



# SEPTEMBER QUARTERLY BUDGET REVIEW

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QUARTER 1

2021-2022 FY

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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 30/09/21 indicates that Council's projected financial position at 30/06/22 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:** 15-Nov-21

Rob Seidel  
Responsible Accounting Officer

## Income &amp; Expenses Budget Review Statement

Budget review for the quarter ended 30 September 2021

## Income &amp; Expenses

(\$000's)	Original Budget 2021/22	Variations for this Sep Qtr	Notes	Projected Year End Result	Actual YTD figures
<b>Income</b>					
Rates and Annual Charges	51,553	216	1	51,769	51,239
User Charges and Fees	8,397	1,257	2	9,653	2,328
Interest and Investment Revenues	679	0	3	679	232
Other Revenues	1,243	223	4	1,466	320
Grants & Contributions - Operating	8,851	983	5	9,834	891
Grants & Contributions - Capital	18,735	1,191	6	19,926	8,011
Net gain from disposal of assets		-		-	45
<b>Total Income from Continuing Operations</b>	<b>89,457</b>	<b>3,871</b>		<b>93,328</b>	<b>63,068</b>
<b>Expenses</b>					
Employee Costs	29,158	657	7	29,815	7,853
Borrowing Costs	403	0	8	403	82
Materials & Contracts	17,442	1,920	9	19,362	4,152
Depreciation	16,604	-	10	16,604	4,151
Legal Costs	471	584	11	1,054	532
Consultants	1,187	(25)	12	1,162	232
Other Expenses	6,912	(35)	13	6,877	1,263
<b>Total Expenses from Continuing Operations</b>	<b>72,176</b>	<b>3,101</b>		<b>75,277</b>	<b>18,265</b>
<b>Net Operating Result from Continuing Operations</b>	<b>17,281</b>	<b>770</b>		<b>18,051</b>	<b>44,803</b>
Discontinued Operations - Surplus/(Deficit)	-	-		-	-
<b>Net Operating Result from All Operations</b>	<b>17,281</b>	<b>770</b>		<b>18,051</b>	<b>44,803</b>
<b>Net Operating Result before Capital Items</b>	<b>(1,454)</b>	<b>(422)</b>		<b>(1,875)</b>	<b>36,747</b>

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

Budget Variations being recommended include the following material items:

