
Preliminary 2023/24 End of Financial Year Summary and Budget Carry Forwards

Responsible Officer: Group Manager Organisational Services (Helen McNeil)

Recommendation

That Council:

1. Receive and note the Preliminary 2023/24 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 2 - 5 of this report.

Background

This report provides a preliminary overview of the 2023/24 financial performance of the organisation and identifies the works to be carried forward to the 2024/25 financial year.

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.

The carryovers for 2024/25 are significant in value and represent the scope of works planned in the Long-Term Financial Plan. The impact of these budget changes is currently being addressed by staff and will lead to revisions in the Quarterly Budget Review Statement for the period ending 30 September 2024. It should be noted that large, multi-year projects such as the Future Water Program, Gallans Road Precinct and Smart Metering and Backflow have had a significant impact on the carryovers proposed and that most of the changes relate to timing issues rather than overall changes.

End of Year Financial Summary

The End of Year financial summary is presented for the organisation. Actual income and expenditure are compared to the budget estimates as at Quarterly Budget Review Statement for the quarter ending 31 March 2024.

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 of \$2,468,544.

Table 1: Whole Organisation Preliminary Financial Results for 2023/24

	2023/24 Actual	2023/24 Estimated	Variance
	\$	March Review	\$
		\$	
Operating Income	32,654,703	31,831,900	822,803
Capital Income	4,381,893	7,668,600	-3,286,707
Operating Expense	36,155,052	39,844,500	-3,689,448
Operating Result (Deficit)	881,544	-344,000	1,225,544
Eliminate Depreciation	8,182,325	8,305,100	-122,775
Cash Result	9,063,869	7,961,100	1,102,769
Loan Capital Repayment	3,825,355	3,825,400	45
Capital Expense	10,803,499	20,265,300	9,461,801
Transfer to/(from) Reserve	-5,564,985	-16,129,600	10,564,615
Net Cash Movement	0	0	0
Reserve Balance	34,210,667	21,642,000	12,568,667

Major Movements in Overall Results

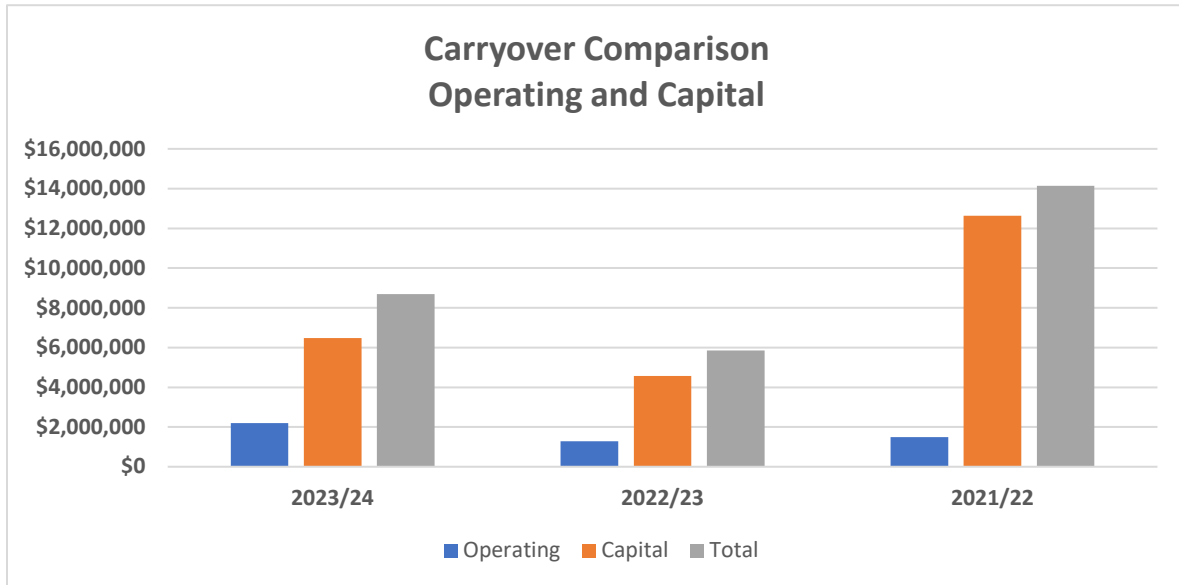
- Operating Income – a favourable result due predominantly to increased interest revenue.
- Capital Income – an unfavourable result due to a significant reduction in Section 64 contributions received from Constituent Councils and capital grant funding.
- Operating Expense – a favourable result due to lower-than-expected electricity costs and unspent contractor and consultant funds. This will impact the 2024/25 budget with several requests for these budgets to be carried over.
- Depreciation – a favourable result. This is a minor variance and is due to the difficult nature of accurately predicting depreciation.
- Capital Expenditure – a favourable result due to the timing of spending of major projects. Again, this will impact the 2024/25 budget with several requests for these budgets to be carried over.
- Cash Reserves – a favourable result due to reduced operating expenditure and unspent capital works program funds.

