,728	22,826,300	6,594,428

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 \$20.59 million.

Operating expense was approximately \$2.79 million below budget forecast. This predominantly relates to operational savings in specific delayed projects with many of these identified for carry overs.

Capital income derived from section 64 developer contributions (\$4.1 million) slightly exceeded budget expectations.

The significant portion of the unexpended budget in the capital works program will need to be carried forward to the 2023/24 financial year.

The reserve balance of \$29.4 million is better than forecast primarily due to the level of projects to be carried forward.

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 \$48,882.

Table 3: Retail Water Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	3,159,238	3,099,200	60,038
Capital Income	188	0	188
Operating Expense	3,208,308	3,242,200	33,892
Operating Result	(48,882)	(143,000)	93,930
Eliminate Depreciation	259,431	294,600	(35,169)
Cash Result	210,549	151,600	58,761
Capital Expense	519,416	1,604,300	1,084,884
Transfer to/(from) Reserve	(308,867)	(1,452,700)	(1,143,833)
Net Cash Movement	0	0	
Reserve Balance	2,705,133	1,561,300	1,143,833

Operating income exceeded 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 expenditure was slightly below the forecast and is due to small labour savings.

Spending on capital works is significantly below forecast, with Smart Metering (\$142,200) and Reticulation (\$882,000) projects identified for carryover into the 2023/24 financial year.

The reserve is currently in a sound position.

Flood Mitigation Reporting Unit

The Flood Reporting Unit has recorded a preliminary operating loss of \$910,242. It should be noted that depreciation includes the Lismore Levee (approx. \$403,400) and exclusion of this cost reduces the loss to approximately \$506,800.

Table 4: Flood Mitigation Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	1,022,233	1,056,200	(33,967)
Operating Expense	1,932,476	1,807,800	(124,676)
Operating Result	(910,242)	(751,600)	(158,642)
Eliminate Depreciation	748,316	695,300	53,016
Cash Result	(161,926)	(56,300)	(105,626)
Capital Expense	134,565	1,596,700	1,462,135
Transfer to/(from) Reserve	(296,491)	(1,653,000)	1,356,509
Net Cash Movement	0	0	
Reserve Balance	815,409	(541,100)	1,356,509

Operating income relies heavily on grant funding and is slightly below budget.

Operating expenditure exceeded budget by \$124,676 due to flood works completed in the last quarter of 2022/2023 and a loss on disposal of assets of \$84,000.

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 reporting unit holds limited cash reserves of approximately \$815,409. The forecasts allowed for capital expenditure on the Lismore Levee of \$1.3M. This expenditure will now be incurred in the 2023/24 financial year. The expenditure will be funded by grant funding which has not yet been included in the budget. This timing issue is the reason for the forecast cash reserve being negative and is not a realistic outcome as the funds will be received prior to the expenditure occurring.

Weed Biosecurity Reporting Unit

The Weed Biosecurity Reporting Unit has recorded a preliminary operating surplus of \$548 which is an improved result compared to the forecast.

Table 5: Weed Biosecurity Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	2,319,391	2,202,500	116,891
Operating Expense	2,318,843	2,664,500	345,657
Operating Result	548	(462,000)	462,548
Eliminate Depreciation	29,358	30,500	(1,142)
Cash Result	29,906	(431,500)	461,406
Capital Expense	37,103	70,500	33,397
Transfer to/(from) Reserve	(7,196)	(502,000)	494,804
Net Cash Movement	0	0	
Reserve Balance	2,596,604	2,101,800	494,804

Operating income is above forecast by \$116,891 mainly due to grant funding that was received in the last quarter of 2022/23. Operating expense was approximately \$345,657 below the budget forecast. This relates to several grant funded projects that are ongoing into 2023/24.

Capital works came in under budget and the savings have been surrendered to reserves. The reserve balance of \$2.59 million represents a strong position with further works planned for 2023/24 from the available funds.

Richmond Water Laboratories (RWL) Reporting Unit

Table 6 depicts the RWL preliminary operating result is a \$229,697 deficit.

