
CCS19/006 DECEMBER QUARTERLY BUDGET REVIEW

E05.9535

Responsible Officer: Anthony O'Reilly - Director Corporate and Commercial Services

Attachments:

1. Under Separate Cover - Attachment 1(a) - Fund Flow Statement
2. Under Separate Cover - Attachment 1(b) - Consolidated Income Statement
3. Under Separate Cover - Attachment 1(c) - Capital Program Statement
4. Under Separate Cover - Attachment 1(d) - Projected Fund Balances Statement
5. Under Separate Cover - Attachment 1(e) - Budget Amendments Report
6. Under Separate Cover - Attachment 1(f) - Special Rate Variation
7. Under Separate Cover - Attachment 2 - Consultancy, Legal and Contractors Report
8. Under Separate Cover - Attachment 3 - Key Performance Indicators
9. Under Separate Cover - Attachment 4 - Mayoral and Councillor Expenditure

Outcome: Innovative and Proactive Leadership

Focus Area: 9.2 Ensure financial sustainability and support the organisation in achieving efficient ongoing operations

Delivery Program Link: 9.2.4 Responsibly manage Council's finances and maintain Fit for the Future status

Operational Plan Link: 9.2.4.3 Provide financial management and reporting

EXECUTIVE SUMMARY

This Budget Review reports on Council's performance against the current Operational Plan budget for the quarter ending 31 December 2018.

The original Operational Plan budget, on a consolidated basis (which includes all of Council's funds), for 2018-19 forecasts were:

- Income Statement surplus, before capital revenue, of \$5.03 million
- Income Statement surplus, after capital revenue, of \$22.58 million
- Use of \$0.39 million of unrestricted funds.

The proposed revised budgets after the quarter ending 31 December 2018 are:

- Income Statement deficit, before capital revenue, of \$0.87 million
- Income Statement surplus, after capital revenue, of \$31.00 million
- Use of \$1.88 million of unrestricted funds.

The current year December Review adjustments result in a variation for the income statement, before capital revenues, of \$3.62 million and forecasts an increase in the amount of unrestricted funds to be used of \$2.82 million as per the Consolidated Fund Flow Statement.

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There are no material concerns at the quarterly review about Council meeting budget targets for 2018-19.

RECOMMENDATION

THAT

1. The budget review report for the quarter ended 31 December 2018 be received and noted.
2. The variations for the Income Statement after capital revenue of \$3.69 million and \$2.82 million as per the Consolidated Fund Flow Statement be adopted.

BACKGROUND

Council reviews its performance and financial results against the adopted Operational Plan quarterly, authorizes adjustments to budget items, and highlights variations from its original budget strategy.

It should be noted that the results referred to in this report are unaudited.

The attachments to this report are as follows:

Financial reports (Attachment 1)

These reports provide information on Council's performance against its financial objectives contained in the Operational Plan, presented for the consolidated entity.

Financial reports include:

- a) Consolidated Fund Flow Statement – This report shows the impact of operating, financing and investing activities on Council's unrestricted working capital.
- b) Consolidated Income Statement – Provides sources of income and expenditure, including depreciation, in the program areas and associated services.
- c) Consolidated Capital Program Statement – Provides capital expenditure information for each program area and associated services.
- d) Projected Funds Balance Statement – Provides information on the balances and movements in both unrestricted and restricted fund accounts.
- e) Budget Amendment Report – Provides details of proposed material adjustments to budgets.
- f) SRV capital program – Provides capital expenditure information for each of the projects in the SRV program of works for 2018-19.

Consultancy, Legal and Contractors Report (Attachment 2)

This attachment provides information on major contracts entered into, legal fees incurred and consultancy costs for the quarter ended 31 December 2018.

Key Financial Indicators (Attachment 3)

This attachment provides information about key financial indicators designed to assist in monitoring Council's financial sustainability. The indicators are for the consolidated entity.

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Mayoral and Councillor Expenses (Attachment 4)

Provides information about Mayoral and Councillor expenditure for the quarter ended 31 December 2018.

CONSIDERATIONS

Consolidated Fund Flow Statement (Attachment 1 (a)):

Council requires sufficient funds to pay for its debts as and when they fall due. The Consolidated Fund Flow Statement shows the change in Council's freely available funds or working capital.

