



QUARTERLY BUDGET REVIEW STATEMENT

1 JULY – 30 SEPTEMBER 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 30/09/22 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:

Antoinette Naudi
Responsible Accounting Officer

Income & Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2022

Income & Expenses

(\$000's)	Original Budget 2022/23	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
Income					
Rates and Annual Charges	52,958	-	1	52,958	52,958
User Charges and Fees	10,154	-	2	10,154	2,372
Interest and Investment Revenues	1,263	550	3	1,813	484
Other Revenues	1,307	-	4	1,307	637
Grants & Contributions - Operating	9,546	1,000	5	10,546	1,523
Grants & Contributions - Capital	23,633	-	6	23,633	8,080
Grants & Contributions - Capital Non Cash	17,550	-		17,550	-
Total Income from Continuing Operations	116,411	1,550		117,961	66,054
Expenses					
Employee Costs	30,782	-	7	30,782	8,168
Materials & Contracts	23,887	1,414	9	25,301	4,176
Borrowing Costs	412	-	8	412	67
Depreciation	16,604	-	10	16,604	4,200
Legal Costs	869	-	11	869	458
Consultants	1,099	-	12	1,099	315
Other Expenses	4,777	73	13	4,850	2,002
Total Expenses from Continuing Operations	78,430	1,487		79,917	19,385
Net Operating Result from Continuing Operations	37,981	63		38,044	46,668
Discontinued Operations - Surplus/(Deficit)	-	-		-	-
Net Operating Result from All Operations	37,981	63		38,044	46,668
Net Operating Result before Capital Items	(3,202)	63		(3,139)	38,588

Income & Expenses Budget Review Statement
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes Details

1	Rates & Annual Charges No variation in this quarter.
2	User Charges & Fees No variation in this quarter.
3	Interest and Investment Revenue Increase in investments revenue of \$550k as a result of higher rates in the 2022/23 Financial Year.
4	Other Operating Revenues No variation in this quarter.
5	Operating Grants and Contributions This change is driven by the receipt of a \$1M grant towards road maintenance works (Heavy Patching) as a result of rain
6	Capital Grants & Contributions CapitalNo variation in this quarter.
7	Employee Costs No variation in this quarter.
8	Borrowing Costs No variation in this quarter.
9	Materials & Contracts Materials and contract costs increased in the following areas: Additional road maintenance works (Heavy Patching) as a result of rain events. - \$1M (Grant Funded); additional road Maintenance works due to wet weather (\$299k), increase in Tourism & Business for Love the Dilly (\$150k) (Offset by grant funding), increase in Parks and Recreation costs for greening our Cities (\$47k) (Offset by grant funding), decrease in funds required for rezoning studies (\$85k).
10	Depreciation No variation in this quarter.
11	Legal Expenses No variation in this quarter.
12	Consultants No variation in this quarter.
13	Other Expenses Increased cost for Children Services (Extension of the current lease) (\$36k), increase in Library Services for collections and promotional material (\$37k) (Offset by grant funding).

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2022

Capital Budget

(\$000's)	Original Budget 2022/23	Variations for this Sep Qtr	Projected Year End Result	Actual YTD figures
Capital Expenditure				
New Assets				
- Plant & Equipment	785	-	785	-
- Land & Buildings	13,065	-	13,065	2,770
- Roads, Bridges, Footpaths	2,678	-	2,678	268
- Recreation	1,681	-	1,681	14
- Environment	10	-	10	1
Renewal Assets (Replacement)				
- Land & Buildings	877	-	877	-
- Roads, Bridges, Footpaths	18,689	1,000	19,689	4,086
- Recreation	6,856	-	6,856	742
- Environment	1,187	-	1,187	89
Loan Repayments (Principal)	1,673	-	1,673	391
Total Capital Expenditure	47,500	1,000	48,500	8,362
Capital Funding				
Rates & Other Untied Funding	8,846	-	8,846	2,052
Capital Grants & Contributions	32,099	1,000	33,099	5,768
Reserves:				
- External Restrictions/Reserves	487	-	487	49
- Internal Restrictions/Reserves	2,703	-	2,703	493
New Loans	3,365	-	3,365	-
Total Capital Funding	47,500	1,000	48,500	8,362
Net Capital Funding - Surplus/(Deficit)	0	-	0	0

