



QUARTERLY BUDGET REVIEW STATEMENT

FOR THE PERIOD
1 OCTOBER – 31 DECEMBER 2021

Operational Plan 2021/2022

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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 31/12/21 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: 16-Feb-22

Rob Seidel
Responsible Accounting Officer

Income & Expenses Budget Review Statement

Budget review for the quarter ended 31 December 2021

Income & Expenses

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Variations for this Dec Qtr	Notes	Projected Year End Result	Actual YTD figures
Income						
Rates and Annual Charges	51,553	51,769	86	1	51,855	51,361
User Charges and Fees	8,397	9,653	(67)	2	9,586	4,413
Interest and Investment Revenues	679	679	0	3	679	316
Other Revenues	1,243	1,466	24	4	1,490	960
Grants & Contributions - Operating	8,851	9,834	931	5	10,765	4,332
Grants & Contributions - Capital	18,735	19,926	3,843	6	23,769	11,785
Net gain from disposal of assets			45		45	45
Total Income from Continuing Operations	89,457	93,328	4,862		98,190	73,214
Expenses						
Employee Costs	29,158	29,815	133	7	29,948	14,173
Borrowing Costs	403	403	-	8	403	186
Materials & Contracts	17,442	19,362	1,534	9	20,896	10,724
Depreciation	16,604	16,604	-	10	16,604	8,302
Legal Costs	471	1,054	279	11	1,333	969
Consultants	1,187	1,162	36	12	1,197	422
Other Expenses	6,912	6,877	(92)	13	6,785	2,703
Total Expenses from Continuing Operations	72,176	75,277	1,891		77,168	37,478
Net Operating Result from Continuing Operations	17,281	18,051	2,971		21,022	35,736
Discontinued Operations - Surplus/(Deficit)	-	-	-		-	-
Net Operating Result from All Operations	17,281	18,051	2,971		21,022	35,736
Net Operating Result before Capital Items	(1,454)	(1,875)	(917)		(2,792)	23,905

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</p> <p>Additional income is forecasted as a result of domestic waste charges for new services requested (\$57K). There is also a reduction in the value (\$22K) of pensioner rebate claims.</p>
2	<p>User Charges & Fees</p> <p>Additional tip fee income is forecasted as a result of increased usage and volume (\$100K). This has been offset by a decrease in fees for statutory advertising in line with the type and values of DA we have received (\$77K); legislative changes eliminating the DA compliance levy (\$51K); impact of covid on compliance activities (\$50K)</p>
3	<p>Interest and Investment Revenue</p> <p>No forecast variations at this time.</p>
4	<p>Other Operating Revenues</p> <p>Additional income is forecasted as a results of increased container deposit schemes (CDS) contributions (\$49K); this has been partially offset by reduction of (\$25K) in other line items.</p>
5	<p>Operating Grants and Contributions</p> <p>Increases in operating grant income occurred as a result of success with the following: Wollondilly Local Skills Ready Program instalment 1 (BLERF Funding) (\$393K); Love the Dilly Campaign (BLERF Funding) (\$240K); Better Waster Recycling (\$88K); Weeds Action Program (\$87K); Shire Wide Flood Study (\$55K).</p>
6	<p>Capital Grants & Contributions</p> <p>Council has been successful in sourcing grant funding from Western Parkland City Liveability Program (WPCLP) to for the Tahmoor District Sporting Complex; NSW Bushfire Local Economic Recovery Fund (BLERF) for the Smart Hub -Old Picton Post Office; Safer Roads Program for Finns Roads Roundabout. Grant funding for the Picton to Tahmoor shareway and for shoulder widening on Montpelier Dr (Comber Ridge to Craigend) The Oaks.</p>
7	<p>Employee Costs</p> <p>Increases in operation budgets for employee costs are expected due to introduction of the Wollondilly Local Skills Ready Program (\$203K) for salary costs and (\$190K) for trainee and mentoring costs to be offset with the BLERF grant funding received; a reduction in salary costs due to vacancies (which is offset by a forecast increase in labour hire costs (\$377K): recruitment charges due to having to engage specialist recruitment services (\$154K).</p>
8	<p>Borrowing Costs</p> <p>No variation in this quarter.</p>
9	<p>Materials & Contracts</p> <p>Materials and contract costs increased in the following areas: Aquatic Centre operational costs (\$411K); increase in the overall volume of the waste stream (\$313K); increase in the cost of labour hire (\$377K); Love the Dilly campaign offset by additional grant funding (\$240K); other contractors (\$104K) to be partially offset by Weeds Action Program grant funding (\$87K); software/licences (\$73K) to align with changes in licence agreements .</p>
10	<p>Depreciation</p> <p>No variation in this quarter.</p>
11	<p>Legal Expenses</p> <p>Legal expenses have increased by (\$279K) this is due to ongoing legal actions the Council has taken.</p>
12	<p>Consultants</p> <p>Consultant costs have increase by (\$36K) of which (\$55K) relates to project costs for the Shire Wide Flood Study (grant funded) and (\$23K) relating to the Warragamba EIS submission to be funded by a transfer from reserves. There are other minor offsetting items in this category.</p>
13	<p>Other Expenses</p> <p>An anticipated reduction in postage, communication costs and recruitment advertising.</p>