Table 6: Richmond Water Laboratories Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	271,488	271,500	(12)
Operating Expense	501,185	503,800	2,615
Operating Result	(229,697)	(232,300)	2,603
Eliminate Depreciation	3,389	3,500	(111)
Cash Result	(226,308)	(228,800)	2,492
			0
Capital Expense	0	0	0
Transfer to/(from) Reserve	226,308	(228,800)	455,108
Net Cash Movement	0	0	
Reserve Balance	35,992	33,500	2,492

Operating income and expenditure were closely aligned to the revised budget as RWL operations were closed during the year.

No capital expenditure was incurred during the 2022/23 financial year. The reserve balance of \$35,992 will be transferred to unrestricted cash reserves.

Property Reporting Unit

A loss of \$182,129 is the preliminary result shown in Table 7. It is important to note that operating expense includes Perradenya maintenance of approximately \$48,600.

Table 7: Property Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	181,036	163,500	17,536
Capital Income	0	0	0
Operating Expense	363,166	397,600	34,435
Operating Result	(182,129)	(234,100)	51,971
Eliminate Depreciation	49,013	42,600	6,413
Cash Result	(133,116)	(191,500)	58,384
Capital Expense	230,093	310,000	79,907
Transfer to/(from) Reserve	(363,210)	(501,500)	138,290
Net Cash Movement	0	0	
Reserve Balance	1,547,690	1,409,400	138,290

Operating income was close to the forecast budget and consists of rental income from leased properties.

Operating expenditure was also 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.

The reserve balance of ~\$1.54 million is better than forecast.

Fleet Reporting Unit

Fleet operations generated an operating surplus of \$34,825 as per Table 8 with expenses under budget. A cash surplus of \$336,930 was achieved once depreciation is eliminated.

Table 8: Fleet Preliminary Financial Results for 2022/2023

	2022/23 Actual \$	2022/23 Estimated March Review \$	Variance \$
Operating Income	237,334	249,900	(12,566)
Operating Expense	202,510	79,400	(123,110)
Operating Result	34,825	170,500	(135,675)
Eliminate Depreciation	302,105	390,000	(87,895)
Cash Result	336,930	560,500	(223,570)
Capital Expense (Net of Trade-In)	753,938	907,900	153,962
Transfer to/(from) Reserve	(417,008)	(347,400)	(69,608)
Net Cash Movement	0	0	
Reserve Balance	1,091,192	1,160,800	(69,608)

Operating income is made up of staff contributions for private lease vehicles, interest revenue and a one-off insurance claim received 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.

Operating expenses were significantly under budget by \$123,110. Most of the difference relates to fuel expenses and staff salaries and these costs will need to be reassessed for the 2023/24 financial year.

A significant investment in replacing fleet assets has resulted in a net expenditure of \$753,938 as staff replace items damaged by the 2022 flood events and as part of the normal replacement program.