Capital Budget Review Statement

Budget review for the quarter ended 30 September 2022

Capital Budget

Quarterly Budget Review Statement

for the period 01/07/22 to 30/09/22

		Original Budget	September Review	Variation from Prior Quarter	YTD Expenditure	Budget Variations being recommended include the following material items:
TRANSPORT						
Road Renewal Program	Renew	10,848,852	11,848,852	1,000,000	2,006,360	OLG \$1m Grant - Heavy Patching resulting from 2022 storm damages. Redirection of \$875k in road reseal works to heavy patching.
Road Upgrade Program	Renew	7,473,659	7,473,659	0	1,717,870	No variations this quarter.
Bridges	Renew	100,000	100,000	0	259,342	No variations this quarter.
Kerb & Gutter Program	New	245,000	245,000	0	189,625	No variations this quarter.
	Renew	0	0	0	4,939	No variations this quarter.
Footpaths & Cycleway Program	New	2,412,792	2,412,792	0	78,800	No variations this quarter.
	Renew	146,000	146,000	0	0	No variations this quarter.
Public Transport Facilities	New	20,000	20,000	0	0	No variations this quarter.
	Renew	20,000	20,000	0	0	No variations this quarter.
Traffic Facilities	New	0	0	0	0	No variations this quarter.
	Renew	100,000	100,000	0	97,875	No variations this quarter.
Other Road Projects	New	0	0	0	0	No variations this quarter.
	Renew	0	0	0	0	No variations this quarter.
	sub-total	21,366,303	22,366,303	1,000,000	4,354,810	
OPEN SPACE						
Open Space Projects	New	1,680,800	1,680,800	0	13,800	No variations this quarter.
	Renew	6,856,000	6,856,000	0	742,080	No variations this quarter.
	sub-total	8,536,800	8,536,800	0	755,880	
PRECINCT						
Land & Buildings	New	11,909,722	11,909,722	0	2,523,555	
Buildings	Renew	0	0	0		No variations this quarter.
Open Space	New	0	0	0		
	sub-total	11,909,722	11,909,722	0	2,523,555	
BUILDINGS						
Buildings	New	1,155,000	1,155,000	0	246,231	No variations this quarter.
	Renew	877,000	877,000	0	228	No variations this quarter.
	sub-total	2,032,000	2,032,000	0	246,459	
PLANT & FLEET						
Plant Fleet Purchases	New	615,000	615,000	0		No variations this quarter.
Car Fleet Purchases	New	170,000	170,000	0	0	No variations this quarter.
	sub-total	785,000	785,000	0	0	
STORMWATER DRAINAGE						
Stormwater Improvement Program	Renew	237,000	237,000	0	81,026	No variations this quarter.
		237,000	237,000	0	81,026	
OTHER PROJECTS						
Waste Facilities		950,000	950,000	0	8,175	No variations this quarter.
Other Facilities		10,000	10,000	0	671	No variations this quarter.
	sub-total	960,000	960,000	0	8,846	
		45,826,825	46,826,825	1,000,000	7,970,575	

