

6.10. CAPITAL WORKS 2025 BUDGET REALLOCATION

REPORT AUTHOR	Team Leader Asset Management
MANAGER	Chief Engineer TC Jasper Infrastructure and Recovery
DEPARTMENT	Infrastructure and Recovery
RECOMMENDATION	

That Council endorse the capital works budget for the year ended 30 June 2025 be reallocated between projects as follows:

Funds to be reallocated from the following 2025 budgeted capital works projects:

1. Land Purchases \$288,000
2. Parks Renewal Program 2024/2025 \$102,000
3. Water Treatment Renewal Program \$515,000
4. Port Douglas WWTP \$600,000

Funds to be allocated to the following capital works projects for year ended 30 June 2025:

1. SPS MA Rising Main Upgrade \$354,133
2. Water – Critical Mains Renewal Program \$208,174
3. Building Facilities Renewal Program 23/24 \$133,938
4. Macrossan Street Decorative Lighting Stage 2 \$102,000
5. Mossman Depot Improvements \$210,000
6. Grant Funding – QRRRF 2021-22 Warner_Mowbray St Trunk Drainage Infrastructure Project \$112,500
7. Water Main Renewals \$384,000

New project fully funded by Grant funding

1. Sandbagging Machine \$80,000

EXECUTIVE SUMMARY

In recent capital works and budget reviews it was discovered three capital works projects were not completed by 30 June 2024 and did not have budget carried forward and allocated within the 2025 Revised Budget. The total estimated spend for the year ended 30 June 2025 for these projects is \$696,245.

In addition, four projects have been overspent in this financial year with an estimated overspend for these projects is \$808,500. It is proposed that capital works budget identified savings are taken from other projects and reallocated to these projects.

The savings (\$1,505,000) come from other projects' budgets not required in the current year, due to delays in the projects. These projects will be included within future Capital Works programs.

Included in this capital reallocation is a new project that has been added for \$80,000 that is 100% funded under the North Queensland Resilience Program (NQRP).

COMMENTS

The financial year (FY) 2023/24 projects requiring budget reallocation were all successfully delivered last calendar year. The requirement for budget reallocation was simply a process error that meant projects that were not quite financially complete in 2023/24, where budget was allocated, did not have the remaining project budget moved into 2024/25 to allow final invoices to be paid as projects were completed. Therefore, budget is required to be allocated from elsewhere within the 2024/25 program to make up the shortfall.

Additionally, and as with any capital works program, there are some projects that will encounter problems on site or minor scope changes or variations that impact budget. In future years these small changes will generally be managed by the team and presented to Council in formal budget reviews.

Included in this capital reallocation is a new project that has been added for \$80,000 that is 100% funded under the North Queensland Resilience Program (NQRP).

PROPOSAL

That Council endorse the capital works budget for the year ended 30 June 2025 be reallocated between projects as follows:

Prior years projects requiring capital works budget for year ended 30 June 2025:

Project	Comments	Additional Required
SPS MA Rising Main Upgrade	Completed in June 2024 with minor defects required before final invoice and payment in 24/25 financial year	\$354,133
Water – Critical Mains Renewal Program	Critical water main repairs were ongoing post TC Jasper and pushed into FY24/25	\$208,174
Building Facilities Renewal Program 23/24	Changes to Admin building were ongoing from restructure post TC Jasper	\$133,938

Project in current year budget requiring additional budget:

Project	Comments	Additional Required
Macrossan Street Decorative Lighting Stage 2	Initial budget did not cover scope. Agreed to use Parks Renewal Program budget as it was not going to be used due to resource constraints	\$102,000
Mossman Depot Improvements	This budget included some works at the Admin building	\$210,000
Grant Funding - QRRRF 2021-22 Warner_Mowbray St Trunk Drainage Infrastructure Project	Complications and delays caused by unidentified ground conditions and working with service supplier	\$112,500
Water Mains Renewals	Used for emergent critical mains failures post TC Jasper	\$384,000

Current projects with surplus funds in current year budget to be reallocated to the above capital works projects:

Project	Comments	Amount Available
Land Purchases	Purchase to be finalised in FY 25/26	\$288,000
Parks Renewal Program 24/25	Program budget as it was not going to be used due to resource constraints. To be included in FY 25/26 program	\$102,000
Water Treatment Renewal Program	Budgeted for new ultraspin filtration system. Prototype still in testing. To be included in FY25/26	\$515,000
PDWWTP Inlet Upgrade	30 weeks lead time for equipment supply. Budget will be added to FY 25/26	\$600,000

New Project to be added to budget – fully funded from grant funding

Project	Budget Required
Sandbagging Machine	\$80,000

FINANCIAL/RESOURCE IMPLICATIONS

The 2024/2025 capital works budget is being reallocated between projects or fully grant funded, so there will be no negative financial impact on Council from this decision.

RISK MANAGEMENT IMPLICATIONS

The reallocation of funds ensures that capital works expenditure on projects is approved by Council.

SUSTAINABILITY IMPLICATIONS

Economic: Nil overall impact, budget reallocation between capital works projects only.

Environmental: Nil

Social: Nil

CORPORATE/OPERATIONAL PLAN, POLICY REFERENCE

This report has been prepared in accordance with the following:

Corporate Plan 2019-2024 Initiatives:

Theme 5 - Robust Governance and Efficient Service Delivery

Strong governance and financial management are the foundations of the way in which Council will conduct its business and implement the initiatives of the Corporate Plan.

Goal 1 - We will conduct Council business in an open and transparent manner with strong oversight and open reporting.

Goal 3 - *We will make sound financial decisions by ensuring robust strategic planning, financial management and reporting.*

Operational Plan 2024-2025 Actions:

New project arisen during the financial year.

COUNCIL'S ROLE

Council can play a number of different roles in certain circumstances, and it is important to be clear about which role is appropriate for a specific purpose or circumstance. The implementation of actions will be a collective effort and Council's involvement will vary from information only through to full responsibility for delivery.

The following areas outline where Council has a clear responsibility to act:

Regulator	Council has a number of statutory obligations detailed in numerous regulations and legislative Acts. Council also makes local laws to ensure that the Shire is well governed. In fulfilling its role as regulator, Council will utilise an outcomes-based approach that balances the needs of the community with social and natural justice.
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CONSULTATION

Internal:	Manager Water and Wastewater, Finance Team, Manager Communities, Manager Project Office, Executive Leadership Team
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External:	Nil
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COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

Nil