Works Carried Forward

This section of the report identifies those unexpended budgets that are largely committed and need to be rolled forward to the 2024/25 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.

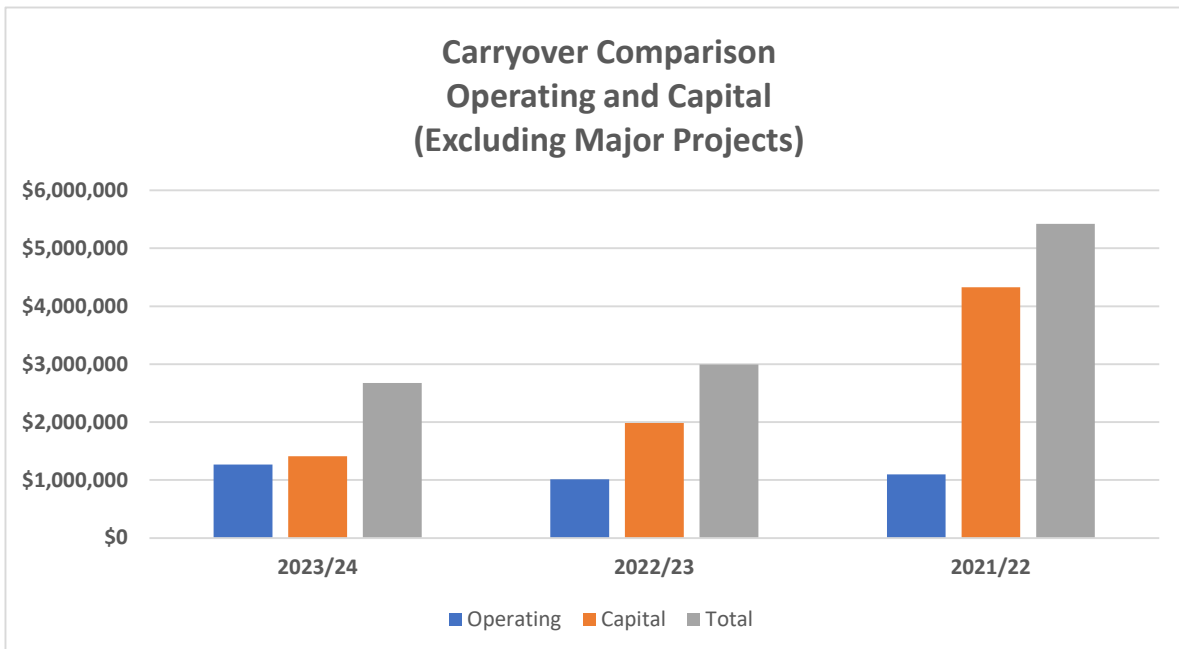
The proposed carryovers from 2023/24 total \$8,686,000. Table 2 compares previous carryover values; 2023/24 carryovers are an increase on the previous year; 2022/23 totalled \$5,853,500. The carryovers are less than 2021/22, at \$14,135,000, this year was particularly high due to the flood event.