Cash & Investments Budget Review Statement

Budget review for the quarter ended 30 September 2022

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2022/23	Variations for this Sep Qtr	Projected Year End Result	Actual YTD figures
Externally Restricted ⁽¹⁾				
Domestic Waste Management	8,540	-	8,540	8,540
Stormwater Management	490	-	490	490
Developer Contributions	55,165	-	55,165	55,165
Unexpended Grants & Contributions	14,755	(237)	14,518	14,755
Total Externally Restricted	78,950	(237)	78,713	78,950
<small>(1) Funds that must be spent for a specific purpose</small>				
Internally Restricted ⁽²⁾				
Recreation	328	-	328	328
Sportsgrounds	322	-	322	322
Effluent Disposal	445	-	445	445
Legal & Risk	664	-	664	664
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	-	572	572
Growth Management Strategy	204	-	204	204
Strategic Planning	23	-	23	23
Cemetery Maintenance	205	-	205	205
Total Internally Restricted	9,054	-	9,054	9,054
<small>(2) Funds that Council has earmarked for a specific purpose</small>				
Unrestricted (ie. available after the above Restrictions)	1,644	2,194	2,194	1,644
Total Cash & Investments	89,648	313	89,961	89,648

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 \$2,518,306

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 30/09/22.

Reconciliation Status

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

\$ 000's

Cash at Bank (as per bank statements)		2,518
Investments on Hand		87,141
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)	-

Reconciled Cash at Bank & Investments

89,648

Balance as per Review Statement:

89,648

Difference:

(0)

Key Performance Indicators Budget Review Statement for Quarter ended 31 March 2022

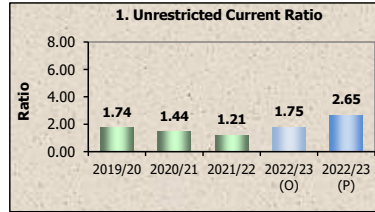
(\$000's)	Current Projection		Original Budget 22/23	Actuals Prior Periods		Industry Benchmark
	Amounts 22/23	Indicator 22/23		21/22	20/21	

The Council monitors the following Key Performance Indicators:

1. Unrestricted Current Ratio

Current Assets less all External Restrictions	29,861	2.65	1.75	1.21	1.44	>1.5
Current Liabilities less Specific Purpose Liabilities	11,248					

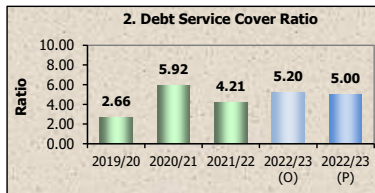
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



2. Debt Service Cover Ratio

Operating results before capital, excluding interest and depreciation/impairment/amortisation	12,064	5.00	5.20	4.21	5.92	>2
Principal repayments (Statement of Cash Flows) and borrowing costs	2,415					

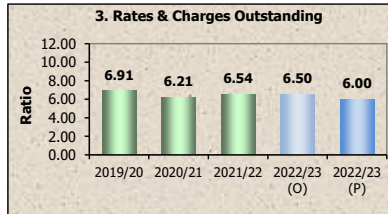
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



3. Rates & Charges Outstanding

Rates, Annual & Extra Charges Outstanding	3,177	6.00	6.50	6.54	6.21	<5.00
Rates, Annual & Extra Charges Collectible	52,958					

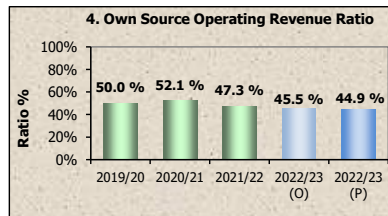
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



4. Own Source Operating Revenue Ratio

Rates & Annual Charges	52,958	44.9 %	45.5 %	47.3 %	52.1 %	60.0 %
Operating Revenue	117,961					

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

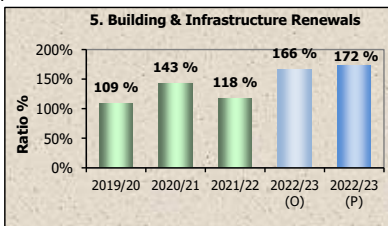


5. Building & Infrastructure Renewals

Asset Renewals (Building & Infrastructure)	28,609	172 %	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 30 September 2022