Capital Budget Review Statement

Budget review for the quarter ended 31 December 2021

Capital Budget

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Variations for this Dec Qtr	Projected Year End Result	Actual YTD figures
Capital Expenditure					
New Assets					
- Plant & Equipment	980	1,085	107	1,192	295
- Land & Buildings	9,426	10,234	940	11,174	1,423
- Roads, Bridges, Footpaths	1,953	3,037	(440)	2,597	617
- Recreation	2,553	3,243	767	4,010	1,397
- Environment	10	66	10	75	103
Renewal Assets (Replacement)					
- Land & Buildings	1,500	1,749	194	1,943	841
- Roads, Bridges, Footpaths	16,341	18,129	882	19,011	6,532
- Recreation	200	310	574	884	128
- Environment	753	1,345	(360)	985	564
Loan Repayments (Principal)	1,539	1,539	-	1,539	810
Total Capital Expenditure	35,255	40,737	2,673	43,409	12,710
Capital Funding					
Rates & Other Untied Funding	11,375	11,375	0	11,375	4,015
Capital Grants & Contributions	19,436	19,926	3,843	23,769	4,521
Reserves:					
- External Restrictions/Reserves	753	581	(581)	-	460
- Internal Restrictions/Reserves	3,691	8,854	(590)	8,265	3,715
New Loans	-	-	-	-	-
Total Capital Funding	35,255	40,737	2,673	43,409	12,710
Net Capital Funding - Surplus/(Deficit)	(0)	0	(0)	0	0