Table 2: Carryover Comparison – Operating and Capital



These carryovers predominantly relate to the Bulk Water Reporting Unit (77.2%) and the Retail Water Reporting Unit (15.5%). It is important to note that the carryover amounts are significantly impacted by major projects including the Future Water Program 2060 (FWP 2060), Gallans Road Precinct, Smart Metering/Backflow, Digital Transformation and Perradenya. When these projects (and some other major projects from prior years) are removed the carryovers total; 2023/24 \$2,676,300, 2022/23 \$2,995,500 and 2021/22 \$5,422,900. This is displayed in Table 3 below.

Table 3: Carryover Comparison – Operating and Capital (Not Including Major Projects)



The following key is provided for reference to Tables 4 and 5 below.

Status	Description
Committed	Purchase orders have been opened or contracts signed for these projects, however they are yet to begin.
Intentionally deferred	These projects have been deliberately deferred for a variety of reasons.
Underway	These projects have commenced but are not yet completed.
Statutory requirement	These projects relate to legislative requirements that Council is required to complete.
Grant restricted	These projects are funded through grant revenue and are required to complete the projects to satisfy the funding body requirements.

Table 4: Operating Budgets to be Carried Forward

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Enterprise Risk Management (S-ADMIN)	60,000	Committed	The consultant phase of the Enterprise Risk Management program was delayed slightly in order to coordinate with the Transformation and Strategy team, which will be involved in integrating the program into the strategic process roadmap. A vendor has been chosen and it is now expected that the implementation of the chosen software will take place between August and December 2024.
Branding and Marketing (S-ADMIN)	110,000	Intentionally deferred	Several branding and marketing projects have been identified to be better aligned with the timing of Council's relocation to Ballina and are now scheduled for later in 2024 and early 2025.
Health and Wellbeing (P-HEALTH & WELLBEING)	9,800	Underway	This program to support staff health and wellbeing was delayed in the 2023/24 financial year in order to provide the best structure and access for staff engagement. We have now developed the best approach, and the proposal has been adopted by the Health & Safety Committee and further endorsed by the Group Manager.
Hardcopy Record Storage (P-HARDCOPY STORAGE)	35,000	Underway	This budget was used for the digitisation of our hardcopy records. The remaining budget is to be used for the storage of the remaining hardcopy records at an external storage site. This is due to the lack of a suitable climate-controlled storage location available post-relocation from the Molesworth Street office to the Kyogle Street depot.
Dam Safety Management System (P-DSMS)	491,300	Statutory requirement	This is a multi-year project with most of the unspent funds already committed under the contract and the remaining \$37,000 of uncommitted funds required as a contingency to complete the current project.
ECWTP Strategic Review (P-ECWTP STRATEGIC)	38,800	Committed	This is a multi-year project due for completion in the 2024/25 financial year with the unspent funds already committed under the contract.

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Grant Funding Wilsons River Tidal Pool Coastal & Estuary Riparian Works (GC-WILSONS RIVER TP)	27,900	Grant restricted	RCC successfully secured DCCEEW Coastal and Estuary grant funding for riparian works at the Wilsons River tidal pool at Woodlawn, consisting of weed control and bush regeneration over a total of 500m of riverbank and 1ha of riparian land. A contractor has been engaged and the funds have been committed. However, the work is yet to commence, and the funds are required to be carried forward to allow this work to be completed in the 2024/25 financial year.
Review of RCC development control guidance - drinking water catchments (P-CMP)	17,300	Committed	This project involves preparing a detailed specification, with constituent engagement, for Actions A2 and A3 of the RCC Catchment Management Plan, which are to be carried out in the 2024/25 financial year. Work on the specification commenced in the 2023/24 financial year and unspent funds are committed to completing this specification during the first half of the 2024/25 financial year and the preparation of technical briefs for Actions A2 and A3 to be completed in the second half of the 2024/25 financial year.
Catchment Landholder Education (P-CMP 20-25 A1)	3,300	Committed	Action A1 of the RCC Catchment Management Plan involves 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. Unspent funds from the 2023/24 financial year have been committed on the engagement of a videographer to capture footage and provide community education input regarding RCC's River Reach Program.
Improve the condition of Emigrant Creek riparian buffer zones and adjacent lands for greater buffering and protection of drinking water sources (P-CMP 20-25 EC20)	22,900	Committed	As part of this multi-year project, Rous, in partnership with landholders, has prepared the Emigrant Creek River Reach Plan and associated Property Site Action Plans. During the 2023/24 financial year, extensive work has commenced on the implementation of these plans. Unfortunately, there have been some delays due to the extended run of wet weather (which is not conducive to herbicide-based weed eradication) and the limited availability of bush regeneration contractors. Accordingly, there is some carry forward of this committed work required to the 2024/25 financial year.