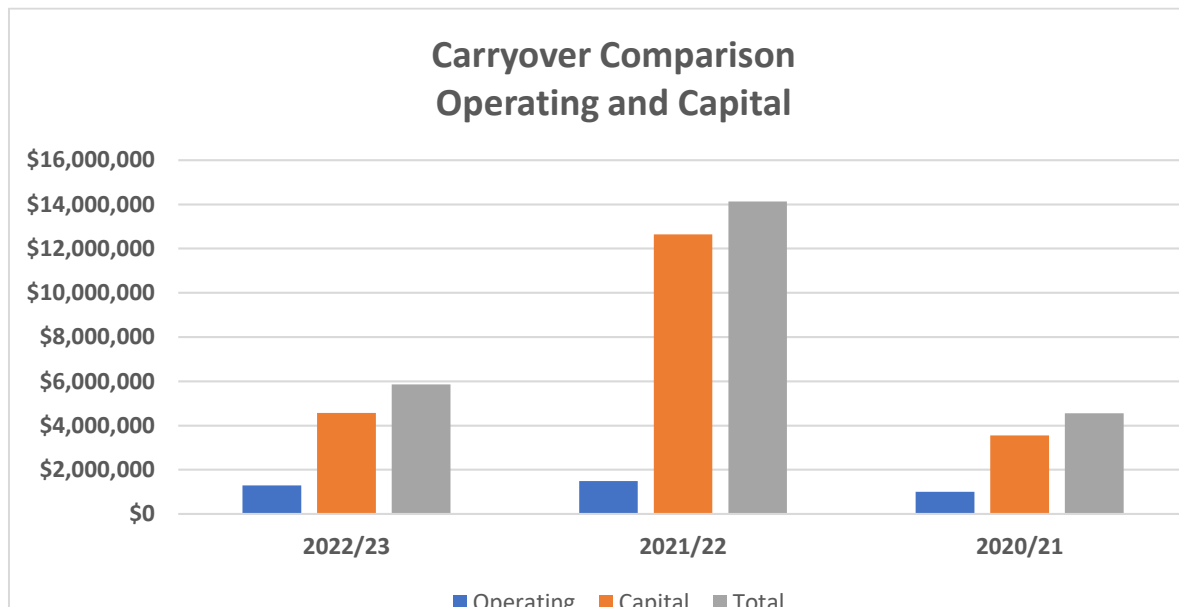
The reserve balance of \$1,091,192 is considered adequate.

Works Carried Forward

This section of the report identifies those unexpended budgets that require being rolled forward to the 2023/24 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 2022/23 total \$5,853,500 which is a significant decrease on the previous year; 2021/22 totalled \$14,135,000 and 2020/21 totalled \$4,552,800 as per Table 9 below.

Table 9: Carryover Comparison – Operating and Capital



These carryovers predominantly relate to the Bulk Water Reporting Unit (54.7%), the Retail Water Reporting Unit (17.5%) and the Flood Mitigation Reporting Unit (25.4%). It is important to note that the carryover amounts are significantly impacted by the Future Water Program 2060 (FWP 2060), St Helena 600mm Main Renewal (St Helena), Smart Metering/Backflow and Lismore Levee projects. When these projects are removed the carryovers total; 2022/23 \$2,995,500, 2021/22 \$5,422,900 and 2020/21 \$2,156,300. This is displayed in Table 10 below.

Table 10: Carryover Comparison – Operating and Capital (Excluding FWP 2060, St Helena, Smart Metering/Backflow and Lismore Levee)