Contracts Listing - contracts
entered into during the
quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)	Notes
Bluefit Pty Limited	Management Fees - Wollondilly Community Leisure Centre - July 2022	\$ 163,232	01/07/22	1 Month	Y	
Complete Urban	Project Management Services for Infrastructure Recovery Projects 2022	\$ 56,688	01/08/22	2 ½ Months	N	
CRC Civil Pty Limited	Construct New Carpark 16 Menangle St West	\$ 177,089	01/07/22	2 Month	N	
CRC Civil Pty Limited	Construct New Carpark 16 Menangle St West	\$ 155,250	01/07/22	3 Months	Y	
CRC Civil Pty Limited	Construct New Carpark 16 Menangle St West	\$ 110,431	01/06/22	2 Months	Y	
CRC Civil Pty Limited	Immediate reconstruction of damaged Pavement on Remembrance Dewy, Picton	\$ 137,643	06/09/22	2 Months	Y	
Facility Design Group Pty Ltd	Water Play Facility Design	\$ 100,950	13/07/22	12 Months	Y	
Figgis & Jefferson Tapa Pty Ltd	Dudley Chesham Multi-Purpose Amenities Building - Architectural Design	\$ 229,950	01/09/22	12 Months	Y	
Figgis & Jefferson Tapa Pty Ltd	Architectural design of a New Amenities Building at Dudley Chesham Oval	\$ 229,950	01/09/22	12 Months	Y	
Forpark Australia (Hansen Pty Ltd)	Birralee Park, Yanderra - Playground Upgrade	\$ 220,000	01/10/22	3 Months	Y	
Gilbert & Roach	Isuzu FXY 240-350 MLWB Automatic with Tipping Body	\$ 266,585	30/09/22	9 Months	Y	
Infrastructure Management Group Pty Ltd	Shire Wide - Condition Assessment for Sealed Road (810km) and Kerb (380km).	\$ 69,256	14/09/22	6 Months	Y	
J Wyndham Prince Pty Ltd	Road Safety Upgrade Taylors Road to Farnsworth Avenue Silverdale	\$ 55,000	01/02/22	6 Months	Y	
Macarthur Group Training Limited	My Gateway - Jobskills Workshop	\$ 59,485	01/07/21	24 Months	N	
Workspace Commercial Furniture Pty Ltd	Wollondilly Library Community Lounge and Working Hub - Acquisition of Furniture and Fittings	\$ 65,962	26/07/22	12 Months	Y	
Mode Design Corp Pty Ltd	Design of New Amenities Building	\$ 152,917	30/08/22	12 Months	Y	
Momentum Worldwide Pty Ltd	Love the Dilly / Visit Wollondilly Campaign Social Media Subscription	\$ 132,000	01/08/22	11 Months	Y	
Rogers Construction Group	Repairs and Alterations to the Old Post Office Building (Picton) and the Creation of a Smart Working Hub	\$ 76,253	01/07/22	1 Month	Y	
State Civil Pty Ltd	Flocon 4T with 2 operators for the months of August, September, October 2022.	\$ 150,000	01/08/22	3 Months	Y	
Southern Highlands Automotive Pty Ltd	Prado GX 2.8L T Diesel Auto Wagon.	\$ 65,208	06/09/22	6 Months	Y	
Sentient Dynamics Pty Ltd	DPIE Portal Integration	\$ 71,500	01/09/22	36 Months	Y	
The Green Horticultural Group Pty Ltd	Aerating and Top Dress of fields as per Quote number J-971	\$ 54,067	12/09/22	3 Months	Y	
VEOLIA - SUEZ Recycling & Resource Recovery Australia &	August 22 Part 1 garbage	\$ 174,222	01/08/22	1 Month	Y	
VEOLIA - SUEZ Recycling & Resource Recovery Australia &	July 22 Part 1 garbage	\$ 158,088	01/07/22	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	315,000	Y
Legal Fees	457,524	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.