



QUARTERLY BUDGET REVIEW STATEMENT

FOR THE PERIOD
1 JANUARY – 31 MARCH 2021

Operational Plan 2020/21

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Report by Responsible Accounting Officer

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulations 2005:

It is my opinion that the Quarterly Budget Review Statement for Wollondilly Shire Council for the quarter ended 31/03/21 indicates that Council's projected financial position at 30/06/21 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

Signed:  _____

Date: 17-May-21

Rob Seidel
Responsible Accounting Officer

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2021

Income & Expenses

(\$000's)	Original Budget 2020/21	Sept Revised Budget 2020/21	Dec Revised Budget 2020/21	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
Income							
Rates and Annual Charges	48,734	48,741	49,347	50	1	49,397	49,397
User Charges and Fees	5,021	5,065	7,741	321	2	8,061	7,232
Interest and Investment Revenues	925	925	594	(29)	3	565	432
Other Revenues	820	939	1,169	2,033	4	3,202	2,489
Grants & Contributions - Operating	7,241	7,391	9,233	280	5	9,513	5,921
Grants & Contributions - Capital	19,447	20,134	18,134	2,597	6	20,731	12,385
Net gain from disposal of assets		-	120	180		300	299
Share of Interests in Joint Ventures		-	-			-	
Total Income from Continuing Operations	82,188	83,195	86,338	5,432		91,770	78,156
Expenses							
Employee Costs	26,607	26,606	27,563	0	7	27,563	20,548
Borrowing Costs	504	504	504	1,175	8	1,679	348
Materials & Contracts	13,845	13,969	15,901	1,946	9	17,846	13,182
Depreciation	14,342	14,342	16,100	-	10	16,100	12,060
Legal Costs	404	701	990	200	11	1,190	848
Consultants	511	718	2,606	214	12	2,820	1,522
Other Expenses	6,107	5,938	6,165	275	13	6,440	4,787
Total Expenses from Continuing Operations	62,320	62,778	69,830	3,810		73,639	53,296
Net Operating Result from Continuing Operations	19,868	20,417	16,508	1,623		18,131	24,860
Discontinued Operations - Surplus/(Deficit)	-	-	-	-		-	-
Net Operating Result from All Operations	19,868	20,417	16,508	1,623		18,131	24,860
Net Operating Result before Capital Items	421	283	(1,746)	(1,155)		(2,901)	12,176