Capital Budget Review Statement

Budget review for the quarter ended 31 December 2021

Capital Budget

Quarterly Budget Review Statement

for the period 01/10/21 to 31/12/21

		Budget			Variation from Original Budget	YTD Expenditure	Budget Variations being recommended include the following material items:
		Original Budget	September Review	Proposed December Review			
TRANSPORT							
Road Renewal Program	Renew	10,587,752	9,533,304	10,144,230	610,926	4,491,572	Grant funded budget increase for road renewal of Montpelier Dr (Comber Ridge to Craigend) in The Oaks and Sheehy's Creek Road.
Road Upgrade Program	Renew	4,938,087	7,281,174	7,450,798	169,624	1,649,608	Grant funded budget increase for road safety upgrades for Taylors & Farnsworth Road in Silverdale. Offset by a variation in budget to Prince Street (Signals) due to covid related construction delays, etc.
Bridges	Renew	400,706	900,706	900,706	0	43,577	No variations this quarter.
Kerb & Gutter Program	New	300,000	300,000	300,000	0	236	No variations this quarter.
	Renew	240,000	240,000	240,000	0	207,719	No variations this quarter.
Footpaths & Cycleways Program	New	790,931	1,850,000	1,409,006	-440,994	136,664	Variation in budget for Picton to Tahmoor Shareway due to covid-related construction delays, etc. Transfer of \$40K to footpath & cycleway renew Noongah St, Bargo.
	Renew	144,000	144,000	184,994	40,994	78,551	Transfer of \$40K from footpath & cycleway new Hawthorne Road, Bargo.
Public Transport Facilities	New	22,000	47,000	48,274	1,274	48,274	Bus shelter 401 Thirlmere Way, Thirlmere variation to be funded from reserves.
	Renew	15,000	15,000	15,000	0	268	No variations this quarter.
Traffic Facilities	New	840,000	840,000	840,000	0	431,498	No variations this quarter.
	Renew	15,000	15,000	75,054	60,054	60,417	Increase in budget funded by reserves for wire rope repair on Remembrance Driveway in Razorback and chain link fence replacement on Remembrance Driveway in Bargo.
Other Road Projects	New	0	0	0	0	0	No variations this quarter.
	Renew	0	0	0	0	0	No variations this quarter.
	sub-total	18,293,476	21,166,184	21,608,062	441,878	7,148,384	
OPEN SPACE							
Open Space Projects	New	2,553,000	2,863,000	3,911,975	1,048,975	1,338,555	Increase in budget for a number of grant and reserve funded projects such as Tahmoor Sports Complex multi purpose facility, Old Menangle School footpaths and Warragamba Sporting & Civic Precinct.
	Renew	200,000	310,207	884,268	574,061	127,720	Increase in budget to a number of grant and reserve funded projects such as Tahmoor Pump Track, Tahmoor netball courts and Tahmoor athletic fields.
	sub-total	2,753,000	3,173,207	4,796,243	1,623,036	1,466,274	
PRECINCT							
Land & Buildings	New	8,526,415	8,168,975	8,617,488	448,513	1,360,739	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	161,341	-166,159	153,592	
Open Space	New	0	379,940	97,587	-282,353	58,040	
	sub-total	8,876,415	8,876,415	8,876,416	1	1,572,371	
BUILDINGS							
Buildings	New	900,000	2,065,000	2,556,281	491,281	62,742	NSW Bushfire Local Economic Recovery Fund (BLERF) funding granted for Old Picton Post Office (Smart Hub).
	Renew	1,150,000	1,421,000	1,781,260	360,260	687,825	Increase in budget for Rural Fire Service building in Victoria Park, Picton.
	sub-total	2,050,000	3,486,000	4,337,541	851,541	750,567	
PLANT & FLEET							
Plant Fleet Purchases	New	880,000	985,382	1,092,091	106,709	295,419	Plant replacement program revised to include the Compact Track Loader.
Car Fleet Purchases	New	100,000	100,000	100,000	0	0	No variations this quarter.
	sub-total	980,000	1,085,382	1,192,091	106,709	295,419	
STORMWATER DRAINAGE							
Stormwater Improvement Program	Renew	228,000	808,990	808,990	0	529,647	No variations this quarter.
		228,000	808,990	808,990	0	529,647	
OTHER PROJECTS							
Waste Facilities		525,000	536,150	176,150	-360,000	34,201	Variation to Bargo Waste Management Centre Closure Plan.
Other Facilities		10,000	65,626	75,160	9,534	102,884	CCTV Camera & Intercom System Animal Shelter - 38 Wonga Rd.
	sub-total	535,000	601,776	251,310	-350,466	137,085	
		33,715,891	39,197,954	41,870,653	2,672,698	11,899,746	