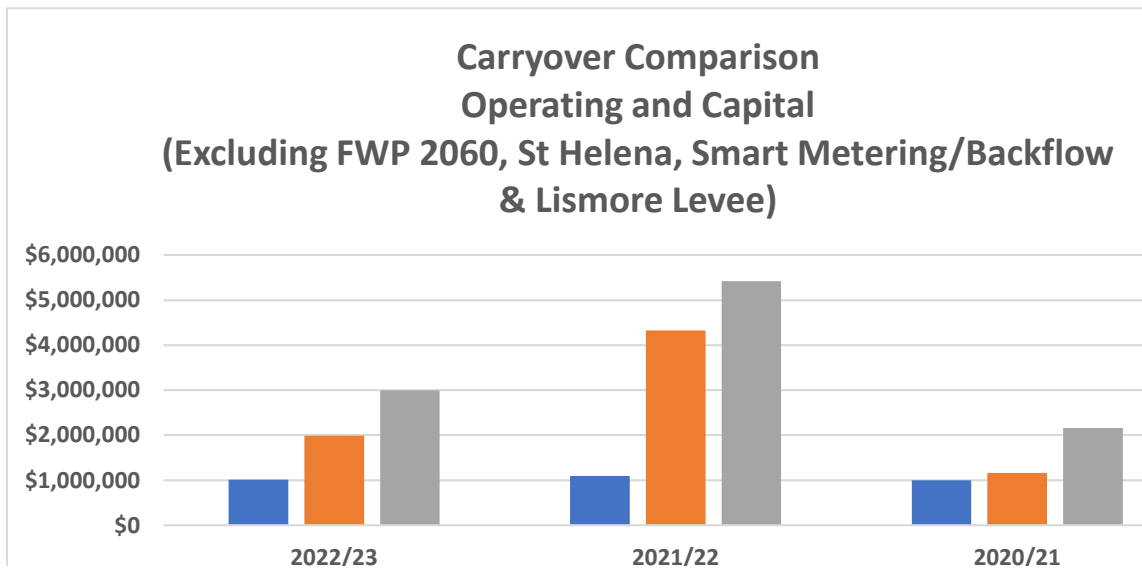


Table 11: Operating Budgets to be Carried Forward

Operating Project Name	Total (\$) 2023/2024	Status	Comments
RCC Branding & Marketing (S-ADMIN)	104,000	Underway	This project will redevelop branding assets (logos, signage, collateral, etc) and implement the subsequent marketing strategy. This project was delayed due to other competing priorities in the 2022/23 FYR.
Ballina 375 Mains Swabbing (P-MAINS SWABBING)	120,000	Underway	Water main cleaning works were unable to be completed during the 2022/23 FYR as there are several limitations on when these works can take place. The works commenced during the July school holidays to limit disruption to customers (including a primary school) and are ongoing.
Review of RCC Development Control Guidance - Drinking Water Catchments (P-CMP)	21,000	Reduced current year budget to offset	A Contractor has been engaged to commence work on: 1) Action A2: OSSM System Planning and Policy Review 2) Action A3: Development Planning and Policy Review. This work commenced in April 2023 and is expected to be completed during the 2023 calendar year. Quotations will be sought in the first half of 2024 and specialist expertise will be engaged in July 2024 to complete this work. The remaining funds are required to carry out this project in the 2023/24 FYR.
Catchment Water Quality Monitoring Program (P-CMP 20-25 A5)	3,300	Reduced current year budget to offset	A contractor has been engaged 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. The remaining funds are required to finalise the contract.
EC River Reach Plan Audit (P-CMP 20-25 EC19)	14,100	Reduced current year budget to offset	Some key tasks have been completed as part of the Emigrant Creek River Reach Plan audit. However, work remains to be completed, including finalisation of the new River Reach Plan and preparation of the Property Site Action Plans for the identified priority locations. The remaining funds are required to complete this work so that RCC can proceed to the on-ground implementation phase.
EC River Reach Plan Extension (P-CMP 20-25 EC20)	54,200	Reduced current year budget to offset	The Emigrant Creek River Reach Plan and associated Property Site Action Plans are in the process of finalisation (see above). This has allowed commencement of the on-ground works stage of this multi-year project to improve the condition of riparian buffer zones and adjacent lands for greater buffering and protection of drinking water sources. Funds are required to be carried forward to allow implementation of the Property Site Action Plans through both completion of existing contracts and the engagement of additional contractors for the on-ground work phase.