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

1	<p>Rates & Annual Charges Additional rate income has been received as a result of supplementary rate levies (\$50K).</p>
2	<p>User Charges & Fees Increases in fees and charges income are forecast in the following areas: Planning Agreement management fees (\$66K); Development Assessment-related fees (\$9K); Building Assessment-related fees (\$42K); Children's Services fees (\$44K); Plan Checking and Supervision fees (\$100K); Road-related user fees (\$14K); Hall and Reserve hire fees (\$40K); and Domestic Waste fees (\$10K).</p>
3	<p>Interest and Investment Revenue Interest and investment income has been varied in this quarterly review due to Council not to actively charge interest on overdue Rates and Charges for a period of 6 months due to agreed COVID-19 response, combined with continual reductions in investment interest rates (\$29K).</p>
4	<p>Other Operating Revenues Increases in other operating revenues due to: Recovery of legal costs (\$36K); Hazard reduction claim income (\$153K) and Shire Emergency Response claim from February 2020 Storm Event (\$1.835M); Strategic Planning income - contribution from South Western Sydney Local Health District (\$80K); Leisure Centre income (\$27K); Domestic waste Container Deposit Scheme and Tyre Recycling share agreement income (\$126K); and Contribution from Sydney Water for tree planting coordination (\$23K). Anticipated decreases in property lease income (\$27K); and budget correction for misallocation of grant funding (moved to grants and contributions) (\$218K).</p>
5	<p>Operating Grants and Contributions Increases in operating grant income occurred as a result of expected grant increases in the following areas: Community project grants (\$304K); Environmental grants (\$63K); Children's Services (\$8K); Infrastructure and road safety grants (\$35K); and City Deals funding (\$10K). Decreases also expected in the following areas: reallocation of funds received for Cattery construction moved to capital budget (\$40K); and reduction anticipated in pensioner rebates subsidies (\$100K).</p>
6	<p>Capital Grants & Contributions Variation is primarily a result of rescheduling the capital works program due to urgent roads construction work required following the March 2021 flood events.</p>
7	<p>Employee Costs No variation in this quarter. This includes an estimate of leave provisions.</p>
8	<p>Borrowing Costs No variation in this quarter.</p>
9	<p>Materials & Contracts Materials and contract costs increased in the following areas: various Tourism projects (\$95K); Business Improvement project costs (\$11K); Employee engagement survey (\$11K); Property valuations (\$10K); Governance projects (\$10K); Development assessment labour hire (\$32K); Community projects various grant-funded events (\$198K); Children's services projects (grant funded) (\$17K); Works additional expenditure relating to March flood event and COVID (\$379K); Shire Emergency Response costs relating to March flood event (\$987K); Facilities and recreation (\$274K); Waste and organics contract (\$678K); and City deals (grant funded) (\$13K). Costs have decreased in the following areas: Executive projects (\$28K); Strategic Planning memberships and subscriptions (\$15K); Building Assessment contractor budget reallocated to labour hire (\$25K); Compliance contractors (\$22K); Community Engagement contractors (\$68K); Aerial photography for GIS (\$7K); Infrastructure contractors (\$173K); Petrol and Diesel costs (\$40K); Aquatic contractors (\$13K); Public hall contractors (\$182K); Cemetery contractors (\$8); Street sweeping and waste contractors for Environment (\$94K); Audit fee anticipated cost reduction (\$9K); and food and beverage Corporate costs (\$10K); reclassification of Capital Management costs from operational to capital for work on capital projects (\$73K).</p>
10	<p>Depreciation No variation in this quarter.</p>
11	<p>Legal Expenses Legal expenses have increased due to: increased Property legal costs (\$18K); also increase in Strategic Planning legal costs (\$63K); Compliance (\$40K); Infrastructure (\$132K); and Environmental matters (\$7K). Reduction in anticipated legal costs in Finance area (\$60K).</p>

Income & Expenses Budget Review Statement**Recommended changes to revised budget**

12	Consultants Consultant costs increased in the following areas: consultants in relation to Office of Integrity (\$15K); Property-related matters (\$8K); Strategic Planning (\$23K); Infrastructure Projects (\$78K); Domestic Waste (\$49K); Environment projects (\$35K); and Investment advice costs (\$5K).
13	Other Expenses Other expenses increased in the following areas: Community Events (\$5K); increased Contribution to Bush Fire Fund and other minor Emergency Response increases (\$243K); Aquatic Centre electricity costs (\$29K); EPA sampling costs (\$21K); Environment (\$8K); BPay and credit card fees due to increased take-up of online payments (\$7K); Telephone and internet costs organisationally (\$120K). Decreases in the following areas: savings in a number of areas within Economic Development (\$18K); Administration savings regarding insurance and advertising (\$15K); Community Engagement advertising and other savings (\$10K); Car and Plant Fleet savings (\$20K); Public Hall savings (\$91K); and Tipping fees (\$9K).