It includes all transactions having an impact on Council's funds i.e. income and expenses from its operating activities, capital programs and borrowing activities. It also includes the transfer into, or use of restricted funds for capital or non-recurrent projects. Depreciation is not included as it does not represent a cash flow.

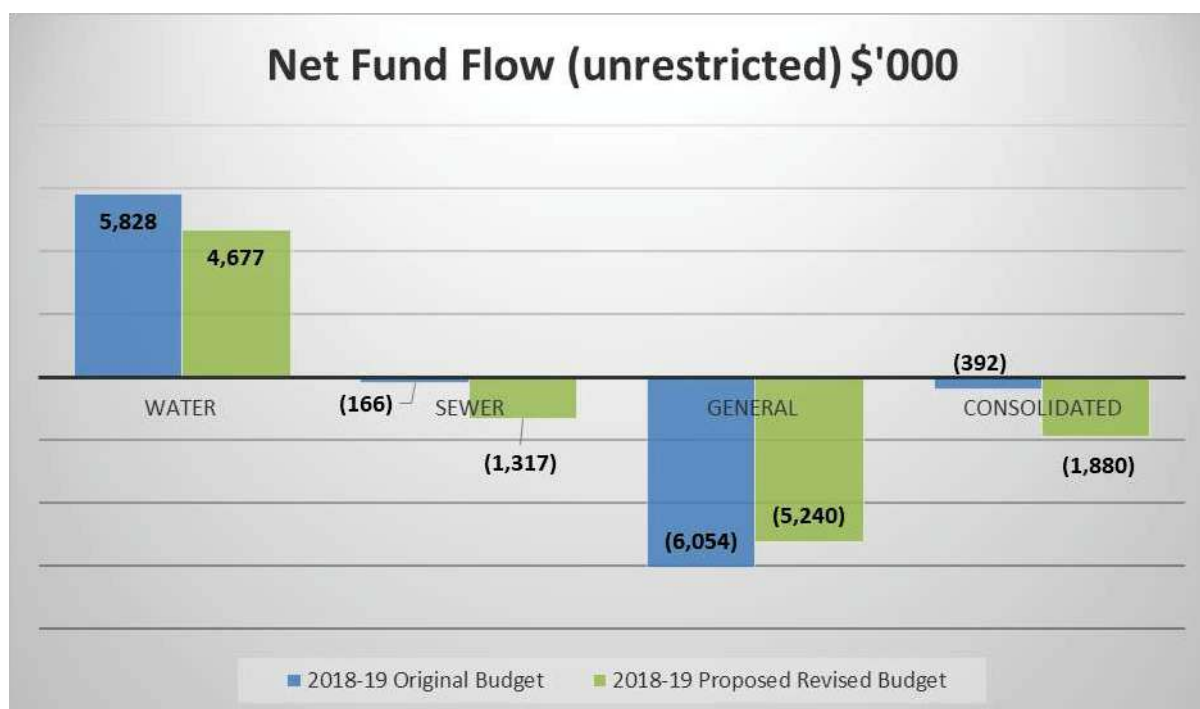
The net fund flow shows the amount of unrestricted funds that will be used to deliver the agreed Operational Plan outcomes for 2018-19. The consolidated original budget forecast a \$0.39 million use of unrestricted funds. The impact of proposed carry forward items from last financial year and the September review amendments projected an increase of unrestricted funds of \$0.94 million for 2018-19.

The December review amendments project an increased use of unrestricted funds of \$1.88 million for 2018-19. See table 1.1 and graph 1.1 below.

Table 1.1 Net increase (decrease) in unrestricted funds, per fund \$'000

Fund	2018-19 Original Budget	Previous Review	Proposed Adjustments	2018-19 Proposed Revised Budget
Water	5,828	(51)	(1,100)	4,677
Sewer	(166)	(41)	(1,110)	(1,317)
General	(6,054)	1,424	(609)	(5,239)
Consolidated	(392)	1,332	(2,819)	(1,880)

Graph 1.1 Net fund flow (unrestricted)



Consolidated Income Statement (Attachment 1 (b)):

The Consolidated Income Statement shows the types of income, and expenditure per council service areas. This result can indicate whether Council is able to raise sufficient revenue to cover the operational cost (including depreciation which measures the wear and tear of Council assets) of delivering services to the community before considering its capital revenue.