WRS River Reach Plan Audit (P-CMP 20-25 WR15)	3,300	Reduced current year budget to offset	Audits of the Wilsons River Reach Plan existing and new sites have been completed and preparation of the Property Site Action Plans is underway. The remaining funds are required to finalise the so that RCC can proceed to the on-ground implementation phase.
WRS River Reach Plan Extension (P-CMP 20-25 WR16)	9,900	Reduced current year budget to offset	The Wilsons River Reach Plan and associated Property Site Action Plans are in the process of finalisation (see above). This has allowed commencement of the on-ground works stage of this multi-year project to improve the condition of riparian buffer zones and adjacent lands for greater buffering and protection of drinking water sources. Funds are required to be carried forward to allow implementation of the Property Site Action Plans through the engagement of bush regeneration contractors for the on-ground work phase.
Reconciliation Action Plan (P-RAP)	26,000	Underway	The Reconciliation Liaison Officer (RLO) was employed by Council in February 2022. Following the devastating floods of February and March 2022, the range of partnerships able to be facilitated with key stakeholders has been impacted due to the necessary focus of those organisations on flood recovery and community support. Accordingly, the 2022/23 FYR budget was underspent. RCC has been working with key stakeholders to develop an outline of a Level 3 cultural awareness training program. It is proposed to carryover the unspent funds from the 2022/23 FYR budget to combine with the 2023/24 FYR budget to allow this work to be completed. A local Contractor, with skills and expertise in education for adults has been awarded the work and is underway.
Employee Self Service Application (P-IT ESS)	9,000	Underway	Work on this project to re-install and reconfigure the existing Employee Self Service application started late into the 2022/23 FYR. Funds are required to be carried forward to complete this project in the 2023/24 FYR.
DM Standard Metering Policy (P-DM DMR2)	25,000	Underway	This project, to implement a standard metering policy across the Rous network, is part of the Data Collection, Monitoring and Reporting section of the Rous Regional Demand Management Plan. Hydrosphere Consulting have been appointed and commenced work on this project in June 2023. Funds are required to be carried forward to complete this project by December 2023.
DM Standard Definitions of Connection Types (P-DM DMR1)	35,000	Underway	This project, to implement standard definitions of connection types across the Rous network, is part of the Data Collection, Monitoring and Reporting section of the Rous Regional Demand Management Plan. Hydrosphere Consulting have been appointed and commenced work on this project in June 2023. Funds are required to be carried forward to complete this project by December 2023.