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2021

Capital Budget

(\$000's)	Original Budget 2020/21	Sept Revised Budget 2020/21	Dec Revised Budget 2020/21	Variations for this Mar Qtr	Projected Year End Result	Actual YTD figures
Capital Expenditure						
New Assets						
- Plant & Equipment	600	908	1,100	(0)	1,100	586
- Land & Buildings	7,778	1,638	2,303	(181)	2,123	1,733
- Roads, Bridges, Footpaths	550	572	773	(142)	631	328
- Recreation	4,704	4,779	4,506	(612)	3,894	2,984
- Environment	415	1,362	1,629	280	1,909	1,513
Renewal Assets (Replacement)						
- Land & Buildings	1,600	4,803	2,968	(19)	2,949	980
- Roads, Bridges, Footpaths	17,616	18,847	17,872	3,498	21,370	11,057
- Recreation	200	2,263	2,263	(153)	2,110	1,009
- Environment	219	444	909	12	921	21
Loan Repayments (Principal)	1,552	1,552	1,552	-	1,552	1,157
Total Capital Expenditure	35,234	37,168	35,875	2,684	38,560	21,369
Capital Funding						
Rates & Other Untied Funding	10,121	10,121	10,121	24	10,145	7,893
Capital Grants & Contributions	19,447	20,134	18,034	197	18,231	8,593
Reserves:						
- External Restrictions/Reserves	642	635	856	184	1,041	290
- Internal Restrictions/Reserves	5,024	6,278	6,863	2,279	9,142	4,593
New Loans	-	-	-	-	-	-
Total Capital Funding	35,234	37,168	35,875	2,684	38,560	21,369
Net Capital Funding - Surplus/(Deficit)	(0)	-	-	(0)	0	0

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2021

Capital Budget

Quarterly Budget Review Statement

for the period 01/01/21 to 31/03/21

		Budget						Budget Variations being recommended include the following material items:
		Original Budget	September Review	December Review	Proposed March Review	Variation from December Review	YTD Expenditure	
TRANSPORT								
Road Renewal Program	Renew	11,476,000	13,386,578	14,965,578	18,336,356	3,370,778	8,223,934	Due to the March 2021 Flood Event, Council's road programs have been revised and expanded. Additional works are being funded from a combination of sources including grant funding from the Local Roads & Community Infrastructure Program.
Road Upgrade Program	Renew	5,663,460	5,068,632	2,514,295	2,687,420	173,125	2,781,436	Increase in budget for Wilton Road (Cataract River). Decreases in budgeted works for Silverdale Road.
Bridges	Renew	0	0	0	66,570	66,570	38,153	Grant-funded Mount Hercules Road causeway replacement at Razorback.
Kerb & Gutter Program	New	300,000	300,000	300,000	261,757	-38,243	162,762	Increase in budget for Prince Street works, offset by a decrease in works program for driveway on Henry Street, Picton.
	Renew	235,000	235,000	235,000	235,000	0	4,172	
Footpaths & Cycleways Program	New	250,000	250,000	450,785	346,918	-103,867	165,233	Picton to Tahmoor Shareway reduction in scope of works for current financial year. Funded by Resources for Region Grant Funding, 2021 being year 1 of a 3 year program. Minor reduction in budget for Rockford Road works.
	Renew	142,000	142,000	142,000	30,000	-112,000	9,324	
Public Transport Facilities	New	0	22,000	22,000	22,000	0	0	Funding reallocated due to rescheduling of capital works roads program due to March 2021 Floods.
	Renew	15,000	15,000	15,000	15,000	0	0	
Traffic Facilities	New	0	0	0	0	0	0	
	Renew	85,000	0	0	0	0	0	
Other Road Projects	New	0	0	0	0	0	0	
	Renew	0	0	0	0	0	0	
sub-total		18,166,460	19,419,210	18,644,658	22,001,021	3,356,363	11,385,013	
OPEN SPACE								
Open Space Projects	New	4,704,355	4,018,609	3,945,546	3,313,610	-631,936	2,449,860	Revision of works program for remainder of financial year resulting in a decrease in budget for Telopea Park youth facility, BMX tracks (Bargo and Oakdale) and Old Menangle school footpaths. All works are grant or developer contribution funded.
	Renew	200,000	2,262,642	2,262,642	2,109,643	-153,000	1,009,240	Reduction in budget to Picton Botanic Gardens playground due to works program revision.
sub-total		4,904,355	6,281,251	6,208,188	5,423,253	-784,936	3,459,100	
PRECINCT								
Land & Buildings	New	7,777,550	940,000	1,605,320	1,805,320	200,000	1,423,993	Budget increase for Picton Place Plan.
Buildings	Renew		3,500,000	2,500,000	2,500,000	0	770,202	
Open Space	New		760,164	560,164	580,214	20,050	534,570	Budget increase for Picton Precinct Parking Strategy.
sub-total		7,777,550	5,200,164	4,665,484	4,885,534	220,050	2,728,765	
BUILDINGS								
Buildings	New	0	698,000	698,000	317,465	-380,535	308,960	Program revision resulting in Post Office Smart Hub budget decreasing for remainder of financial year. Grant funding works will continue into next financial year.
	Renew	1,600,000	1,302,588	468,088	449,386	-18,702	210,192	
sub-total		1,600,000	2,000,588	1,166,088	766,851	-399,237	519,152	
PLANT & FLEET								
Plant Fleet Purchases	New	500,000	768,216	966,946	966,946	-0	426,946	
Car Fleet Purchases	New	100,000	140,000	133,496	133,496	0	159,036	
sub-total		600,000	908,216	1,100,442	1,100,442	-0	585,981	
STORMWATER DRAINAGE								
Stormwater Improvement Program	Renew	219,000	444,000	909,374	921,352	11,978	20,832	
sub-total		219,000	444,000	909,374	921,352	11,978	20,832	
OTHER PROJECTS								
Other Capital Projects		415,000	1,362,101	1,629,101	1,909,220	280,119	1,512,973	Budget increases for Bargo tip remediation expansion design, Bargo weighbridge and a K9 pod for Rangers' vehicle.
sub-total		415,000	1,362,101	1,629,101	1,909,220	280,119	1,512,973	
Grand Total		33,682,365	35,615,530	34,323,335	37,007,673	2,684,338	20,211,818	