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Improve the condition of Wilsons River riparian buffer zones and adjacent lands for greater buffering and protection of drinking water sources (P-CMP 20-25 WR16)	57,700	Committed	As part of this multi-year project, Rous, in partnership with landholders, has prepared the Wilsons River Reach Plan and associated Property Site Action Plans. During the 2023/24 financial year, extensive work has commenced on the implementation of these plans. Unfortunately, there have been some delays due to the extended run of wet weather (which is not conducive to herbicide-based weed eradication) and the limited availability of bush regeneration contractors. Accordingly, there is some carry forward of this committed work required to the 2024/25 financial year.
Reconciliation Action Plan (P-RAP)	17,100	Committed	There are a number of existing contracts under the Reconciliation Action Plan that are nearing completion, including completion of the cultural awareness training program and a related videography project. Unspent funds from the 2023/24 budget are required to be carried forward to the 2024/25 financial year to allow completion of these committed projects.
Cultural Education Information Centre (S-CEIC)	19,500	Committed	Under the Rous Cultural Environmental and Information Centre project, as redesigned following the closure of the centre after the 2022 floods, Rous engaged a contractor during the 2023/24 financial year to undertake various activities to support redesign of our engagement activities associated with the RAP. These activities are partially complete, and the unspent funds are committed to completing this work in the 2024/25 financial year.
Leadership and Culture (P-LEADERSHIP & CULTURE)	70,000	Intentionally deferred	A dedicated Leadership & culture budget had been approved to support initiatives identified in the Operational Plan and Council's aim to become an employer of choice. It is now recommended that this scope of work be aligned with the relocation to Gallans Road, requiring that the budget be carried forward to the 2025/26 financial year.
Demand Management Behaviour Change Pilot Program (P-DM RES1)	8,600	Underway	The implementation of this program was delayed due to the difficulty in finding a consultant to conduct the research. Rous staff have decided to lead the program internally (with assistance from external sources as needed) and the unspent funds from the 2023/24 financial year are required to be carried forward and used with the existing budget for the 2024/25 financial year to implement the program.

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Future Water Program - Demand Forecasting & Secure Yield Assessment (P-FWP2060)	108,400	Committed	This project started later than anticipated due to a delay obtaining core data from the Department, which was required for the consultant's model. The unspent funds from the 2023/24 financial year are committed for additional modelling work which has been commissioned from the consultants.
Future Water Program - Dunoon Dam Investigations (P-FWP2060 DDI)	468,700	Committed	This project has been delayed by difficulties in obtaining access to the site. Therefore, the project timeline has been extended, with completion now expected in the 2025/26 financial year. All unspent funds are committed for track access work and consultants' assessments.
Future Water Program - Emergency Desalination Investigations (P-FWP2060 EDI)	31,100	Committed	This project is complete, and a final report has been delivered to Council. However, the completion date was slightly later than expected and some of the unspent funds are required to be carried forward to cover the final invoice from the consultant, which is expected to be received in August 2024.
Future Water Program - Purified Recycled Water Investigations (P-FWP2060 IPR)	104,700	Committed	This project is complete, and a final report has been delivered to Council. However, the completion date was slightly later than expected and some of the unspent funds are required to be carried forward to cover the final invoice from the consultant, which is expected to be received in August 2024.
Future Water Program - Richmond Area Coastal Floodplain Alluvial Groundwater Scheme (P-FWP2060 RACFAGS)	183,100	Committed	This project started later than anticipated due to the capacity of internal personnel at the time. Then the literature review highlighted the lack of specific information on the groundwater source parameters. The groundwater source report recommended an alternative approach be undertaken to obtain further source parameters by testing existing groundwater bores in the key areas of interest. The unspent funds from the 2023/24 financial year are committed to completing this work.