Since adoption of the 2018-19 Operational Plan, there has been a change reclassifying some grants and contributions from operational to capital. Given this, the restated original budgeted operating result, for the consolidated entity, was a surplus of \$5.04 million before capital revenue. The September Review position predicted a surplus of \$2.75 million before capital revenue. The proposed revised budget, incorporating the carry forward items from 2017-18 and September and December Review adjustments is a deficit of \$0.870 million before capital revenues (per table 1.2 and graph 1.2 below).

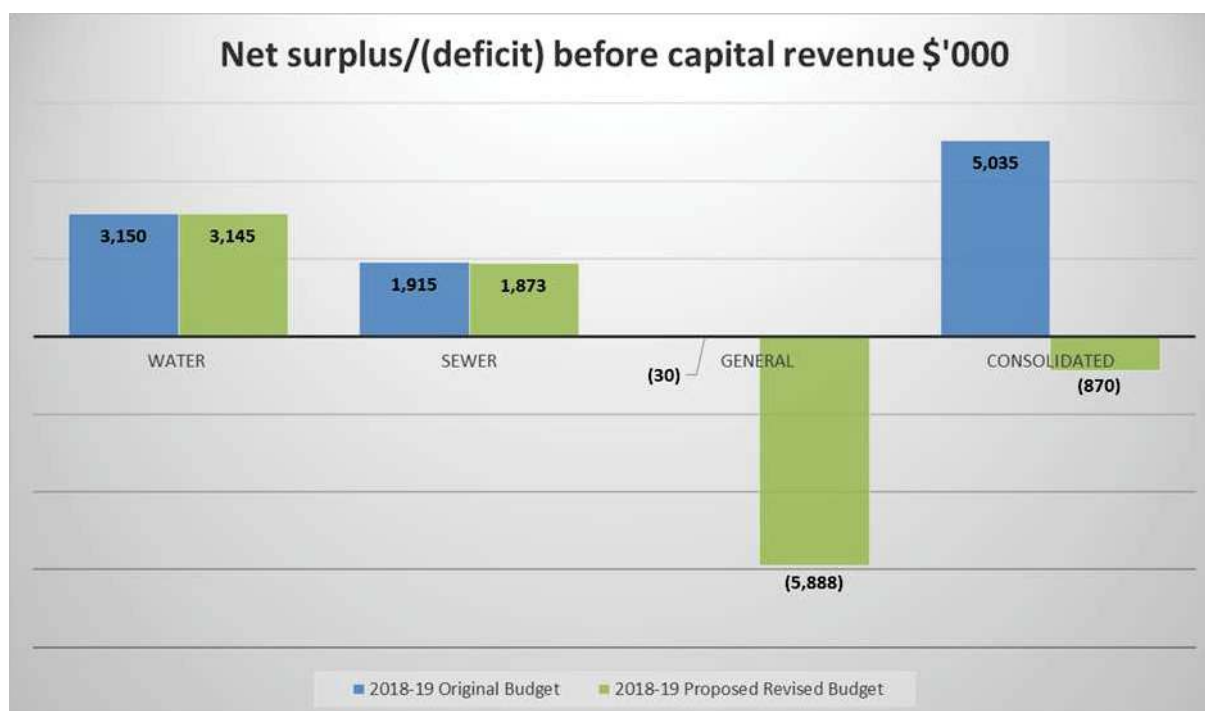
Table 1.2 Net surplus/ (deficit) before capital revenue, \$'000

Fund	2018-19 Original Budget	Previous Review	Proposed Adjustments	2018-19 Proposed Revised Budget
Water	3,150	(5)	0	3,145
Sewer	1,915	(42)	0	1,873
General	(30)	(2,241)	(3,617)	(5,888)
Consolidated	5,035	(2,288)	(3,617)	(870)

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Graph 1.2 Net surplus/ (deficit) before capital revenue



December Review adjustments (operational)

The proposed December Review adjustments to the originally adopted Operational Plan budget for 2018-19, for the second quarter results in a variation to the operating statement before capital revenue of \$3.62 million. This is due to a \$3.51 million amendment transferring the first payment of the 2018-19 Financial Assistance Grant from revenue to the reserve restriction. The first payment of \$3.51 million was received in 2017-18.