Operating Project Name	Total (\$) 2023/2024	Status	Comments
DM Sustainable Water Partners Program (P-DM SWPP)	21,800	Committed	This program, assisting non-residential customers to improve water efficiency and reduce water/sewer bills, is part of the Rous Regional Demand Management Plan. The remaining budget for the 2022/23 FYR is required to be carried forward to cover committed funds, including \$5,000 to sponsor Water Night and a rebate of \$18,000 waiting to be paid for completed works by Reflections Holiday Parks. Additional funds are available in the 2023/24 SWPP budget to cover the balance of the rebate.
Dam Safety Management System (P-DSMS)	315,100	Partially committed; balance required	This budget is required for multi-financial year projects. The majority of the unspent funds are committed to existing contracts, including with Stantec Australia and Engeny Water Management, and need to be carried forward for the completion of the current risk assessments and the safety review for Emigrant Creek Dam, the consequence category assessment for Rocky Creek Dam, and updating of the operation and maintenance plans for both RCC's declared dams. The remaining uncommitted funds are required to be carried forward for part funding of the geotechnical investigations for Emigrant Creek Dam.
Renewable Energy and Emissions Reduction Plan (P-REERP)	3,300	Underway	The project scope for the Renewable Energy and Emissions Reduction Plan has been extended to include consideration of Rous's bush regeneration planting areas. Any remaining funds are required to be carried forward to complete this work in the 2023/24 FYR.
Demand Forecast (P-FWP2060)	41,400	Intentionally deferred	The demand forecast RFQ has been prepared, however has been delayed to the 2023/24 FYR to meet workload demands of staff.
Drought Management Review (P-DROUGHT REVIEW)	19,800	Underway	A consultant has now been appointed and this work has commenced and will carry over into the 2023/24 FYR. These funds will be required to be carried forward to cover this existing commitment.
Dunoon Dam Investigations (P-FWP2060 DDI)	70,700	Not started but required	The commencement of the cultural heritage and biodiversity assessments has been delayed by staffing constraints and an enhanced consultation model that now includes the Reconciliation Action Plan Advisory Group. Cost estimates indicate the need for these funds to be carried over to the 2023/24 FYR, when this work will be undertaken.
Emergency Desalination Investigations (P-FWP2060 EDI)	60,000	Underway	The RFQ has now been completed and the successful consultant appointed. The work commenced in July 2023 so these funds will be required to support this work in in the 2023/24 FYR.
Indirect Potable Reuse Water Investigations (P-FWP2060 IPR)	86,600	Underway	This multi-year project is continuing into the 2023/24 FYR. The residual funds from the 2022/23 FYR budget are committed for assessments being undertaken by Tyr Group, which will be completed in the 2023/24 FYR.
Engineering Document Management System (P-EDMS)	10,000	Committed	These funds are required to be carried forward and further develop the EDMS Database.
Grant - Fish Habitat Action (Coraki Riparian Project) (GC-FISH HABITAT)	42,300	Grant restricted	RCC has successfully secured DPI Fish Habitat Action Grant funding for riparian works at Coraki. A Site Action Plan has been prepared for the riparian area north and south of Coraki village. Our project partners were all severely impacted by the February and March 2022 floods. Formal agreements have been established with stakeholders allowing commencement in the 2022/23 FYR. Carry forward of the remaining funds to the 2023/24 FYR is required to allow us to meet our commitments to this grant agreement with NSW Fisheries and to allow the contract for these works to be completed.
Grant - Richmond River Water Quality Monitoring (GC-WQM)	29,700	Grant restricted	SCU have been engaged in a multi-year contract to design, build and operate water quality data loggers within the Richmond River Estuary. The data loggers suffered extensive damage during the 2022 floods and require major repair/replacement. SCU has installed lower-specification temporary data loggers as an interim step whilst replacement is being considered as part of insurance claims. The project has been extended by 2 years due to these delays. Funds are required to be carried forward to allow ongoing data collection as part of the extended SCU contract.
Strategic Flood Review (GC-PACL STRATEGIC FL)	50,000	Grant restricted	This project extends over several financial years. Unspent budget from the 2022/23 FYR is required to be carried forward to allow completion of work in the 2023/24 FYR.
Grant - Early Needs Weed Management Project (GC-ENWMP)	59,000	Grant restricted	The first year of the Early Needs Weeds Management Project resulted in some excellent achievements with regards to community engagement and the development and distribution of extension materials. The major difficulty in the first year of the project has been access to flood impacted areas and availability of qualified weed control contractors. As on ground conditions improve, we will need these carryover funds to employ contractors to complete on-ground weed control works.

