



# QUARTERLY BUDGET REVIEW STATEMENT

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FOR THE PERIOD  
1 JANUARY – 31 MARCH 2022

*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 31/03/22 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:** 17-May-22

Rob Seidel  
Responsible Accounting Officer

**Income & Expenses Budget Review Statement**

Budget review for the quarter ended 31 March 2022

**Income & Expenses**

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Dec Revised Budget 2021/22	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
<b>Income</b>							
Rates and Annual Charges	51,553	51,769	51,855	105	1	51,959	51,474
User Charges and Fees	8,397	9,653	9,586	70	2	9,656	6,883
Interest and Investment Revenues	679	679	679	-	3	679	488
Other Revenues	1,243	1,466	1,490	0	4	1,490	1,184
Grants & Contributions - Operating	8,851	9,834	10,765	930	5	11,695	10,181
Grants & Contributions - Capital	18,735	19,926	23,769	(3,912)	6	19,857	19,692
Net gain from disposal of assets			45	71		116	116
<b>Total Income from Continuing Operations</b>	<b>89,457</b>	<b>93,328</b>	<b>98,190</b>	<b>(2,737)</b>		<b>95,453</b>	<b>90,018</b>
<b>Expenses</b>							
Employee Costs	29,158	29,815	29,948	124	7	30,072	21,451
Borrowing Costs	403	403	403	-	8	403	283
Materials & Contracts	17,442	19,362	20,896	204	9	21,100	14,608
Depreciation	16,604	16,604	16,604	-	10	16,604	12,453
Legal Costs	471	1,054	1,333	(0)	11	1,333	1,191
Consultants	1,187	1,162	1,197	(112)	12	1,085	584
Other Expenses	6,912	6,877	6,785	(72)	13	6,714	3,681
<b>Total Expenses from Continuing Operations</b>	<b>72,176</b>	<b>75,277</b>	<b>77,168</b>	<b>144</b>		<b>77,311</b>	<b>54,252</b>
<b>Net Operating Result from Continuing Operations</b>	<b>17,281</b>	<b>18,051</b>	<b>21,022</b>	<b>(2,880)</b>		<b>18,141</b>	<b>35,767</b>
Discontinued Operations - Surplus/(Deficit)	-	-	-	-		-	-
<b>Net Operating Result from All Operations</b>	<b>17,281</b>	<b>18,051</b>	<b>21,022</b>	<b>(2,880)</b>		<b>18,141</b>	<b>35,767</b>
<b>Net Operating Result before Capital Items</b>	<b>(1,454)</b>	<b>(1,875)</b>	<b>(2,792)</b>	<b>961</b>		<b>(1,831)</b>	<b>15,959</b>

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

Budget Variations being recommended include the following material items:

**Notes Details**

1	<b>Rates &amp; Annual Charges</b> Additional income is forecasted as a result of domestic waste charges for new services requested (\$105K).
2	<b>User Charges &amp; Fees</b> Increased in fees and charges income are forecasted in the following areas: Checking and Supervision fees (\$108K); Rezoning Application fees (\$47K); S94 Management fee (\$30K); Information Management (\$15K). This has been offset by a decrease in Planning Agreement fees due to forecasted Volunteering Planning Agreement (VPA) income re-scheduled to be received in the next financial year (\$118K).
3	<b>Interest and Investment Revenue</b> No variation in this quarter as investments maturing during the current year are locked in at lower rates (up to 0.7%). The benefit of higher rates will be felt during the 2022/23 Financial Year.
4	<b>Other Operating Revenues</b> No variation in this quarter.
5	<b>Operating Grants and Contributions</b> Variation is predominantly due to council receiving an upfront payment from The Local Government Recovery Grants program in response to the February 2022 NSW Storms and Floods (\$1M).
6	<b>Capital Grants &amp; Contributions</b> Capital Grants are forecast to decrease by \$9.5M, reflecting the reduction in the capital program due to the impacts of extreme weather conditions, Sydney Water and Mine Subsidence requirements and covid-related factors delaying construction and extending completion timeframes into future financial years. This decrease is largely offset by an anticipated increase in Developer Contributions received of \$5.6M.
7	<b>Employee Costs</b> Increases in operation budgets for employee costs are expected due to salary costs relating to the Wollondilly Local Skills Ready Program (\$77K) to be offset with the BLERF Grant Funding received and Recruitment Agency Fees (\$40K).
8	<b>Borrowing Costs</b> No variation in this quarter.
9	<b>Materials &amp; Contracts</b> Materials and contract costs increased in the following areas: increase in the overall volume of the waste stream (\$164K), including the impact of new services requested (additional income as an offset); increase in the cost of labour hire (\$62K). This is partially offset by budget savings identified in the following areas: Children Services (\$29K);
10	<b>Depreciation</b> No variation in this quarter.
11	<b>Legal Expenses</b> No variation in this quarter.
12	<b>Consultants</b> Budget savings identified in Consultant Costs for Strategic Planning & Growth of (\$103K) resulting from changes in the timing of consultant work which is now to be undertaken in the future financial year.
13	<b>Other Expenses</b> Budget savings identified in Other Expenses in the following areas: Works Tipping Fees (\$50K) this is be offset with additional expenditure in Works for Materials and Contracts.