Other adjustments include:

- \$1.18 million of RMS Kings Highway expenditure to be recognised on engagement
- \$0.15 million reduced lease income due to the timing of the Airport Redevelopment works
- \$0.30 million increased RMS contributions received for various transport works
- \$0.17 million expenditure relating to dredging works in Tuross and Narooma, Pathway works and Nature Based Tourism works supported by grant funding
- \$0.30 million relating to Work Health Safety Management System being recognised as capital works

The original budget for 2018-19 predicted an income statement surplus of \$22.58 million after allowing for capital grants and contributions, revised at the September Review to \$34.69 million. The proposed budget, incorporating all Review adjustments, results in a surplus of \$31.00 million after capital revenues (per table 1.3 and graph 1.3 below).

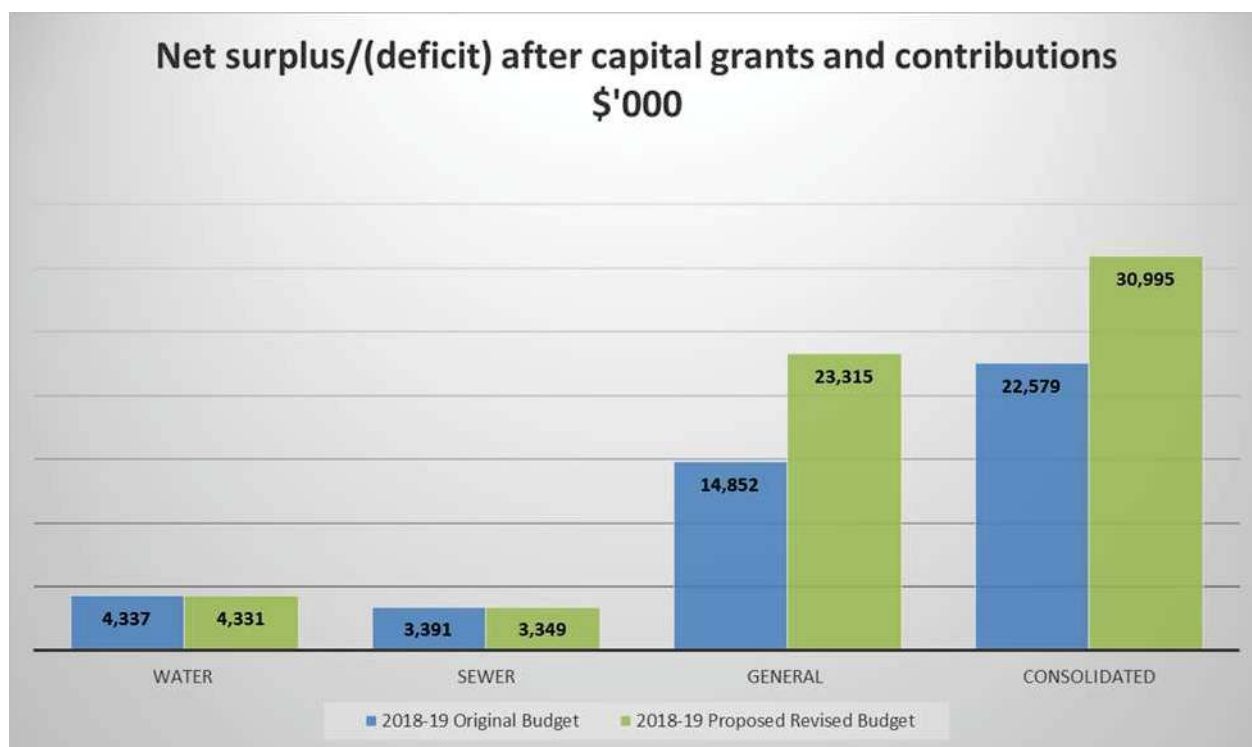
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Table 1.3 Net surplus/ (deficit) after capital revenue, \$'000

Fund	2018-19 Original Budget	Previous Review	Proposed Adjustments	2018-19 Proposed Revised Budget
Water	4,337	(6)	0	4,331
Sewer	3,391	(42)	0	3,349
General	14,852	12,155	(3,692)	23,315
Consolidated	22,579	12,108	(3,692)	30,995

Graph 1.3 Net surplus/ (deficit) after capital revenue, \$'000



Consolidated Capital Program Statement (Attachment 1 (c)):

The original capital expenditure budget for 2018-19 was \$55.22 million. The proposed revised budget, incorporating the carry forward items from 2017-18 and September and December Review adjustments is \$76.78 million (per tables 1.4, and graph 1.4 below). As part of the review of the 2019-20 operational plan, we are currently identifying capital works to be carried forward from the current financial year to 2019-20.