Operating Project Name	Total (\$) 2023/2024	Status	Comments
Grant - Miconia Project (GC-MICONIA)	54,500	Grant restricted	Achieving the required on-ground works for the Miconia project proved challenging because access to all project sites was impacted by the 2022 floods. As conditions improved throughout the year, teams were able to recommence on-ground works. Carryover funds will be required to continue the project and to complete project targets.
Total Operating Budget to be Carried Forward	1,289,000		

Table 12: Capital Budgets to be Carried Forward

Capital Project Name	Total (\$) 2023/2024	Status	Comments
Rural Properties Roof (CE-RURAL PROP)	29,000	Committed	The required replacement of the roof at 287 Frasers Road is being managed by Council's property managers. Quotes have been sought and a roofing contractor was engaged in March 2023, with the work initially expected to be completed before the end of the 2022/23 FYR. This has been delayed however due to the contractor's availability and it is now required to carry forward the \$29,000 budget to complete the process early in the 2023/24 FYR..
Rocky Creek Dam Drainage Channel (CE-RCD DRAIN)	12,000	Underway	This project to install a diversion drain at Rocky Creek Dam to redirect water run-off prior to the crest of the dam is ongoing and will be finished in the 2023/24 FYR.
NCWTP Wastewater (CE-NCWTP WASTE)	58,300	Committed	Work on the waste plant daff chain and associated fittings is carrying over to 2023/24 FYR as the chain and components have a long lead time, being sea-freighted from Germany. The expected delivery to site is July 2023. Funds will also be used to progress design options for sludge storage and handling upgrades at Nightcap WTP. Quotes were sought from consultants in May 2023 to undertake an options investigation but submissions received did not represent value for money. Therefore, carryover funds will instead be used to undertake investigations using internal staff.
Two Way Radio Upgrade (CE-TWO WAY RADIOS)	70,000	Underway	This work to extend coverage of Rous' Digital Mobile Radio system is carrying over to the 2023/24 FYR as the contractor was waiting for components to arrive. Components have arrived and work is currently being executed and is due for completion early in the 2023/24 FYR.
Water Loss Implementation Program (CE-FWP WLI)	23,500	Underway with supply chain issues	While much of the planning and procurement for this program was carried out as scheduled in the 2022/23 FYR, there was a delay in receiving St Helena 525mm Flowmeter due to factory supply issues and because this meter is not a standard lay length and required purpose-sizing for manufacture. Funds are required to be carried forward for expected delivery and invoicing early in the 2023/24 FYR.
Bulk Meter Replacement Program (CE-BULK)	3,900	Committed	This project allocates funds to replace bulk meters to meet NSW Government metering requirements. The remaining funds from the 2022/23 FYR budget are required to be carried forward to cover an outstanding order for Lansons Trading to install a telemetry device.
Nightcap WTP Bulk Chemical Storage Upgrade (CE-CHEM FARM)	136,100	Not started but required	Preliminary design of the Nightcap WTP Bulk Chemical Storage Upgrade was unable to be completed within the 2022/23 FYR due to re-allocation of key project resources to flood recovery works which were considered higher priority. The design work is now scheduled to be completed before the end of the 2023 calendar year with procurement activities to commence in early 2024 and construction works planned to commence in the 2024/25 FYR.
Coraki 225 - Mains Renewal (CE-CORAKI225)	20,000	Not started but required	In addition to an assessment of options to determine the preferred approach to replace, relocate or abandon a deteriorated water main north of Wyrallah, further modelling and review work was undertaken with regard to the long-term water supply strategy for the area. A carryover of funds is required to complete this options assessment in July/August 2023, finalise the options investigations and progress into the detail design stage.
NCWTP Stairs and Corrosion Repairs (CE-NCWTP STAIRS)	125,000	Committed	There are two separate portions to this project at NCWTP. The first, new stairs and walkways in the pipe gallery, has experienced manufacturing delays (hot dip galvanizing), with completion and invoicing now expected early in the 2023/24 FYR. The second, specialised pipework corrosion repairs, has been delayed due to the availability of the contractor involved. Therefore, the budget needs to be carried forward for project completion in the 2023/24 FYR.
ECWTP BAC Media Replacement and Repainting (CE-ECWTP BAC)	127,300	Underway	Works to replace media, install air scour modifications and repaint the internals of the ECWTP BAC tanks have been progressing well and have been managed using a combination of sub-contractors and internal labour. Commencement of works was delayed until winter to avoid having the treatment plant offline during high demand summer period. Further delays have been experienced on the job including late changes to painting specifications, tanks out of level and general limited availability of contractors. Works are expected to be finalised by the end of August 2023.
Ross St 375 Upgrade (CE-ROSS ST 375)	98,700	Underway	Water main replacement works were originally planned to be completed in June 2023, however due to long lead times on pipe and fittings and contractor availability works are now planned for July 2023.
Reservoir Defect Repairs (CE-RESERVOIR)	23,300	Committed	A specialist contractor has inspected the St Helena reservoir, however has yet to provide pricing to complete minor roof repairs due to their limited availability. Staff are investigating alternative options.
St Helena 600/525 Elevated Main Corrosion Repairs (CE-ST HELENA600/525)	169,900	Underway	Final corrosion repair works were delayed due to weather and other commitments of the contractor. Remaining funds are required to be carried forward to cover remaining works now expected to be finalised in July.

