



# QUARTERLY BUDGET REVIEW STATEMENT

---

1 OCTOBER - 31 DECEMBER 2022

OPERATIONAL PLAN 2022/23

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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 31/12/22 indicates that Council's projected financial position at 30/06/23 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:** 6/2/2023

Rob Seidel  
Responsible Accounting Officer

**Income & Expenses Budget Review Statement**

Budget review for the quarter ended 31 December 2022

**Income & Expenses**

(\$000's)	Original Budget 2022/23	Sept Revised Budget 2022/23	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
<b>Income</b>						
Rates and Annual Charges	52,958		260	1	53,218	53,209
User Charges and Fees	10,154		97	2	10,251	5,025
Interest and Investment Revenues	1,263	550	800	3	2,613	1,468
Other Revenues	1,307	-	-	4	1,307	878
Grants & Contributions - Operating	9,546	1,000	3,323	5	13,869	3,681
Grants & Contributions - Capital	23,633	-	11,658	6	35,291	23,551
Grants & Contributions - Capital Non Cash	17,550	-	-		17,550	-
<b>Total Income from Continuing Operations</b>	<b>116,411</b>	<b>1,550</b>	<b>16,138</b>		<b>134,099</b>	<b>87,811</b>
<b>Expenses</b>						
Employee Costs	30,782	-	600	7	31,382	16,277
Materials & Contracts	23,887	1,414	3,003	9	28,304	14,181
Borrowing Costs	412	-	(54)	8	358	146
Depreciation	16,604	-	-	10	16,604	8,400
Legal Costs	869	-	500	11	1,369	1,122
Consultants	1,099	-	100	12	1,199	643
Other Expenses	4,777	73	-	13	4,850	2,726
<b>Total Expenses from Continuing Operations</b>	<b>78,430</b>	<b>1,487</b>	<b>4,149</b>		<b>84,066</b>	<b>43,495</b>
<b>Net Operating Result from Continuing Operations</b>	<b>37,981</b>	<b>63</b>	<b>11,989</b>		<b>50,033</b>	<b>44,316</b>
Discontinued Operations - Surplus/(Deficit)	-	-	-		-	-
<b>Net Operating Result from All Operations</b>	<b>37,981</b>	<b>63</b>	<b>11,989</b>		<b>50,033</b>	<b>44,316</b>
<b>Net Operating Result before Capital Items</b>	<b>(3,202)</b>	<b>63</b>	<b>331</b>		<b>(2,808)</b>	<b>20,765</b>

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

Budget Variations being recommended include the following material items:

<b>Notes</b>	<b>Details</b>
1	<p><b>Rates &amp; Annual Charges</b></p> <p>Domestic Waste Charges higher than anticipated due to residents choosing larger bins and growth (\$260k)</p>
2	<p><b>User Charges &amp; Fees</b></p> <p>Increase in Development income as a result of growth. (\$97K)</p>
3	<p><b>Interest and Investment Revenue</b></p> <p>Increase in investments revenue of \$800k as a result of higher rates in the 2022/23 Financial Year that primarily relates to restricted funds, i.e Section 7.11.</p>
4	<p><b>Other Operating Revenues</b></p> <p>No variation in this quarter.</p>
5	<p><b>Operating Grants and Contributions</b></p> <p>This change is driven by the receipt of a \$3M grant for Regions for roads that has allowed the redirection of funds towards maintenance works (Heavy Patching) as a result of rain events, additional Plan Admin Contributions income of \$280K and \$43k for Heritage Study Grant funding.</p>
6	<p><b>Capital Grants &amp; Contributions</b></p> <p>This change is the result of higher than anticipated growth for Section 7.11 contribution income of \$5.1M and grants for road works of \$6.5M(Includes R4R \$2M, \$3.8m Natural Disaster claims).</p>
7	<p><b>Employee Costs</b></p> <p>Increases in operational budgets for employee costs are expected in the following areas: Additional road maintenance works (Heavy Patching) as a result of rain events. - \$460k (\$300k resulting from receiving R4R grant funds) and Development Assessment staffing increases due to development-related growth demands \$140k (partly offset by an increase in development income).</p>
8	<p><b>Borrowing Costs</b></p> <p>Savings in borrowing costs as draw down on loan not required until 4th Quarter (\$54k).</p>
9	<p><b>Materials &amp; Contracts</b></p> <p>Materials and contract costs increased in the following areas: Additional road maintenance works (Heavy Patching) as a result of rain events. - \$2.7M (\$300k resulting from receiving R4R grant funds); increase for Disaster Recovery Funding, Black Summer Bushfire Recovery Grant, Wollondilly Summer Fest (\$146k) (Offset by grant funding) and increase in funds required for rezoning studies (\$86k, with 50% funded by grant funds).</p>
10	<p><b>Depreciation</b></p> <p>No variation in this quarter.</p>
11	<p><b>Legal Expenses</b></p> <p>Legal expenses have increased primarily due to a Compliance and Development regulatory costs (\$500k).</p>
12	<p><b>Consultants</b></p> <p>Grant of \$100k for the Greater Macarthur growth area funded from Section 7.11 funds.</p>
13	<p><b>Other Expenses</b></p> <p>No variation in this quarter.</p>