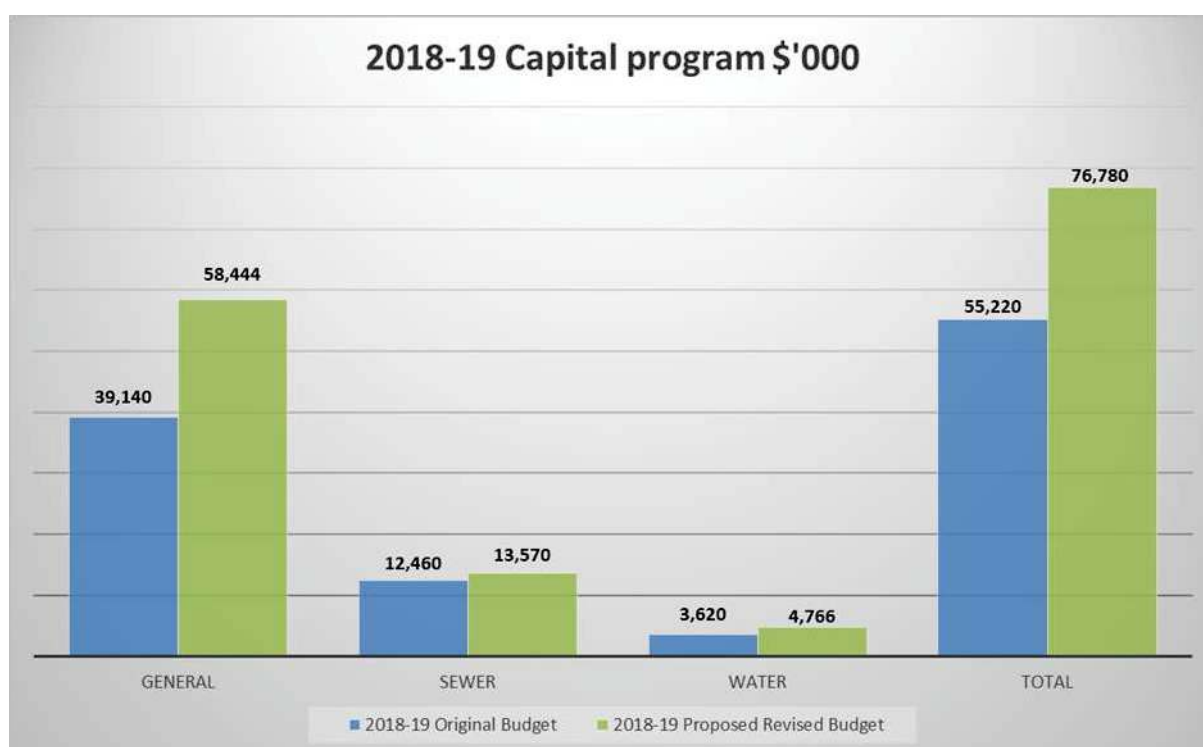
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Table 1.4 Capital Program per fund, \$'000

Fund	2018-19 Original Budget	Previous Review	Proposed Adjustments	2018-19 Proposed Revised Budget
General	39,140	18,948	356	58,444
Sewer	12,460	0	1,110	13,570
Water	3,620	46	1,100	4,766
Total	55,220	18,994	2,566	76,780

Graph 1.4 Capital Program per fund



Capital Program

Council staff have been working with the Roads and Maritime Services and its contractor John Holland P/L to relocate services, including water and sewer pipelines, to enable the construction of the Batemans Bay Bridge. An opportunity has arisen to install two additional pipelines underneath the Clyde River to replace existing steel pipelines laid in the river bed.