Cash & Investments Budget Review Statement

Budget review for the quarter ended 31 December 2021

Cash & Investments - Council Consolidated

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Variations for this Dec Qtr	Projected Year End Result	Actual YTD figures
Externally Restricted ⁽¹⁾					
Domestic Waste Management	8,963	8,698	401	9,099	8,663
Stormwater Management	308	258	-	258	308
Developer Contributions	47,659	45,859	5,406	51,265	51,019
Unexpended Grants & Contributions	5,737	3,020	-	1,974	10,684
Total Externally Restricted	62,667	57,834	5,808	62,596	70,673
(1) Funds that must be spent for a specific purpose					
Internally Restricted ⁽²⁾					
Recreation	328	328		328	328
Sportsgrounds	281	281		281	281
Effluent Disposal	419	419		419	419
Animal Management	(0)	(0)		(0)	0
Legal & Risk	808	798		798	787
Asset Maintenance	519	493	(232)	261	364
Golf Club Maintenance	182	81		81	81
Plant & Vehicle Replacement	778	673	(107)	566	504
Leisure Centre Improvements	468	468		468	468
Information Technology	99	99		99	99
Employee Leave Entitlements	3,502	3,502	(152)	3,350	3,724
Organisational Development	319	319		319	319
Property	1,589	1,195		1,195	1,231
Royalties	711	693		693	711
Roads	330	330		330	330
Tourism & Economic Development	183	183		183	183
Election	62	62		62	62
Special Rate Variation	-	-		-	-
Infrastructure Projects	1,823	1,653	453	2,107	1,302
Innovation & Savings	328	328		328	328
Growth Management Strategy	740	690		690	740
Strategic Planning	80	22		22	80
Work in Progress	229	229		229	229
Cemetery Maintenance	218	218		218	218
Total Internally Restricted	13,996	13,065	(37)	13,027	12,789
(2) Funds that Council has earmarked for a specific purpose					
Unrestricted (ie. available after the above Restrictions)	1,300	10,490	(1,189)	9,301	9,074
Total Cash & Investments	77,963	81,389	6,962	84,925	92,536

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 \$4,378,009

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.
The date of completion of this bank reconciliation is 31/12/21.

Reconciliation Status

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

\$ 000's

Cash at Bank (as per bank statements)		4,378
Investments on Hand		86,972
less: Unpresented Cheques	(Timing Difference)	(11)
add: Undeposited Funds	(Timing Difference)	-
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	(1,674)
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	2,871

Reconciled Cash at Bank & Investments

92,536

Balance as per Review Statement:

92,536

Difference:

0

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

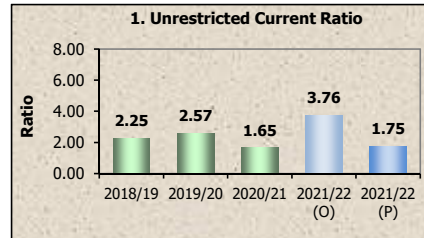
(\$000's)	Current Projection		Original Budget 21/22	Actuals Prior Periods		Industry Benchmark
	Amounts 21/22	Indicator 21/22		20/21	19/20	

The Council monitors the following Key Performance Indicators:

1. Unrestricted Current Ratio

Current Assets less all External Restrictions	15,722	1.75	3.76	1.65	2.57	>2
Current Liabilities less Specific Purpose Liabilities	8,967					

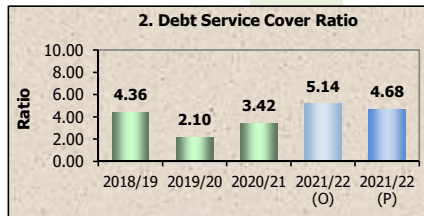
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



2. Debt Service Cover Ratio

Operating results before capital, excluding interest and depreciation/impairment/amortisation	13,535	4.68	5.14	3.42	2.10	>2
Principal repayments (Statement of Cash Flows) and borrowing costs	2,892					