**Capital Budget Review Statement**

Budget review for the quarter ended 31 December 2022

**Capital Budget**

(\$000's)	Original Budget 2022/23	Sept Variations Budget 2022/23	Variations for this Dec Qtr	Projected Year End Result	Actual YTD figures
<b>Capital Expenditure</b>					
New Assets					
- Plant & Equipment	785	-	12	797	168
- Land & Buildings	13,065	-	(2,000)	11,065	5,041
- Roads, Bridges, Footpaths	2,678	-	(1,006)	1,672	359
- Recreation	1,681	-	612	2,293	239
- Environment	10	-	10	20	1
Renewal Assets (Replacement)					
- Land & Buildings	877	-	-	877	16
- Roads, Bridges, Footpaths	18,689	1,000	3,575	23,264	13,085
- Recreation	6,856	-	92	6,948	3,354
- Environment	1,187	-	28	1,215	104
Loan Repayments (Principal)	1,673	-	(33)	1,640	789
<b>Total Capital Expenditure</b>	<b>47,500</b>	<b>1,000</b>	<b>1,290</b>	<b>49,790</b>	<b>23,155</b>
<b>Capital Funding</b>					
Rates & Other Untied Funding	8,846	-	(33)	8,813	5,074
Capital Grants & Contributions	32,099	1,000	1,282	34,381	16,895
Reserves:					
- External Restrictions/Reserves	487	-	28	515	104
- Internal Restrictions/Reserves	2,703	-	12	2,716	993
New Loans	3,365	-	-	3,365	89
<b>Total Capital Funding</b>	<b>47,500</b>	<b>1,000</b>	<b>1,290</b>	<b>49,790</b>	<b>23,155</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>0</b>	<b>-</b>	<b>0</b>	<b>0</b>	<b>(0)</b>