**Notes Details**

1	<p><b>Rates &amp; Annual Charges</b>  Additional rate income has been received as a result of supplementary rate levies (\$216K).</p>
2	<p><b>User Charges &amp; Fees</b>  Increases in fees and charges income are forecast in the following areas: Property planning increase in road naming fees (\$28K); Development Assessment-related fees (\$807K); Building Assessment-related fees (\$338K); Children's Services fees (\$50K); Plan Checking and Supervision fees (\$50K). This has been offset by a decrease in user fees for Compliance due to covid lockdowns and Council-approved fee waivers in order to support local businesses (\$22K).</p>
3	<p><b>Interest and Investment Revenue</b>  No forecast variations at this time.</p>
4	<p><b>Other Operating Revenues</b>  Increases in other operating revenues due to: Strategic Planning income (\$32K); Children's Services covid relief payments reconciled and reserved for future use (\$170K); various minor movements throughout other departments.</p>
5	<p><b>Operating Grants and Contributions</b>  Increases in operating grant income occurred as a result of expected grant increases in the following areas: Smart Shires partner Council contributions (\$40K); Strategic Planning NSW Heritage grant and contributions for Greater Macarthur TAP (\$138K); Community Events and Projects extension of Recovery Officer position for 12 months plus operational costs, as well as other recovery funded projects (\$370K); Library operational grant adjustment confirmed (\$66K); Facilities and Recreation Greening Our City grant and contributions for storm damage cleanup (\$291K); and Financial Assistance grant adjustment confirmation (\$148K). Decreases also expected in the following areas: Compliance project no longer being funded (\$41K); and Children's Services Occasional care no longer operational (\$32K).</p>
6	<p><b>Capital Grants &amp; Contributions</b>  Variation is predominantly due to Council securing a significant amount of funding from the NSW Public Spaces Legacy Program which will create new park improvements and play spaces for various parks throughout the Shire.</p>
7	<p><b>Employee Costs</b>  Increases in operational budgets for employee costs are expected in the following areas: Employee Relations increase in workers compensation insurance premiums (\$72K); Information Systems trainee and overtime adjustments (\$30K); Development Assessment staffing increases due to development-related growth demands (\$378K); Community Recovery Officer position extension (\$100K); and Infrastructure Planning growth related demands (\$52K).</p>
8	<p><b>Borrowing Costs</b>  No variation in this quarter.</p>
9	<p><b>Materials &amp; Contracts</b>  Materials and contract costs increased in the following areas: Strategic Planning Employment Lands Study and Rezoning Study, etc, (\$416K); Development Assessment contract labour for increased growth demands and other assessment-related contract costs (\$220K); Community Events in relation to various grant-funded Community Recovery events, Activate Wollondilly event, etc, (\$343K); Aquatic Centre operational costs (\$82K); Infrastructure Warragamba EIS, new projects, traffic control and other contractor increases (\$71K); Corporate Strategy Organisational Performance and Business Enhancement Programs (\$56K), Facilities and Open Space various increases relating to contract labour, Greening our City project related costs, disposal of contaminated waste from Tahmoor BMX track, traffic control costs for reach arm operations, etc, (\$550K); and Domestic Waste Management increases in waste, recycling and street cleanup contracts, also additional festive recycling costs (\$431K). Various other reallocations throughout the organisation, as well as various re-classifications within the original budget between materials and contracts, legal expenses and other expenses to better align with current program costs.</p>
10	<p><b>Depreciation</b>  No variation in this quarter.</p>
11	<p><b>Legal Expenses</b>  Legal expenses have increased primarily due to a reclassification of costs from the original budget from materials and contracts. The costs lie predominantly within the Property Planning team in relation to purchasing and management of properties; Strategic Planning in relation to preparation of planning agreements; Compliance and Development regulatory costs; and Environmental matters.</p>
12	<p><b>Consultants</b>  Consultant costs have been forecast to decrease within the Domestic Waste Management area (\$25K).</p>
13	<p><b>Other Expenses</b>  Other expenses decreased in the following areas: Executive Management costs transferred to various projects (\$30K); Employee Relations move from traditional advertising methods resulting in a reduction of costs (\$20K); Infrastructure Planning overstated contribution to SEWOL in original budget (\$25K); . Various re-classifications within the original budget between materials and contracts, legal expenses and other expenses to better align with current program costs.</p>

**Capital Budget Review Statement**

Budget review for the quarter ended 30 September 2021

**Capital Budget**

(\$000's)	Original Budget 2021/22	Variations for this Sep Qtr	Projected Year End Result	Actual YTD figures
<b>Capital Expenditure</b>				
New Assets				
- Plant & Equipment	980	105	1,085	-
- Land & Buildings	9,426	808	10,234	488
- Roads, Bridges, Footpaths	1,953	1,084	3,037	236
- Recreation	2,553	690	3,243	380
- Environment	10	56	66	24
Renewal Assets (Replacement)				
- Land & Buildings	1,500	249	1,749	289
- Roads, Bridges, Footpaths	16,341	1,789	18,129	3,441
- Recreation	200	110	310	10
- Environment	753	592	1,345	494
Loan Repayments (Principal)	1,539	-	1,539	404
<b>Total Capital Expenditure</b>	<b>35,254</b>	<b>5,482</b>	<b>40,737</b>	<b>5,768</b>
<b>Capital Funding</b>				
Rates & Other Untied Funding	11,375	0	11,375	2,382
Capital Grants & Contributions	19,436	491	19,926	1,774
Reserves:				
- External Restrictions/Reserves	753	(172)	581	390
- Internal Restrictions/Reserves	3,691	5,163	8,854	1,222
New Loans	-	-	-	-
<b>Total Capital Funding</b>	<b>35,255</b>	<b>5,482</b>	<b>40,737</b>	<b>5,768</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>0</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>