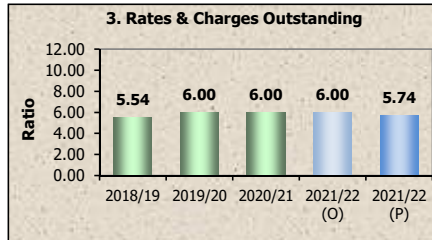
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



3. Rates & Charges Outstanding

Rates, Annual & Extra Charges Outstanding	2,976	5.74	6.00	6.00	6.00	<5.00
Rates, Annual & Extra Charges Collectible	51,855					

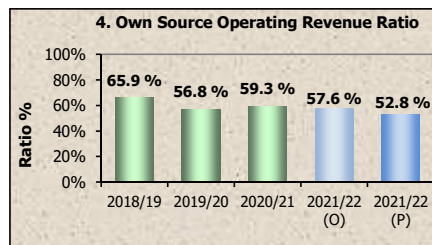
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



4. Own Source Operating Revenue Ratio

Rates & Annual Charges	51,855	52.8 %	57.6 %	59.3 %	56.8 %	60.0 %
Operating Revenue	98,190					

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

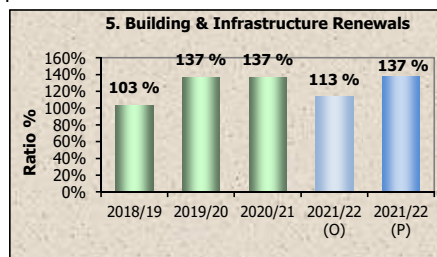


5. Building & Infrastructure Renewals

Asset Renewals (Building & Infrastructure)	22,823	137 %	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 31 December 2021 entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)
Bluefit Pty Limited	Wollondilly Leisure Centre Operating Subsidy October 2021	\$ 95,479	01/10/21	1 Month	Y
Capstone	Recruitment Services for Development Assessment Planner	\$ 56,100	23/11/21	8 Weeks	N
Credible Audio Visual Solutions	Wollondilly Shire Hall - Quotation for Audio Visual	\$ 108,527	29/10/21	4 Months	Y
Dirtz	Tahmoor Regional Sportsground - Tahmoor Pump Track	\$ 60,500	08/10/21	3 Month	Y
EC Sustainable Pty Ltd	Residential Kerbside Audit	\$ 77,000	22/11/21	3 Month	Y
Jessup HR & Mediation Pty Ltd	People & Culture Contractor Services	\$ 63,840	14/10/21	8 Months	Y
JR Richards & Sons	Waste Collection Contract September 21	\$ 273,677	01/09/21	1 Month	Y
JR Richards & Sons	Waste Collection Contract October 21	\$ 399,861	01/10/21	1 Month	Y
JR Richards & Sons	Waste Collection Contract November 21	\$ 2,407,904	01/11/21	1 Month	Y
Killard Infrastructure Pty Ltd	Construction of Portable Water & Sewer Upgrade for new Children Services Building	\$ 861,859	01/12/21	5 Months	Y
Macarthur Group Training Limited	Trainee Program (BLERF Funding) My Gateway Service fees	\$ 126,414	01/01/22	12 Months	Y
Macarthur Group Training Limited	Trainee Program (BLERF Funding) My Gateway Development of Mentoring Tool	\$ 110,000	01/01/22	12 Months	Y
Milestone Construction Group	Old Menangle School Footpath Project	\$ 712,649	07/12/21	6 Months	Y
Patterson Building Group	Picton Precinct - Mixed Use Commercial Building	\$ 4,816,498	26/11/21	11 Months	Y
Project Coordination Pty Ltd	Tahmoor Sports Complex - Multi Purpose Facility Design and Construction	\$ 5,199,975	19/11/21	10 Months	Y
Regional Workshop Pty Ltd T/A Webber Architects	Tahmoor Sports Complex - Multi Purpose Facility Design and Construction	\$ 811,450	22/10/21	11 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

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	421,528	Y
Legal Fees	968,674	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.