**Capital Budget Review Statement**

Budget review for the quarter ended 31 March 2022

**Capital Budget**

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Dec Revised Budget 2021/22	Variations for this Mar Qtr	Projected Year End Result	Actual YTD figures
<b>Capital Expenditure</b>						
New Assets						
- Plant & Equipment	980	1,085	1,192	(14)	1,178	350
- Land & Buildings	9,426	10,234	11,174	(4,721)	6,453	4,063
- Roads, Bridges, Footpaths	1,953	3,037	2,597	(1,070)	1,527	1,089
- Recreation	2,553	3,243	4,010	(1,317)	2,693	2,081
- Environment	10	66	75	19	94	50
Renewal Assets (Replacement)						
- Land & Buildings	1,500	1,749	1,943	(592)	1,350	1,081
- Roads, Bridges, Footpaths	16,341	18,129	19,011	(2,939)	16,072	9,766
- Recreation	200	310	884	(330)	554	149
- Environment	753	1,345	985	(85)	901	737
Loan Repayments (Principal)	1,539	1,539	1,539	0	1,539	1,186
<b>Total Capital Expenditure</b>	<b>35,255</b>	<b>40,737</b>	<b>43,409</b>	<b>(11,048)</b>	<b>32,361</b>	<b>20,553</b>
<b>Capital Funding</b>						
Rates & Other Untied Funding	11,375	11,375	11,375	(439)	10,936	5,647
Capital Grants & Contributions	19,436	19,926	23,769	(9,513)	14,256	9,822
Reserves:						
- External Restrictions/Reserves	753	581	-	803	803	476
- Internal Restrictions/Reserves	3,691	8,854	8,265	(1,899)	6,366	4,608
New Loans	-	-	-	-	-	-
<b>Total Capital Funding</b>	<b>35,255</b>	<b>40,737</b>	<b>43,409</b>	<b>(11,048)</b>	<b>32,361</b>	<b>20,553</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>	<b>(0)</b>	<b>0</b>	<b>(0)</b>