Capital Budget Review Statement

Budget review for the quarter ended 30 September 2021  
**Capital Budget**

**Quarterly Budget Review Statement**  
 for the period 01/07/21 to 30/09/21

		Budget				
		Original Budget	Proposed September Review	Variation from Original Budget	YTD Expenditure	Budget Variations being recommended include the following material items:
<b>TRANSPORT</b>						
Road Renewal Program	Renew	10,587,752	9,533,304	-1,054,448	2,909,436	Transfer of \$500K to the Bridges program. Council's road renewal program has been revised during the quarter, with some funds being redirected to urgent road upgrade programs.
Road Upgrade Program	Renew	4,938,087	7,281,174	2,343,087	432,627	Increase in budget for road safety upgrades for Taylors & Farnsworth Roads in Silverdale. Increase in budget for Silverdale Road heavy shoulder widening, as well as Argyle/Prince Street intersection upgrade.
Bridges	Renew	400,706	900,706	500,000	4,500	Grant and SRV-funded Mount Hercules Road causeway replacement at Razorback.
Kerb & Gutter Program	New	300,000	300,000	0	0	No variations this quarter.
	Renew	240,000	240,000	0	32,168	No variations this quarter.
Footpaths & Cycleways Program	New	790,931	1,850,000	1,059,069	41,189	Increase in budget for the grant-funded footpath & cycleway along Remembrance Drive, Tahmoor (Wonga Road to River Road).
	Renew	144,000	144,000	0	59,401	No variations this quarter.
Public Transport Facilities	New	22,000	47,000	25,000	17,520	Increase in funding for bus shelters in Appin, Picton & Thirlmere.
	Renew	15,000	15,000	0	409	No variations this quarter.
Traffic Facilities	New	840,000	840,000	0	177,782	No variations this quarter.
	Renew	15,000	15,000	0	2,796	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.
	<b>sub-total</b>	<b>18,293,476</b>	<b>21,166,184</b>	<b>2,872,708</b>	<b>3,677,828</b>	
<b>OPEN SPACE</b>						
Open Space Projects	New	2,553,000	2,863,000	310,000	378,784	Funding granted through NSW Public Spaces Legacy Program which will create new park improvements and play spaces for various parks throughout the Shire.
	Renew	200,000	310,207	110,207	10,207	NSW Public Spaces Legacy Program funding granted for improvements to Birrahlee Park in Yanderra, offset by a reduction in scope of works for the Picton Botanic Gardens.
	<b>sub-total</b>	<b>2,753,000</b>	<b>3,173,207</b>	<b>420,207</b>	<b>388,991</b>	
<b>PRECINCT</b>						
Land & Buildings	New	8,526,415	8,168,975	-357,440	436,368	No overall change in Precinct budget, however there have been adjustments between projects within the precinct due to covid-related construction delays, etc.
Buildings	Renew	350,000	327,500	-22,500	139,173	
Open Space	New	0	379,940	379,940	1,559	
	<b>sub-total</b>	<b>8,876,415</b>	<b>8,876,415</b>	<b>-0</b>	<b>577,100</b>	
<b>BUILDINGS</b>						
Buildings	New	900,000	2,065,000	1,165,000	51,896	NSW Public Spaces Legacy Program funding granted for Wilton Recreation Reserve Sports Amenities Upgrade (design & documentation).
	Renew	1,150,000	1,421,000	271,000	149,896	variations due to a number of grant and reserve funded projects such as Old Menangle School restoration works, Picton Parklands maintenance shed refurbishment and repairs required for Antill Park Golf Course buildings.
	<b>sub-total</b>	<b>2,050,000</b>	<b>3,486,000</b>	<b>1,436,000</b>	<b>201,792</b>	
<b>PLANT &amp; FLEET</b>						
Plant Fleet Purchases	New	880,000	985,382	105,382	0	Plant replacement program revision.
Car Fleet Purchases	New	100,000	100,000	0	0	No variations this quarter.
	<b>sub-total</b>	<b>980,000</b>	<b>1,085,382</b>	<b>105,382</b>	<b>0</b>	
<b>STORMWATER DRAINAGE</b>						
Stormwater Improvement Program	Renew	228,000	808,990	580,990	459,675	Kennedy Creek realignment work, stormwater drainage construction and drainage reserve establishment.
		228,000	808,990	580,990	459,675	
<b>OTHER PROJECTS</b>						
Waste Facilities		525,000	536,150	11,150	34,201	Warragamba Tip pumps & lines maintenance.
Other Facilities		10,000	65,626	55,626	24,477	Various WHS improvements in regard to the Community Nursery and animal control equipment.
	<b>sub-total</b>	<b>535,000</b>	<b>601,776</b>	<b>66,776</b>	<b>58,678</b>	
		<b>33,715,891</b>	<b>39,197,954</b>	<b>5,482,063</b>	<b>5,364,063</b>	