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Future Water Program - RCD Dead Storage Investigation (P-FWP2060 RCD DSI)	8,700	Committed	The initial hydraulic assessment for which we have received Safe and Secure Water grant funding has been fully completed and grant funds received. However, additional engineering assessments have been commissioned to enable an effective implementation of the scheme. Therefore, the unspent funds from the 2023/24 financial year are required to be carried forward to cover this cost.
Future Water Program - Wilsons River Emergency Supply Studies (P-FWP2060 WR ESS)	29,200	Committed	This is a multi-year project with most of the work scheduled and budgeted to take place in the 2024/25 financial year. The unspent funds from the 2023/24 financial year are fully committed to the consultants who are working on this ongoing project.
Coastal Management Plan Scoping Study Stage 2-4 (GC-CMP STUDY 2-4)	34,500	Grant restricted	RCC (on behalf of its constituent councils) is coordinating the development of the Richmond River Coastal Management Program (CMP) to set the long-term strategy for the coordinated management of the coastal zone with a focus on achieving the objects of the Coastal Management Act 2016 and associated catchment-wide objectives. RCC has received approval for a Coast and Estuaries Grant from the NSW Department of Climate Change, Energy, the Environment and Water. The unspent funds from the 2023/24 financial year, along with the contributions received from the constituent councils, will be used to provide the matching funds required by the funding agreement. The project is currently advertised via an open tender process in Tenderlink, with a contractor expected to be engaged early in the 2024/25 financial year.
Grant Funding East Coraki Coastal & Estuary Riparian Works (GC-COASTAL & ESTUARY)	60,500	Grant restricted	RCC successfully secured Coastal and Estuary grant funding from the NSW Department of Climate Change, Energy, the Environment and Water (DCCEEW) for riparian works at East Coraki, consisting of weed control and bush regeneration over a total of 1km of riverbank and regeneration of 2.2ha of riparian land. A contractor has been engaged and the work has commenced. The unspent funds are committed under the contract and required to complete the project and meet our commitments under the funding agreement.

Operating Project Name	Total (\$) 2024/2025	Status	Comments
Grant Funding Fish Habitat Action (Coraki Riparian Project) (GC-FISH HABITAT)	16,900	Grant restricted	RCC successfully secured DPI Fish Habitat Action grant funding for riparian works at Coraki, consisting of weed control and bush regeneration over a total of 1.3km of riverbank and the planting of 2,500 trees. A contractor has been engaged and the majority of the works completed. The unspent funds are partially committed under the contract to enable to contractor to complete these works and the balance in required for the installation of signage.
South and East Lismore Town Drains - Northern Rivers Recovery and Resilience Program (GC-S&E LISM DRAINS)	31,500	Grant restricted	This project, which spans the 2023/24 and 2024/25 financial years, started later than planned due to a delay in receiving the signed funding deeds. This has meant that spending budgeted for the 2023/24 financial year didn't occur as planned. However, the project is due for completion in December 2024.
Coraki and Woodburn Town Drains - Northern Rivers Recovery and Resilience Program (GC-COR & WB DRAINS)	11,200	Grant restricted	This project, which spans the 2023/24 and 2024/25 financial years, started later than planned due to a delay in receiving the signed funding deeds. A contractor has been engaged and initial works have commenced but not all of the spending budgeted for the 2023/24 financial year occurred as planned. The unspent funds are required to be carried forward to the 2024/25 financial year, with the project due for completion in December 2024.
Flood Mitigation Strategic Review (GC-PACL STRATEGIC FL)	123,700	Grant restricted	Work is progressing on this project, with unspent funds committed to consultants, who are expected to complete their work by December 2024.
Total Operating Budget to be Carried Forward	2,201,400		