Capital Budget Review Statement

Budget review for the quarter ended 31 March 2022  
Capital Budget

Quarterly Budget Review Statement  
for the period 01/01/22 to 31/03/22

		Budget						
		Original Budget	September Review	December Review	Proposed March Review	Variation from Prior Quarter	YTD Expenditure	Budget Variations being recommended include the following material items:
<b>TRANSPORT</b>								
Road Renewal Program	Renew	10,587,752	9,533,304	10,144,230	10,144,230	(0)	6,091,602	No variations this quarter.
Road Upgrade Program	Renew	4,938,087	7,281,174	7,450,798	4,694,832	(2,755,967)	2,932,682	Variation in budget for Road Safety Upgrades to Taylors Road to Silverdale and West Parade Thirlmere due to extreme weather conditions and covid- related constructions delays.
Bridges	Renew	400,706	900,706	900,706	700,706	(200,000)	322,567	Weather related delays.
Kerb & Gutter Program	New	300,000	300,000	300,000	300,000	0	1,011	No variations this quarter.
	Renew	240,000	240,000	240,000	240,000	0	232,606	No variations this quarter.
Footpaths & Cycleway Program	New	790,931	1,850,000	1,409,006	409,006	(1,000,000)	226,449	Variation in budget for Picton to Tahmoor Shareway due to extreme weather conditions, covid-related construction delays and new Sydney Water Approvals Process.
	Renew	144,000	144,000	184,994	184,994	(0)	108,606	No variations this quarter.
Public Transport Facilities	New	22,000	47,000	48,274	48,274	0	48,274	No variations this quarter.
Traffic Facilities	Renew	15,000	15,000	15,000	32,190	17,190	17,458	Renewal of existing bus shelter on Remembrance Driveway, Tahmoor to be funded by Natural Disaster Storm Event, October 2021 Funding.
	New	840,000	840,000	840,000	770,000	(70,000)	813,055	Variation due to weather related delays.
	Renew	15,000	15,000	75,054	75,054	0	60,796	No variations this quarter.
Other Road Projects	New	0	0	0	0	0	0	No variations this quarter.
	Renew	0	0	0	0	0	0	No variations this quarter.
	<b>sub-total</b>	<b>18,293,476</b>	<b>21,166,184</b>	<b>21,608,062</b>	<b>17,599,285</b>	<b>(4,008,777)</b>	<b>10,855,107</b>	
<b>OPEN SPACE</b>								
Open Space Projects	New	2,553,000	2,863,000	3,911,975	2,610,203	(1,301,772)	2,019,098	Variation in budget for the following projects due to extreme weather conditions and covid- related constructions delays.: Tahmoor Sports Complex; NSW Public Spaces Legacy Program Funded projects; Youth Facility Telopea Park.
	Renew	200,000	310,207	884,268	554,268	(330,000)	148,880	Variation in budget for NSW Public Spaces Legacy Program Funded projects due to extreme weather conditions and covid related constructions delays.
	<b>sub-total</b>	<b>2,753,000</b>	<b>3,173,207</b>	<b>4,796,243</b>	<b>3,164,471</b>	<b>(1,631,772)</b>	<b>2,167,978</b>	
<b>PRECINCT</b>								
Land & Buildings	New	8,526,415	8,168,975	8,617,488	5,141,958	(3,475,530)	3,994,167	Variation in Precinct budget, due to extreme weather, new Sydney Water Approvals Process, Mine subsidence issues and covid-related construction delays. Which have specifically impacted the Children's Services building and construction of the New Masons Lodge.
Buildings	Renew	350,000	327,500	161,341	161,341	0	165,893	
Open Space	New	0	379,940	97,587	82,587	(15,000)	62,020	
	<b>sub-total</b>	<b>8,876,415</b>	<b>8,876,415</b>	<b>8,876,416</b>	<b>5,385,886</b>	<b>(3,490,530)</b>	<b>4,222,080</b>	
<b>BUILDINGS</b>								
Buildings	New	900,000	2,065,000	2,556,281	1,311,281	(1,245,000)	69,201	Variation in budget for AFL Facilities and Picton Sportsground upgrade due to extreme weather conditions and covid-related constructions delays.
	Renew	1,150,000	1,421,000	1,781,260	1,189,068	(592,192)	915,465	Variation in budget for Rural Fire Service building in Victoria Park, Picton due to extreme weather conditions and covid-related constructions delays.
	<b>sub-total</b>	<b>2,050,000</b>	<b>3,486,000</b>	<b>4,337,541</b>	<b>2,500,349</b>	<b>(1,837,192)</b>	<b>984,667</b>	
<b>PLANT &amp; FLEET</b>								
Plant Fleet Purchases	New	880,000	985,382	1,092,091	1,115,181	23,090	350,193	Plant replacement program revised to include Message & Arrow Board for tail gate of vehicle
Car Fleet Purchases	New	100,000	100,000	100,000	63,000	(37,000)	0	Variation due to Covid related vehicle Supply issues.
	<b>sub-total</b>	<b>980,000</b>	<b>1,085,382</b>	<b>1,192,091</b>	<b>1,178,181</b>	<b>(13,910)</b>	<b>350,193</b>	
<b>STORMWATER DRAINAGE</b>								
Stormwater Improvement Program	Renew	228,000	808,990	808,990	750,990	(58,000)	616,744	Variation due to weather related delays from extreme weather conditions.
		228,000	808,990	808,990	750,990	(58,000)	616,744	
<b>OTHER PROJECTS</b>								
Waste Facilities		525,000	536,150	176,150	149,646	(26,504)	120,117	Additional rehabilitation and safety improvements for landfill adjoining Wonga Road facility
Other Facilities		10,000	65,626	75,160	93,943	18,783	50,186	Surveillance Mobile Cameras funded by the Better Waste Recycling Fund
	<b>sub-total</b>	<b>535,000</b>	<b>601,776</b>	<b>251,310</b>	<b>243,589</b>	<b>(7,721)</b>	<b>170,303</b>	
		33,715,891	39,197,954	41,870,653	30,822,752	(11,047,901)	19,367,072	