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 March 2021

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2020/21	Sept Revised Budget 2020/21	Dec Revised Budget 2020/21	Variations for this Mar Qtr	Projected Year End Result	Actual YTD figures
Externally Restricted ⁽¹⁾						
Domestic Waste Management	8,955	9,283	6,764	1,660	8,423	7,490
Stormwater Management	672	675	407	(49)	358	1,033
Developer Contributions	28,792	32,454	44,318	6,980	51,297	45,201
Unexpended Grants & Contributions	1,650	2,027	5,835	220	6,055	5,110
Total Externally Restricted	40,070	44,439	57,324	8,810	66,134	58,834
<small>(1) Funds that must be spent for a specific purpose</small>						
Internally Restricted ⁽²⁾						
Recreation	295	328	328	-	328	328
Sportsgrounds	674	298	247	34	281	281
Effluent Disposal	147	129	415	(81)	334	334
Animal Management	20	20	(0)	-	(0)	0
Legal & Risk	443	733	811	34	845	766
Asset Maintenance	1,115	564	291	279	570	264
Buildings						-
Golf Club Maintenance	133	159	157	-	157	157
Plant & Vehicle Replacement	784	768	1,003	(10)	993	991
Leisure Centre Improvements	513	340	318	150	468	489
Information Technology	118	248	248	(199)	49	49
Employee Leave Entitlements	2,732	2,690	3,477	25	3,502	3,477
Organisational Development	127	344	344	-	344	344
Property	2,705	2,163	1,126	143	1,269	1,322
Royalties	1,056	902	811	-	811	811
Roads	322	328	328	-	328	328
Tourism & Economic Development	191	97	183	-	183	183
Election	350	427	352	75	427	427
Infrastructure Projects	2,452	1,572	1,845	374	2,219	2,615
Innovation & Savings	-	115	314	13	328	328
Growth Management Strategy	856	1,026	1,657	(487)	1,170	1,120
Strategic Planning	-	-	-	80	80	80
Work in Progress	80	383	229	-	229	229
Cemetery Maintenance	165	157	185	0	186	186
Total Internally Restricted	15,279	13,789	14,670	430	15,100	15,109
<small>(2) Funds that Council has earmarked for a specific purpose</small>						
Unrestricted (ie. available after the above Restrictions)	1,323	950	507	594	1,101	882
Total Cash & Investments	56,672	59,178	72,500	23,157	82,335	74,825

Cash & Investments Budget Review Statement

Investments

Investments have been invested in accordance with Council's Investment Policy.

Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$1,750,739

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/03/21.

Reconciliation Status

The YTD Cash & Investment figure reconciles to the actual balances held as follows:

	\$ 000's
Cash at Bank (as per bank statements)	1,751
Investments on Hand	75,590
less: Unpresented Cheques (Timing Difference)	(11)
add: Undeposited Funds (Timing Difference)	457
less: Identified Deposits (not yet accounted in Ledger) (Require Actioning)	(4,451)
add: Identified Outflows (not yet accounted in Ledger) (Require Actioning)	1,490
less: Unidentified Deposits (not yet actioned) (Require Investigation)	-
add: Unidentified Outflows (not yet actioned) (Require Investigation)	-
Reconciled Cash at Bank & Investments	74,825
Balance as per Review Statement:	74,825
Difference:	-

Key Performance Indicators Budget Review Statement for Quarter ended 31 March 2021

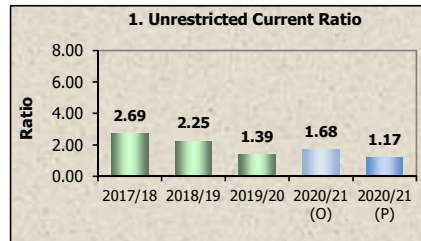
(\$000's)	Current Projection		Original Budget 20/21	Actuals Prior Periods		Industry Benchmark
	Amounts 20/21	Indicator 20/21		19/20	18/19	

The Council monitors the following Key Performance Indicators:

1. Unrestricted Current Ratio

Current Assets less all External Restrictions	31,993	1.17	1.68	1.39	2.25	1.50
Current Liabilities less Specific Purpose Liabilities	27,454					

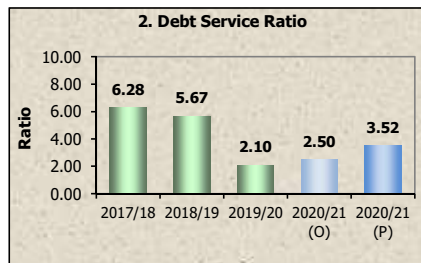
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



2. Debt Service Ratio

Debt Service Cost	3,231	3.52	2.50	2.10	5.67	<10.00
Operating Revenue	91,770					

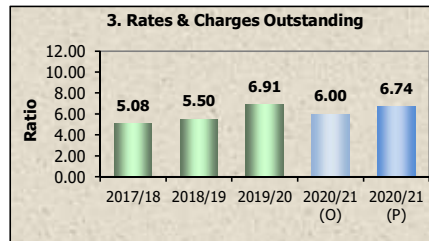
This indicator assesses the impact of loan principal & interest repayments on the discretionary revenue of Council.



3. Rates & Charges Outstanding

Rates, Annual & Extra Charges Outstanding	3,329	6.74	6.00	6.91	5.50	<5.00
Rates, Annual & Extra Charges Collectible	49,397					

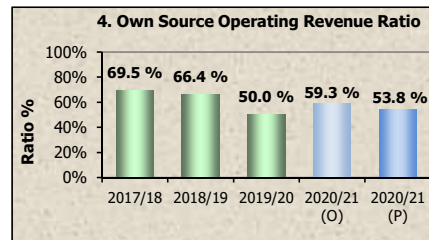
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



4. Own Source Operating Revenue Ratio

Rates & Annual Charges	49,397	53.8 %	59.3 %	50.0 %	66.4 %	60.0 %
Operating Revenue	91,770					

This indicator assesses the degree of Council's dependence upon external funding sources such as operating grants and contributions.