Table 5: Capital Budgets to be Carried Forward

Capital Project Name	Total (\$) 2024/2025	Status	Comments
Gallans Road - Workplace Consolidation (CE-GALLANS)	2,576,100	Underway	The project has yet to commence construction (estimated 1 September 2024 subject to receiving DA approval from Ballina Shire Council). It is proposed to carry forward all unspent allocated funding from the 2023/24 financial year to the 2025/26 financial year, as the delay in obtaining DA approval will push back this multiyear project.
Change Management (CE-CHANGE MANAGEMENT)	56,700	Underway	Unspent funds from the 2023/24 financial year are committed for recruitment fees for contract staff recently employed, along with other project costs which will be incurred as the project will last longer than originally planned due to expected delays with the workplace consolidation project. It is expected that this budget will be transferred to operating expenditure in the September 2024 QBRS.
Digital Transformation (CE-IT DIGITAL TRANSF)	297,300	Underway	These funds are committed for the Novus project blueprint stage, which has been delayed, and will now be complete by the end of August 2024. It is expected that this budget will be transferred to operating expenditure in the September 2024 QBRS.
Digital Transformation - Payroll (CE-IT DT PAYROLL)	43,400	Underway	This project is underway, although implementation of the new payroll system has been delayed from June 2024 to September 2024. These funds are committed for the final implementation cost. It is expected that this budget will be moved to operating expenditure in the September 2024 QBRS.
Intranet (CE-IT INTRANET)	50,000	Underway	Phase 2 of the intranet project includes bringing online additional Powell Intranet Modules and the consulting hours to implement this. This includes the development of specific lines of business sites within the Powell Intranet product, integration with current the intranet site and ongoing enhancements and support. The intranet is the main channel for all staff communications and alerts and, therefore, improvements are vital for the uptake and effectiveness of the platform. The intranet is slated to be leveraged by a growing proportion of the business. It is expected that this budget will be transferred to operating expenditure in the September 2024 QBRS.

Capital Project Name	Total (\$) 2024/2025	Status	Comments
NCWTP Wastewater (CE-NCWP WASTE)	15,100	Committed	These unspent funds are required to install 5 flowmeters in the waste plant at Nightcap Water Treatment Plant. This has been delayed until the 2024/25 financial year due to a lack of available labour.
Installation of a Solar PV system on the roof of the water reservoir next to the Nightcap WTP as part of the Renewable Energy and Emissions Reduction Plan (CE-REERP NCWTP RWP)	135,000	Intentionally deferred	The planned commencement of this multi-year project has been delayed as the plans are being reviewed due to the possibility for efficiencies and integration with the chemical storage facility proposed for Nightcap Water Treatment Plant and also the need for a review of the structural capacity of the roof of the clear water tank to take the load of the proposed solar panels. Once, these reviews are complete, it is expected that the project will commence later in the 2024/25 financial year and continue in the 2025/26 financial year.
Water Loss Implementation (CE-FWP WLI)	324,400	Committed	This is a multi-year program of on-ground actions to reduce water loss being undertaken by Council under the Future Water Program. Unspent funds from the 2023/24 financial year are partially committed to existing contracts for bulk meters, pipeline acoustic leak inspections and flow control/pressure control equipment for network calming. The remaining funds will be required to undertake installation of the bulk meters which is currently out for public tender.
Evans 375 Landslip Repair (CE-NRFWSP CORAKI)	15,500	Grant restricted	NSW Public Works are managing the remediation of the Evans 375 pipeline which was compromised by landslip in the February 2022 flood event. RCC is carrying out some additional work which was not part of the main contract. Unspent funds from the 2023/24 financial year are required to be carried forward to the 2024/25 financial year to complete this work.
Flood Recovery - WRS Low Lift Pump Station (CE-NRFWSP WRS)	176,800	Grant restricted	This project is almost complete, with unspent funds from the 2023/24 financial year required to be carried forward to the 2024/25 financial year to cover the replacement of the vertical ladder and Rous' contribution to the modification of the platform.