## Cash &amp; Investments Budget Review Statement

Budget review for the quarter ended 31 March 2022

## Cash &amp; Investments - Council Consolidated

(\$000's)	Original Budget 2021/22	Sept Revised Budget 2021/22	Dec Revised Budget 2021/22	Variations for this Mar Qtr	Projected Year End Result	Actual YTD figures
<b>Externally Restricted</b> <sup>(1)</sup>						
Domestic Waste Management	8,963	8,698	9,099	434	9,533	9,360
Stormwater Management	308	258	258	577	835	1,084
Developer Contributions	47,659	45,859	51,265	1,556	52,821	50,847
Unexpended Grants & Contributions	5,737	3,020	1,974	2,132	4,106	5,957
<b>Total Externally Restricted</b>	<b>62,667</b>	<b>57,834</b>	<b>62,596</b>	<b>4,700</b>	<b>67,296</b>	<b>67,249</b>
(1) Funds that must be spent for a specific purpose						
<b>Internally Restricted</b> <sup>(2)</sup>						
Recreation	328	328	328	(0)	328	328
Sportsgrounds	281	281	281	41	322	322
Effluent Disposal	419	419	419	18	437	415
Animal Management	(0)	(0)	-	(0)	(0)	(0)
Legal & Risk	808	798	798	(143)	655	726
Asset Maintenance	519	493	261	105	366	5
Golf Club Maintenance	182	81	81	(38)	43	37
Plant & Vehicle Replacement	778	673	566	479	1,045	1,146
Leisure Centre Improvements	468	468	468	40	508	458
Information Technology	99	99	99	(0)	99	86
Employee Leave Entitlements	3,502	3,502	3,350	(22)	3,328	3,328
Organisational Development	319	319	319	(13)	306	62
Property	1,589	1,195	1,195	(540)	655	435
Royalties	711	693	693	68	761	745
Roads	330	330	330	0	330	329
Tourism & Economic Development	183	183	183	25	208	208
Election	62	62	62	(0)	62	153
Special Rate Variation	-	-	-	439	439	-
Infrastructure Projects	1,823	1,653	2,107	(7)	2,100	1,029
Innovation & Savings	328	328	328	(0)	328	324
Growth Management Strategy	740	690	690	(386)	304	87
Strategic Planning	80	22	22	0	22	80
Work in Progress	229	229	229	(229)	-	-
Cemetery Maintenance	218	218	218	(15)	203	195
<b>Total Internally Restricted</b>	<b>13,996</b>	<b>13,065</b>	<b>13,027</b>	<b>(180)</b>	<b>12,847</b>	<b>10,499</b>
(2) Funds that Council has earmarked for a specific purpose						
Unrestricted (ie. available after the above Restrictions)	1,300	10,490	9,302	(4,655)	5,835	7,269
<b>Total Cash &amp; Investments</b>	<b>77,963</b>	<b>81,389</b>	<b>84,925</b>	<b>8,015</b>	<b>85,978</b>	<b>85,017</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 \$7,684,158

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 31/03/22.

### Reconciliation Status

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

**\$ 000's**

Cash at Bank (as per bank statements)		7,684
Investments on Hand		77,112
less: Unpresented Cheques	(Timing Difference)	(11)
add: Undeposited Funds	(Timing Difference)	-
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	(2,379)
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	2,612

### **Reconciled Cash at Bank & Investments**

85,017

### **Balance as per Review Statement:**

85,017

Difference:

-

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

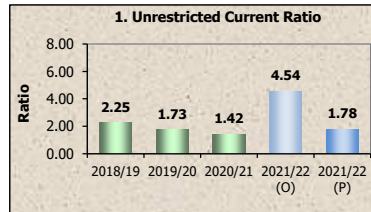
(\$000's)	Current Projection		Original Budget 21/22	Actuals Prior Periods		Industry Benchmark
	Amounts	Indicator		20/21	19/20	
	21/22	21/22				

The Council monitors the following Key Performance Indicators:

**1. Unrestricted Current Ratio**

Current Assets less all External Restrictions	15,221	1.78	4.54	1.42	1.73	>1.5
Current Liabilities less Specific Purpose Liabilities	8,538					

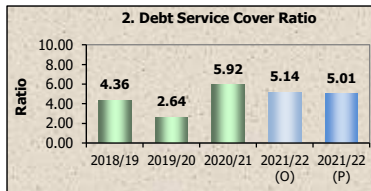
This indicator assesses the adequacy of working capital and its ability to satisfy obligations in the short term for the unrestricted activities of Council.