Given the saltwater environment, the condition of these pipelines is unknown. Installing these pipelines now would enable Council to avoid costs associated with design, approvals, tendering and reinstatement of both foreshores. Council engaged NSW Public Works to assess the proposal to carry out an independent assessment and ensure value for money.

The December Review includes this work at an estimated cost of \$2.30 million. Other capital adjustments made at the December quarter include:

- \$0.20 million relating to the early replacement of fleet items and a new vehicle designated to Water and Sewer operations
- \$0.05 million for the purchase and installation of a new awning at the Moruya Depot.

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Special Rate Variation (SRV) – Progress update (Attachment 1 (f)):

2018-19 is the fourth year of the SRV program and approximately \$9.61 million of infrastructure works for the year are underway. \$5.45 million of SRV designated funds are being utilised on these works. The majority of the projects have commenced with a due date for completion by the end of the fourth quarter. At 31 December, approximately 13.2% of the programmed SRV works for this year have been expensed.

2018-19 Special Rate Variation (SRV) Capital Program	\$
SRV Funds	(5,454,650)
Total Budget	9,611,475
Expenditure to 31 December 2018	1,264,161
Percentage spent	13.15%

Legal

This review is based on the Quarterly Budget Review Statement (QBRs) Guidelines issued December 2010, pursuant to the provisions of the *Local Government Act 1993* relating to integrated planning.

Policy

The accounting policies being used are based on those detailed in the financial statements for the year ended 30 June 2018.

“Variations” in the Fund Flow Statement are changes in the funding requirements where “funds” are net current assets (working capital) excluding both internal and externally restricted funds.

Financial

Interest rates continue to remain at low levels. The Reserve Bank statements suggest that the rate will continue to be on hold.

CONCLUSION

There are no material concerns at this quarterly review about meeting budget targets for 2018-19.

The following statement is made in accordance with Clause 203(2) of the Local Government (General) Regulation 2005:

As the Responsible Accounting Officer, it is my opinion that the December Quarterly Budget Review for Eurobodalla Shire Council indicates that Council’s projected financial position as at 30 June 2019 will be satisfactory, having regard to the projected estimates of income and expenditure for the 2018-19 financial year.

Total Council Summary

Description	Original Budget	Approved Changes		Proposed Adjustments	Proposed Revised Budget	Actual YTD
		Carry Overs	QBRs - Sept			
Income						
Rates & Annual Charges	-63,165,796	0	0	0	-63,165,796	-63,093,714
User Charges & Other	-34,978,799	-35,892	-3,520,726	922,467	-37,612,950	-15,865,146
Investment Revenues	-3,108,981	0	0	0	-3,108,981	-1,622,112
Operating Grants & contributions	-12,080,206	-576,733	-1,239,391	3,240,401	-10,655,929	-5,973,015
Total Income	-113,333,781	-612,625	-4,760,117	4,162,868	-114,543,655	-86,553,987
Expense						
Profit/Loss on Disposal of Assets	0	0	0	0	0	21,994
Employee costs	37,639,516	0	298,782	0	37,938,298	19,423,505
Interest	2,826,791	0	0	0	2,826,791	1,405,116
Depreciation	30,018,273	0	0	0	30,018,273	1,065,327
Other Costs (incl materials & contracts)	37,814,554	3,074,780	4,286,128	-545,557	44,629,905	19,288,787
Purchase of Assets	0	0	0	0	0	681
Total Expense	108,299,134	3,074,780	4,584,910	-545,557	115,413,267	41,205,410
Operating (Surplus)/Deficit before Capital	-5,034,647	2,462,155	-175,207	3,617,311	869,612	-45,348,577
Capital Income						
Developer Contributions	-2,930,250	0	0	0	-2,930,250	-2,726,402
Capital Grants & Contributions	-14,614,506	-4,333,478	-10,061,732	74,359	-28,935,357	-2,304,525
Operating (Surplus)/Deficit after Capital	-22,579,403	-1,871,323	-10,236,939	3,691,670	-30,995,995	-50,379,503
Non Cash						
Profit/Loss on Disposal of Assets	0	0	0	0	0	-16,994
Depreciation	-30,018,273	0	0	0	-30,018,273	-1,065,327
Total Non Cash	-30,018,273	0	0	0	-30,018,273	-1,082,321
Investing Fund Flows						
Capital Works	55,219,970	4,999,153	13,994,481	2,566,611	76,780,215	18,864,234
Asset Sales	-797,678	0	0	0	-797,678	-334,225
Deferred Debtor Repayments	-16,000	0	0	0	-16,000	-14,794
Total Investing Fund Flows	54,406,292	4,999,153	13,994,481	2,566,611	75,966,537	18,515,216
Financing Fund Flows						
Proceeds from Borrowings	-8,091,341	0	-4,000,000	0	-12,091,341	0
Repayments of Borrowings	8,444,724	0	0	0	8,444,724	3,475,817
Total Financing Fund Flows	353,383	0	-4,000,000	0	-3,646,617	3,475,817
Net (Inc)/Dec in Funds before Transfers	2,162,000	3,127,830	-242,458	6,258,281	11,305,653	-29,470,792
Reserve Movements						
Transfer from Reserves	-23,787,998	-5,208,442	-3,694,032	-3,448,897	-36,139,369	-7,255,105
Transfer to Reserves	22,018,272	0	4,685,829	9,206	26,713,307	3,510,592
Total Reserve Movements	-1,769,725	-5,208,442	991,797	-3,439,691	-9,426,061	-3,744,513
Net (Inc)/Dec in Unrestricted Funds	392,274	-2,080,612	749,339	2,818,590	1,879,591	-33,215,305