Capital Budget Review Statement

Budget review for the quarter ended 31 December 2022

Capital Budget

Quarterly Budget Review Statement

for the period 01/10/22 to 31/12/22

		Original Budget	September Review	Variation from Prior Quarter	Revised Budget	YTD Expenditure	Budget Variations being recommended include the following material items:
<b>TRANSPORT</b>							
Road Renewal Program	Renew	10,848,852	1,000,000	2,601,263	14,450,115	6,822,876	Resources for Regions (R4R) \$3m Grant - Road reconstruction, focused on areas impacted by mining. \$3.8m Natural Disaster claims Endorsed by Transport NSW. Of this \$4m is proposed to be included in the 2023/2024 budget.
Road Upgrade Program	Renew	7,473,659	0	1,073,632	8,547,291	6,041,366	Grant funded budget increases for road safety upgrades for Taylors & Farnsworth Roads in Silverdale and road upgrade West Parade, Thirlmere. Increase in budget for Picton Traffic Master Plan. Partially offset by budget savings identified in the road upgrade program
Bridges	Renew	100,000	0	0	100,000	99,342	No variations this quarter.
Kerb & Gutter Program	New	245,000	0	0	245,000	189,735	No variations this quarter.
	Renew	0	0	0	0	21,907	No variations this quarter.
Footpaths & Cycleway Program	New	2,412,792	0	(1,012,792)	1,400,000	169,158	Variation in budget for Picton to Tahmoor Shareway detailed due to Sydney Water requirements, with delivery in the 2023/24 financial year.
	Renew	146,000	0	(100,000)	46,000	0	Variation in budget for East Parade, Buxton
Public Transport Facilities	New	20,000	0	6,900	26,900	0	Grant funded budget increases for new bus shelters
Traffic Facilities	Renew	20,000	0	0	20,000	0	No variations this quarter.
	New	0	0	0	0	0	No variations this quarter.
Other Road Projects	Renew	100,000	0	0	100,000	99,435	No variations this quarter.
	New	0	0	0	0	0	No variations this quarter.
	Renew	0	0	0	0	0	No variations this quarter.
	<b>sub-total</b>	<b>21,366,303</b>	<b>1,000,000</b>	<b>2,569,003</b>	<b>24,935,306</b>	<b>13,443,818</b>	
<b>OPEN SPACE</b>							
Open Space Projects	New	1,680,800	0	612,000	2,292,800	239,241	Grant funded budget increases for projects funded by the NSW Public Spaces Legacy Program
	Renew	6,856,000	0	91,500	6,947,500	3,354,256	Grant funded budget increases for projects funded by Mulwaree Trust & South 32 to Douglas Park S355 Management Committee and The Rotary Club of Picton.
	<b>sub-total</b>	<b>8,536,800</b>	<b>0</b>	<b>703,500</b>	<b>9,240,300</b>	<b>3,593,497</b>	
<b>PRECINCT</b>							
Land & Buildings	New	11,909,722	0	(2,000,000)	9,909,722	4,439,106	Site fencing has been installed and demolition activity is now underway with site clearing, bulk and detail earthworks and incoming site services to be completed in the next quarter. A delayed start has pushed the contract completion date from the 26th April to the 18th June 2024. All subcontract packages are now let and precast panels are being manufactured off site.
Buildings	Renew	0	0	0	0	0	
Open Space	New	0	0	0	0	0	
	<b>sub-total</b>	<b>11,909,722</b>	<b>0</b>	<b>(2,000,000)</b>	<b>9,909,722</b>	<b>4,439,106</b>	
<b>BUILDINGS</b>							
Buildings	New	1,155,000	0	0	1,155,000	601,488	No variations this quarter.
	Renew	877,000	0	0	877,000	15,686	No variations this quarter.
	<b>sub-total</b>	<b>2,032,000</b>	<b>0</b>	<b>0</b>	<b>2,032,000</b>	<b>617,174</b>	
<b>PLANT &amp; FLEET</b>							
Plant Fleet Purchases	New	615,000	0	11,850	626,850	11,850	Risk Reserve funded budget increases
Car Fleet Purchases	New	170,000	0	0	170,000	156,201	No variations this quarter.
	<b>sub-total</b>	<b>785,000</b>	<b>0</b>	<b>11,850</b>	<b>796,850</b>	<b>168,051</b>	
<b>STORMWATER DRAINAGE</b>							
Stormwater Improvement Program	Renew	237,000	0	0	237,000	82,626	No variations this quarter.
		237,000	0	0	237,000	82,626	
<b>OTHER PROJECTS</b>							
Waste Facilities		950,000	0	28,130	978,130	21,430	
Other Facilities		10,000	0	10,223	20,223	794	Grant funded budget increases for projects funded by various grants
	<b>sub-total</b>	<b>960,000</b>	<b>0</b>	<b>38,353</b>	<b>998,353</b>	<b>22,224</b>	
		<b>45,826,825</b>	<b>1,000,000</b>	<b>1,322,706</b>	<b>48,149,531</b>	<b>22,366,497</b>	