**Cash & Investments Budget Review Statement**

Budget review for the quarter ended 30 September 2021

**Cash & Investments - Council Consolidated**

(\$000's)	Original Budget 2021/22	Variations for this Sep Qtr	Projected Year End Result	Actual YTD figures
<b>Externally Restricted</b> <sup>(1)</sup>				
Domestic Waste Management	8,963	(265)	8,698	8,663
Stormwater Management	308	(50)	258	308
Developer Contributions	47,659	(1,800)	45,859	47,209
Unexpended Grants & Contributions	5,737	(2,718)	3,020	4,684
<b>Total Externally Restricted</b>	<b>62,667</b>	<b>(4,832)</b>	<b>57,834</b>	<b>60,864</b>
(1) Funds that must be spent for a specific purpose				
<b>Internally Restricted</b> <sup>(2)</sup>				
Recreation	328		328	328
Sportsgrounds	281		281	281
Effluent Disposal	419		419	419
Animal Management	(0)		(0)	0
Legal & Risk	808	(10)	798	798
Asset Maintenance	519	(25)	493	493
Golf Club Maintenance	182	(101)	81	182
Plant & Vehicle Replacement	778	(105)	673	778
Leisure Centre Improvements	468		468	468
Information Technology	99		99	99
Employee Leave Entitlements	3,502		3,502	3,502
Organisational Development	319		319	319
Property	1,589	(394)	1,195	1,231
Royalties	711	(18)	693	711
Roads	330		330	330
Tourism & Economic Development	183		183	183
Election	62		62	62
Special Rate Variation	-		-	-
Infrastructure Projects	1,823	(170)	1,653	2,154
Innovation & Savings	328		328	328
Growth Management Strategy	740	(50)	690	740
Strategic Planning	80	(58)	22	80
Work in Progress	229		229	229
Cemetery Maintenance	218		218	218
<b>Total Internally Restricted</b>	<b>13,996</b>	<b>(931)</b>	<b>13,065</b>	<b>13,933</b>
(2) Funds that Council has earmarked for a specific purpose				
<b>Unrestricted</b> (ie. available after the above Restrictions)	1,300	9,190	10,490	8,619
<b>Total Cash &amp; Investments</b>	<b>77,963</b>	<b>3,426</b>	<b>81,389</b>	<b>83,416</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 \$401,633

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 30/09/21.

### 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)	402
Investments on Hand	81,403
less: Unpresented Cheques (Timing Difference)	(11)
add: Undeposited Funds (Timing Difference)	5,632
less: Identified Deposits (not yet accounted in Ledger) (Require Actioning)	(6,076)
add: Identified Outflows (not yet accounted in Ledger) (Require Actioning)	2,067
less: Unidentified Deposits (not yet actioned) (Require Investigation)	-
add: Unidentified Outflows (not yet actioned) (Require Investigation)	-
<b>Reconciled Cash at Bank &amp; Investments</b>	<b>83,416</b>
<b>Balance as per Review Statement:</b>	<b>83,416</b>
Difference:	-

**Key Performance Indicators Budget Review Statement for Quarter ended 30 September 2021**

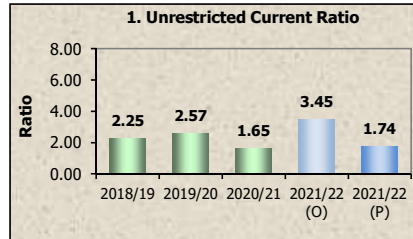
(\$000's)	Current Projection		Original Budget 21/22	Actuals Prior Periods		Industry Benchmark
	Amounts 21/22	Indicator 21/22		20/21	19/20	

The Council monitors the following Key Performance Indicators:

**1. Unrestricted Current Ratio**

Current Assets less all External Restrictions	15,782	1.74	3.45	1.65	2.57	1.50
Current Liabilities less Specific Purpose Liabilities	9,072					

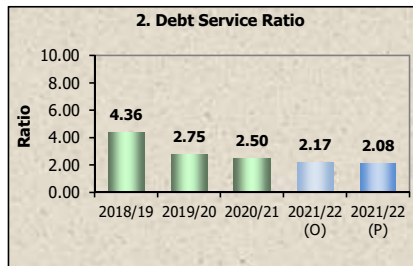
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



**2. Debt Service Ratio**

Debt Service Cost	1,942	2.08	2.17	2.50	2.75	<10.00
Operating Revenue	93,328					

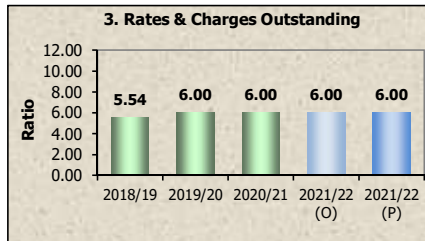
This indicator assesses the impact of loan principal & interest repayments on the discretionary revenue of Council.