**2. Debt Service Cover Ratio**

Operating results before capital, excluding interest and depreciation/impairment/amortisation	14,496	5.01	5.14	5.92	2.64	>2
Principal repayments (Statement of Cash Flows) and borrowing costs	2,892					

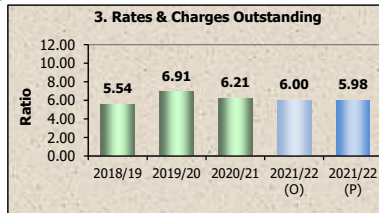
This ratio measures the availability of operating cash to service debt including interest, principal and lease payments.



**3. Rates & Charges Outstanding**

Rates, Annual & Extra Charges Outstanding	3,106	5.98	6.00	6.21	6.91	<5.00
Rates, Annual & Extra Charges Collectible	51,959					

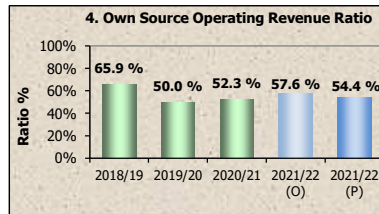
This indicator assesses the impact of uncollected rates & annual charges on Council's liquidity & the adequacy of recovery efforts.



**4. Own Source Operating Revenue Ratio**

Rates & Annual Charges	51,959	54.4 %	57.6 %	52.3 %	50.0 %	60.0 %
Operating Revenue	95,453					

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

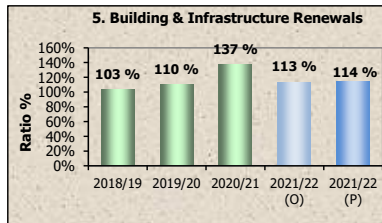


**5. Building & Infrastructure Renewals**

Asset Renewals (Building & Infrastructure)	18,877	114 %	113 %	137 %	110 %	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 March 2022

**Contracts Listing -**

contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)
All Aspects Of Plumbing Pty Ltd	Wilton Sports Ground retaining wall and drainage works.	\$ 60,192	31/03/22	3 Months	Y
Bluefit Pty Limited	Management Fees - Wollondilly Community Leisure Centre - December 2021.	\$ 109,400	01/12/21	1 Month	Y
Cardno (NSW/ACT) Pty Ltd	Project Management and Geotechnical Services: Storm March 2022 - Broughton Pass investigation and repair works.	\$ 99,000	24/03/22	7 Months	N
Cardno (NSW/ACT) Pty Ltd	Project Management and Geotechnical Services: Storm March 2022 - Barkers Lodge Rd landslip investigation & repairs works.	\$ 77,000	24/03/22	9 Months	N
Earthmoving Equipment Australia Pty Ltd	Case TR450B Compact Track Loader.	\$ 144,650	18/04/22	3 Months	Y
Genus Advisory Pty Ltd	Government Services Building QS Services.	\$ 144,100	30/03/24	24-48 Months	Y
Ledacon Pty Ltd	Immediate repair works and traffic management: Storm March 2022 - Bakers Lodge Rd landslip investigation & repair works.	\$ 143,000	24/03/22	4 Months	N
Local Government Appointments	Contractor Services - (Management Accounting) - Feb 21 to May 22.	\$ 68,318	16/02/22	3 Months	Y
Lucid Economics	Multi Services Engineering - Government Services Building, Green Square & Library - Picton Precinct.	\$ 452,708	21/02/24	24-48 Months	Y
Sydney Trucks & Machinery Centre Pty Ltd	Kobelco SK55RSX 5 Tonne Excavator.	\$ 135,685	18/04/22	3 Months	Y
William Ross Architects Pty Ltd	Architectural & Interior Design Services - Government Services Building, Green Square & Library.	\$ 1,099,999	21/02/24	24-48 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	584,338	Y
Legal Fees	1,190,788	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.