Description	Original Budget	Approved Changes		Proposed Adjustments	Proposed Revised Budget	Actual YTD
		Carry Overs	Sept			
Income						
Rates & Annual Charges	-63,165,796	0	0	0	-63,165,796	-63,093,714
User Charges & Other	-34,978,799	-35,892	-3,520,726	922,467	-37,612,950	-15,865,146
Investment Revenues	-3,108,981	0	0	0	-3,108,981	-1,622,112
Operating Grants & contributions	-12,080,206	-576,733	-1,239,391	3,240,401	-10,655,929	-5,973,015
Developer Contributions	-2,930,250	0	0	0	-2,930,250	-2,726,402
Capital Grants & Contributions	-14,614,506	-4,333,478	-10,061,732	74,359	-28,935,357	-2,304,525
Total Income	-130,878,537	-4,946,103	-14,821,849	4,237,227	-146,409,262	-91,584,913
Expense						
Business Development (BD)	652,513	54,065	0	0	706,578	306,414
Children's Services (CS)	1,660,413	21,247	92,739	0	1,774,399	848,836
Commercial Entities (CE)	5,081,650	0	0	0	5,081,650	1,908,656
Communication & Community Engagement (CCE)	760,424	0	0	0	760,424	353,412
Community & Cultural Development (CCD)	761,431	69,000	156,340	293,000	1,279,771	400,510
Community Care (CC)	8,371,326	198,953	360	0	8,570,639	3,762,133
Community Facilities (CF)	2,671,497	0	23,400	0	2,694,897	1,173,421
Corporate & Community Leadership (CCL)	2,302,732	25,988	-516	0	2,328,204	1,134,254
Customer Assistance and Records (CAR)	980,728	0	0	0	980,728	512,485
Development Assessment & Building Certification (DABC)	3,831,632	0	0	0	3,831,632	1,728,464
Environmental Management (EM)	963,162	1,633,827	56,096	107,174	2,760,259	1,133,216
Finance and Central Treasury (FCT)	3,142,895	0	0	0	3,142,895	1,730,294
Fleet and Plant (FP)	736,088	0	0	0	736,088	1,246,448
Information Technology (IT)	2,573,720	0	75,383	0	2,649,103	1,442,047
Libraries (L)	1,871,989	93,130	5,237	-11,800	1,958,556	723,872
Property (P)	916,410	0	0	2,000	918,410	570,808
Public and Environmental Health (PEH)	1,005,162	4,712	0	-20,000	989,874	600,776
Public Order and Safety (POS)	3,049,245	34,911	205,084	50,000	3,339,240	1,339,118
Recreation (R)	7,508,475	50,627	-84,164	32,489	7,507,427	2,796,610
Risk and Insurance (RI)	1,432,867	0	0	0	1,432,867	1,221,905
Sewer Services (SS)	18,890,501	1,500	39,828	0	18,931,829	5,630,055
Stormwater (S)	1,485,797	0	0	0	1,485,797	183,173
Strategic Planning (SP)	1,126,963	492,158	33,200	0	1,652,321	725,394
Technical Services (TS)	1,764,125	0	0	0	1,764,125	1,184,206
Tourism (T)	1,487,362	208,707	0	45,000	1,741,069	668,446
Transport (TR)	18,113,984	42,882	3,046,628	-761,920	20,441,574	5,272,128
Waste Management (WM)	10,642,490	0	0	0	10,642,490	3,692,198
Water Services (WS)	15,386,362	5,500	0	0	15,391,862	4,221,505
Works and Operations (WO)	3,680,559	0	180,708	18,500	3,879,767	1,891,203
Workforce Development (WD)	1,558,521	0	451,375	-300,000	1,709,896	798,534
Youth Services (YS)	387,218	137,573	303,212	0	828,003	178,392
Corporate Overheads	-16,637,597	0	0	0	-16,637,597	-8,468,578
Rates and General Revenue	138,489	0	0	0	138,489	295,074
Total Expense	108,299,134	3,074,780	4,584,910	-545,557	115,413,267	41,205,410
Operating (Surplus)/Deficit after Capital	-22,579,403	-1,871,323	-10,236,939	3,691,670	-30,995,995	-50,379,503
Operating (Surplus)/Deficit before Capital	-5,034,647	2,462,155	-175,207	3,617,311	869,612	-45,348,577