**3. Rates & Charges Outstanding**

Rates, Annual & Extra Charges Outstanding	3,106	6.00	6.00	6.00	6.00	<5.00
Rates, Annual & Extra Charges Collectible	51,769					

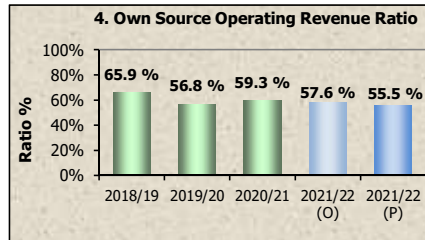
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



**4. Own Source Operating Revenue Ratio**

Rates & Annual Charges	51,769	55.5 %	57.6 %	59.3 %	56.8 %	60.0 %
Operating Revenue	93,328					

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

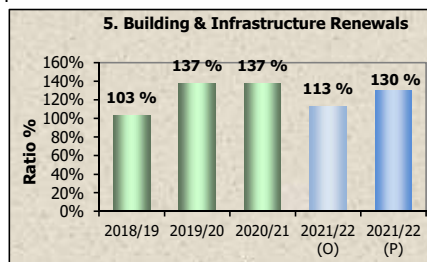


**5. Building & Infrastructure Renewals**

Asset Renewals (Building & Infrastructure)	21,533	130 %	113 %	137 %	137 %	(1)
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 2021

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

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)
Blackadder Associates	Labour Hire Contract for temporary management	\$ 69,212	26/08/21	4 Months	Y
Bluefit Pty Limited	Wollondilly Community Leisure Centre Operating Subsidy July 2021 (FY2022)	\$ 65,541	01/07/21	1 Month	Y
Brandown Pty Ltd	Road Upgrade: Silverdale Road, Silverdale from Taylors Rd - Removal of material from Maldon stockpile site, wet hire of loader to load trucks and loader floats	\$ 82,390	06/09/21	1 Week	Y
Brandown Pty Ltd	Road Renewal: Johnson Road, Bargo - Removal of material from River Ridge stockpile site, wet hire of loader to load trucks and loader floats	\$ 68,228	06/09/21	1 Week	Y
Cardno (NSW/ACT) Pty Ltd	Road Safety Upgrade: Taylors Road to Farnsworth Ave, Silverdale - Stage 2 Construction Phase Project Management Services	\$ 94,749	27/09/21	13 Months	Y
Dezign	Wollondilly Shire Hall & Associated Works - Stage 1 (Concept Plan)	\$ 1,815,000	15/07/21	3 Months	Y
J & C Facilities Management	Bargo Waste Management Centre - Operational management	\$ 130,620	01/07/21	3 Months	Y
JR Richards & Sons	Waste Collection Contract July 21	\$ 430,277	01/07/21	1 Month	Y
JR Richards & Sons	Waste Collection Contract August 21	\$ 344,491	01/08/21	1 Month	Y
Kamen Engineering Pty Ltd	Road Renewal: Remembrance Driveway, Phase 3 Pavement Investigations - Testing, analysis, design options, etc	\$ 119,114	27/08/21	3 Months	Y
Nace Civil Engineering Pty Ltd	Road Safety Upgrade: Taylors Road to Farnsworth Ave, Silverdale - Safety Improvements Stage 2	\$ 4,560,700	16/09/21	13 Months	Y
Peter Warren Automotive Pty Ltd	Mobile Recovery & Resilience Hub - Supply of Ford Transit Van (Bushfire recovery funded)	\$ 74,172	02/08/21	7 months	Y
Rogers Construction Group	Smart Hub: Old Picton Post Office - Repairs & alterations (Building Better Regions Funded)	\$ 1,180,579	24/08/21	11 Months	Y
Suez Recycling & Recovery Australia & New Zealand	SUEZ Regional Waste Disposal Contract	\$ 3,662,800	01/07/21	12 Months	Y
UCI Commercial Furniture Specialists	Workstations and various office furniture	\$ 64,131	31/08/21	1 Month	Y
Westbury Constructions Pty Ltd	Rural Fire Service Building, Victoria Park - Construct amenities building	\$ 1,545,782	03/08/21	7 Months	Y
Westbury Constructions Pty Ltd	Rural Fire Service Building, Victoria Park - Construct amenities building	\$ 220,261	03/08/21	7 Months	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	231,703	Y
Legal Fees	531,830	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.