**Cash & Investments Budget Review Statement**

Budget review for the quarter ended 31 December 2022

**Cash & Investments - Council Consolidated**

(\$000's)	Original Budget 2022/23	Sept Variations 2022/23	Variations for this Dec Qtr	Projected Year End Result	Actual YTD figures
<b>Externally Restricted <sup>(1)</sup></b>					
Domestic Waste Management	8,540	-	260	8,800	8,800
Stormwater Management	490	-	-	490	490
Developer Contributions	55,165	-	5,558	60,723	60,723
Unexpended Grants & Contributions	14,755	(237)	(1,834)	12,684	12,684
<b>Total Externally Restricted</b>	<b>78,950</b>	<b>(237)</b>	<b>3,984</b>	<b>82,697</b>	<b>82,697</b>
(1) Funds that must be spent for a specific purpose					
<b>Internally Restricted <sup>(2)</sup></b>					
Recreation	328	-	-	328	328
Sportsgrounds	322	-	-	322	322
Effluent Disposal	445	-	-	445	445
Legal & Risk	664	-	(12)	652	652
Asset Maintenance	27	-	-	27	27
Golf Club Maintenance	49	-	-	49	49
Plant & Vehicle Replacement	1,266	-	-	1,266	1,266
Leisure Centre Improvements	455	-	-	455	455
Information Technology	99	-	-	99	99
Employee Leave Entitlements	2,010	-	-	2,010	2,010
Organisational Development	181	-	-	181	181
Property	741	-	-	741	741
Royalties	747	-	-	747	747
Roads	328	-	-	328	328
Tourism & Economic Development	193	-	-	193	193
Election	195	-	-	195	195
Infrastructure Projects	572	-	1,300	1,872	1,872
Growth Management Strategy	204	-	-	204	204
Strategic Planning	23	-	-	23	23
Cemetery Maintenance	205	-	-	205	205
<b>Total Internally Restricted</b>	<b>9,054</b>	<b>-</b>	<b>1,288</b>	<b>10,342</b>	<b>10,342</b>
(2) Funds that Council has earmarked for a specific purpose					
Unrestricted (ie. available after the above Restrictions)	1,644	-	-	1,658	1,658
<b>Total Cash &amp; Investments</b>	<b>89,648</b>	<b>(237)</b>	<b>5,272</b>	<b>94,697</b>	<b>94,697</b>



## 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 \$5,315,449

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 31/12/22.

### Reconciliation Status

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

	<b>\$ 000's</b>
Cash at Bank (as per bank statements)	5,315
Investments on Hand	89,396
less: Unpresented Cheques (Timing Difference)	(11)
add: Undeposited Funds (Timing Difference)	-
less: Identified Deposits (not yet accounted in Ledger) (Require Actioning)	-
add: Identified Outflows (not yet accounted in Ledger) (Require Actioning)	-
<b>Reconciled Cash at Bank &amp; Investments</b>	<b>94,700</b>
<b>Balance as per Review Statement:</b>	<b>94,697</b>
Difference:	3

**Key Performance Indicators Budget Review Statement for Quarter ended 31 December 2022**

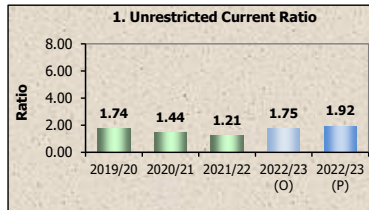
(\$000's)	Current Projection		Original Budget 22/23	Actuals Prior Periods		Industry Benchmark
	Amounts 22/23	Indicator 22/23		21/22	20/21	

The Council monitors the following Key Performance Indicators:

**1. Unrestricted Current Ratio**

Current Assets less all External Restrictions	23,262	1.92	1.75	1.21	1.44	>1.5
Current Liabilities less Specific Purpose Liabilities	12,101					