Capital Project Name	Total (\$) 2023/2024	Status	Comments
FWP - Alstonville Groundwater (CE-FWP ALSTON)	45,800	Committed	This work is continuing into the 2023/24 FYR and the remaining budget is required to be carried forward to cover committed orders for design work being undertaken by Planit Consulting and Ingen Consulting engineers for both the Alstonville and Woodburn groundwater schemes.
Woodburn Existing Bores (CE-FWP WEB)	104,500	Committed	This work is ongoing into the 2023/24 FYR and funds are required to be carried forward to cover committed orders for additional engineering support, which has been sourced from Planit Consulting and Ingen Consulting to assist in the design work and in overseeing the on-ground works.
Woodburn New Bores (CE-FWP WNB)	156,500	Committed	This work is ongoing into the 2023/24 FYR and funds are required to be carried forward to cover committed orders for additional engineering support, which has been sourced from Planit Consulting and Ingen Consulting to assist in the design work and in overseeing the on-ground works.
Instrument Replacements at Emigrant Creek WTP (CE-INSTRUMENTS EC)	9,700	Committed with supply chain issues	As part of the 5 yearly Drinking Water Management System review, it was recommended that individual turbidity analysers be installed to the 3x UF membrane skids. The turbidity analysers have been on backorder for some months and will be installed in the 2023/24 FYR.
Instrument Replacements at Nightcap WTP (CE-INSTRUMENTS NC)	25,700	Not started but required	Remaining funds will be used to undertake further work to validate performance of the ozone system to be able to claim health based target log reduction values as outlined in the Australian Drinking Water Guidelines.
Main Electrical Switchboard Upgrade Project at Nightcap WTP (CE-NCWTP PLC SB)	36,300	Carry forward and reassess in Sep QBRs based on resourcing	This is a multi-year project. The contract has been awarded for structural aluminium work. Further work under this project includes construction of access platforms, a new switchroom, control upgrades for DAF saturators and supply and installation of electrical switchboards. Carryover funds will be combined with other budgeted funds for the 2023/24 FYR.
Purchase and Code Update for RTU Upgrades (CE-TELEMETRY)	19,800	Committed with supply chain issues	This is a staged replacement program to upgrade the RTU controllers to the latest model to ensure ongoing operation of the telemetry system. The new 474 RTU's are still on backorder. Remaining funds will be used for undertaking site installation and commissioning.
Lismore 900 Erosion Repairs (CE-LISMORE 900)	70,000	Underway	These urgent works were identified late in the 2022/23 FYR and a scope of works and contractor engagements are being completed with a view to complete the works in August 2023
St Helena 600 Augmentation (CE-ST HELENA600 S2)	807,000	Committed	This multi-year project is almost completed with some available funds required to complete works including; \$317,000 required to complete contract, \$240,000 withholding for completion amount, \$250,000 for easement matters, consultant engineer, restoration and revegetation projects.
Reticulation Mains - Grace Road (CE-RETIC GRACE)	342,200	Committed	Tenders closed in June 2023 and the contract was awarded in July. Funds are required to be carried forward and combined with funding in the 2023/24 FYR to deliver the project.
Reticulation Mains - Richmond Hill (CE-RETIC RH)	539,800	Committed	A contract for the pipeline construction in Richmond Hill has been awarded to Ledonne, however the commencement of works was delayed due to limited contractor availability attending to other Rous priority works. Works have now commenced on-site and funds will need to be carried forward to continue this project in the 2023/24 FYR.
Smart Metering (CE-S-METERS)	142,200	Committed	This is a planned multi-year project. The contract was awarded in the 2022/23 FYR and on-ground works for smart metering rollout have commenced. The unspent budget is required to be carried forward to allow management and completion of the contract in the 2023/24 FYR.
Reinstatement of Lismore Levee following 2022 Flood Events. (GC-LISMORE LEVEE)	1,300,000	Committed	This budget is for the cost of work to reinstate the Lismore Levee by Lismore City Council to be recovered through Disaster Recovery Funding Arrangements. Claim to be submitted in July 2023. Note: the budget represents the expenditure on this project only. Matching funding of \$1.3M will be received prior to payment and will be reflected in the next budget update once an agreement is signed.
Flood Mitigation Assets (CE-FMI LG) (CE-FMI FG MR) (CE-FMI LI HM) (CE-FMI UNPLAN)	68,000	Not started but required	Unspent funds in several Flood Mitigation Infrastructure budgets are required to be carried forward to cover existing purchase commitments for several projects, including Lifting Gear and Levee Maintenance. RCC has engaged a contractor for the complex and lengthy maintenance of lifting gear. Removing this major piece of infrastructure from the floodgate structure can only occur at the driest time of year so that there is little impact on the structure's flood mitigation function. Completion is expected in early August 2023. The Bungawalbyn Levee sustained significant damage in the 2022 flood event and RCC has engaged contractors to undertake assessments of bank stability which are required to access external funding for bank stabilisation works through NSW Disaster Recovery Funding Arrangements.
Total Capital Budget to be Carried Forward	4,564,500		

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 2022/23 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.