Capital Project Name	Total (\$) 2024/2025	Status	Comments
Flood Recovery - Woodburn (CE-NRFWSP WOODBURN)	155,000	Grant restricted	This project, to demolish a flood-damaged water tank and replace pipework is being carried out in conjunction with Public Works funded flood repair work on key water assets at the Woodburn Groundwater Treatment Plant Site, for which a contract has been signed and all funds committed.
NCWTP main switchboard and PLC network replacement and saturator works (CE-NCWTP PLC SB SAT)	131,300	Underway	The unspent funds from the 2023/24 financial year are required to be carried forward to the 2024/25 financial year to cover committed expenses to the contractors to complete this project.
Future Water Program - Alstonville Groundwater (CE-FWP ALSTON)	139,300	Committed	This is a multi-year project, with all unspent funds from the 2023/24 financial year fully committed to the relevant consultants and contractors undertaking this ongoing work.
Future Water Program - Groundwater Land Acquisition (CE-FWP LAND)	114,100	Committed	Residual funds from the 2023/24 financial year are fully committed to the land purchase which settled after the end of the financial year. This land is part of the Woodburn groundwater scheme and contains at least one of the identified bore sites.
Future Water Program - Tyagarah Groundwater (CE-FWP TYAG)	226,800	Committed	This is a multi-year project, with all unspent funds from the 2023/24 financial year fully committed to the relevant consultants and contractors undertaking this ongoing work.
Future Water Program - Woodburn Bores (CE-FWP WNB)	180,000	Committed	This is a multi-year project, with all unspent funds from the 2023/24 financial year fully committed to the relevant consultants and contractors undertaking this ongoing work.

Capital Project Name	Total (\$) 2024/2025	Status	Comments
Wilsons River Watermain Crossing at Bexhill (CE-WREC-BH-REALIGN)	149,400	Grant restricted	This multi-year project, for the burial of an elevated water main crossing of the Wilsons River, is funded by the State government under the Infrastructure Betterment Fund. Drilling for the Geotech investigation was delayed due to persistent wet weather but is now complete, with the balance of the funds budgeted for the 2024/25 financial year committed for the design stage which is currently underway.
Smart Metering and Backflow Project (CE-SM & BACKFLOW)	1,189,300	Underway	On ground works have been extended into the 2024/25 financial year as a result of wet weather during 2024. Unspent funds are committed in the contract, with completion of on-ground works expected early in the 2024/25 financial year. Other expenditure for post-construction activities will also occur during the 2024/25 financial year.
North Lismore Water Filling Station (CE-FILLING STATION)	9,400	Underway	This project, to install a new bulk water filling station in North Lismore, is currently under construction. Unspent funds from the 2023/24 financial year are required to be carried forward to undertake the remaining works using internal labour.
Reticulation Renewals - Arthur Road (CE-RETIC AR)	51,900	Underway	This project is almost complete, with unspent funds required to be carried forward to cover retention held and any contingency amounts.
Reticulation Renewals - Grace Road (CE-RETIC GRACE)	89,900	Underway	This project is almost complete, with unspent funds required to be carried forward to cover retention held and any contingency amounts.
Reticulation Renewals - Richmond Hill (CE-RETIC RH)	9,600	Underway	This project is almost complete, with unspent funds required to be carried forward to cover retention held and any contingency amounts.
Repair of Saltwater Creek Levee (CE-FMI LI HM)	22,000	Committed	RCC has engaged a contractor (and a purchase order has been issued) to repair Saltwater Creek Levee. The work was planned for May 2024 but has been delayed due to wet weather.

Capital Project Name	Total (\$) 2024/2025	Status	Comments
Perradenya (CE-PERRA DA CON)	309,500	Underway	This project is progressing as expected with the final submission to be lodged by October/November 2024.
Rural Properties (CE-RURAL PROP)	16,800	Committed	These funds are committed to repair gates and fencing for rural agistment at Frasers Road.
Total Capital Budget to be Carried Forward	6,484,600		

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 2023/24 End of Financial Year Summary report has been prepared to indicate the financial results, subject to any further adjustments and the resulting proposed carryover works are included. It is recommended that Council approve the preliminary financial results and carryovers.