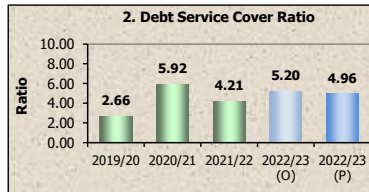
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



**2. Debt Service Cover Ratio**

Operating results before capital, excluding interest and depreciation/impairment/amortisation	11,541	4.96	5.20	4.21	5.92	>2
Principal repayments (Statement of Cash Flows) and borrowing costs	2,328					

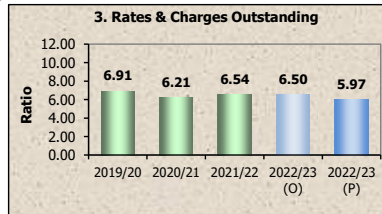
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



**3. Rates & Charges Outstanding**

Rates, Annual & Extra Charges Outstanding	3,177	5.97	6.50	6.54	6.21	<5.00
Rates, Annual & Extra Charges Collectible	53,218					

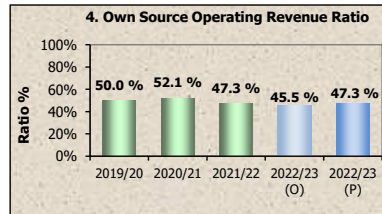
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



**4. Own Source Operating Revenue Ratio**

Rates, Fees & Annual Charges	63,469	47.3 %	45.5 %	47.3 %	52.1 %	60.0 %
Operating Revenue	134,099					

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

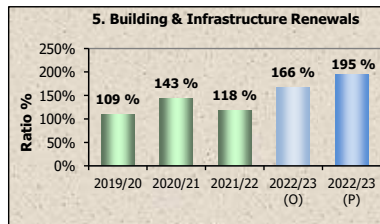


**5. Building & Infrastructure Renewals**

Asset Renewals (Building & Infrastructure)	32,304	195 %	166 %	118 %	143 %	100.0 %
Depreciation, Amortisation & Impairment	16,604					

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 December 2022

**Contracts Listing -**  
contracts entered into during  
the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Arcadis Australia Pacific Pty Ltd	Level 3 Investigation of 5 Bridges	\$ 137,115	01/11/22	5 Months	N	
Belgravia Health & Leisure Group Pty Ltd	Management Fees - Wollondilly Leisure Centre	\$ 379,039	01/11/22	8 Months	Y	
Belgravia Health & Leisure Group Pty Ltd	Management Fees - Warragamba Pool	\$ 204,533	01/11/22	5 Months	Y	
G & W Waste Services	Warragamba WMC Leachate Transport & Disposal - 2022/23	\$ 80,593	01/07/22	1 Year	Y	
Indesco Pty Ltd	Government Services Building - Structural & Civil Design Consultancy	\$ 480,824	01/01/22	3 Years	Y	
J Wyndham Prince Pty Ltd	Silverdale Rd Stage 2 - Path Detailed Design Rural Section	\$ 53,900	01/10/22	5 Months	Y	
Knights and McAuley Pty Ltd	Designing of all works included in the Old Menangle School Project	\$ 148,038	13/12/22	1 Year	Y	
Ledacon Pty Ltd	Broughton Pass Remediation Works	\$ 383,746	01/08/22	15 Months	N	
Lucid Consulting Engineers (NSW) Pty Ltd	Government Services Building - Multi Services Engineer	\$ 525,676	01/01/22	3 Years	Y	
Landscape Solutions Australia Pty Ltd	Landscaping Tahmoor Sports Complex	\$ 56,403	01/03/23	3 Months	Y	
Proludic Pty Ltd	Design & construct a new all abilities play space - Dudley Chesham Sportground	\$ 498,352	01/02/23	12 Months	Y	
Trevor R Howse Pty Ltd	Government Services Building BCA Consultancy	\$ 55,000	01/01/22	3 Years	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**

<b>Expense</b>	<b>YTD Expenditure (Actual Dollars)</b>	<b>Budgeted (Y/N)</b>
Consultancies	643,289	Y
Legal Fees	1,122,144	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.