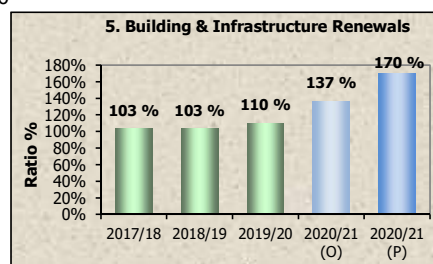


5. Building & Infrastructure Renewals

Asset Renewals (Building & Infrastructure)	27,351	170 %	137 %	110 %	103 %	(1)
Depreciation, Amortisation & Impairment	16,100					

This indicator assesses the rate at which these assets are being renewed relative to the rate at which they are depreciating.

(1) Industry average is 84.4%. Preferred figure is 100%



Contracts Budget Review Statement

Budget review for the quarter ended 31 March 2021

Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)
Dezign	The Wollondilly Cultural, Community and Civic Precinct	2,530,000	04/02/21	8 Months	Y
Landscape Solutions Australia Pty Ltd	Tahmoor Sporting Complex - Netball Courts Design & Construction	1,751,300	19/01/21	4 Months + 6 Months Aftercare Services	Y
Gracey & Son Earthmoving	Flood March 2021 - Disaster Response & Clean Up	188,480	31/03/21	1 Month	N
Euro Civil	Silverdale Road, Silverdale Road Upgrade - New Guardrail Installation 7 Locations	185,676	02/03/21	3 Months	Y
SFDC Australia Pty Limited	IDSP Program - 110 Service Cloud Licenses for 12 month period from Mar-21 to Feb-22	117,995	15/02/21	12 Months	Y
Elton Consulting Group Pty Ltd	ER - Human Resource Management Consultants Phase 1 to 4	117,620	11/02/21	9 Months	Y
Pecllet Technology Pty Ltd	Western Parkland City Sensor Network - Virtual Bench for Sensor Network Councils	82,500	17/03/21	12 Months	Y
Maker ENG Pty Ltd	Mount Hercules Rd, Razorback Bridge Renewal Program - Causeway Replacement	72,694	24/02/21	3 Months	Y
G James Extrusion Co Pty Ltd	Waste Infrastructure Upgrade - Bin Upgrade - Bin Surrounds (x28) & Locks (x28)	63,430	05/03/21	3 Months	Y
Asplundh Tree Services	Parks & Reserves - Appin & Wilton - Contract mowing services Jan-21 to Jun-21	61,970	01/01/21	6 Months	Y
Kamen Engineering Pty Ltd	Traffic control services for road renewal for various locations	58,590	11/01/21	4 Months	Y
Advanced Access Security Pty Ltd	Parkes & Reserves - Security services to lock and unlock toilets in various location for period from Jan-21 to Jun-21	55,824	19/01/21	6 Months	Y
Asplundh Tree Services	Parks & Reserves - Mount Hunter to Oakdale - Contract mowing services for period from Jan-21 to Jun-21	54,244	01/01/21	6 Months	Y
Cardno (NSW/ACT) Pty Ltd	Taylors Rd to Farnsworth Ave, Silverdale Road Safety Upgrade - Project Management Services for Silverdale Rd Stage 2	52,685	25/02/21	8 Months	Y
Ennovative Pty Ltd	IDSP Program - Wollondilly CRM Replacement (Nov 20)	51,983	15/01/21	1 Month	Y

Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

Consultancy & Legal Expenses Budget Review Statement

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	2,820,276	Y
Legal Fees	1,189,766	Y

Definition of a consultant:

A consultant is a person or organisation engaged under contract on a temporary basis to provide recommendations or high level specialist or professional advice to assist decision making by management. Generally it is the advisory nature of the work that differentiates a consultant from other contractors.