Capital Program December Quarterly Budget Review Statement by Council Services
for YTD Period Ending December 2018

Attachment 1 (c)

Description	Original Budget	Approved Changes		Proposed Adjustments	Proposed Revised Budget	Actual YTD
		Carry Overs	QBRS - Sept			
Capital Expenditure						
Business Development (BD)	0	0	2,300,000	0	2,300,000	20,044
Commercial Entities (CE)	8,072,091	238,450	2,949,668	0	11,260,209	1,724,999
Community & Cultural Development (CCD)	1,484,928	23,827	950,000	75,000	2,533,755	1,121,831
Community Facilities (CF)	674,076	120,109	100,000	-127,369	766,816	212,922
Corporate & Community Leadership (CCL)	0	0	0	0	0	522
Customer Assistance and Records (CAR)	0	0	0	0	0	473
Development Assessment & Building Certification (DABC)	0	0	0	0	0	5,067
Finance and Central Treasury (FCT)	0	0	0	0	0	3,250
Fleet and Plant (FP)	3,997,223	-272,067	0	185,000	3,910,156	1,341,361
Information Technology (IT)	1,883,041	319,416	0	0	2,202,457	702,063
Libraries (L)	294,467	56,000	0	0	350,467	50,271
Property (P)	0	0	0	0	0	1,550
Public Order and Safety (POS)	245,000	165,550	138,098	27,000	575,648	159,859
Recreation (R)	3,189,654	438,646	2,610,675	-215,500	6,023,475	752,576
Sewer Services (SS)	12,460,000	0	0	1,110,000	13,570,000	3,203,468
Stormwater (S)	723,410	206,022	0	0	929,432	352,534
Strategic Planning (SP)	0	95,963	3,705,978	0	3,801,941	365,486
Technical Services (TS)	495,075	93,748	0	0	588,823	0
Transport (TR)	17,758,418	2,959,332	1,240,142	77,480	22,035,372	6,779,222
Waste Management (WM)	50,000	350,000	0	0	400,000	70,662
Water Services (WS)	3,620,000	45,511	0	1,100,000	4,765,511	1,755,548
Works and Operations (WO)	272,587	158,646	-80	35,000	466,153	240,487
Workforce Development (WD)	0	0	0	300,000	300,000	0
Total Capital Expenditure	55,219,970	4,999,153	13,994,481	2,566,611	76,780,215	18,864,196

Description	Original Budget	Approved Changes	Proposed Adjustments	Proposed Revised Budget	
Total Unrestricted Funds	-7,404,838	2,483,123	-709,511	-6,239,815	
Externally Restricted Funds					
Water Fund	5,828,132	-51,011	0	-1,100,000	4,677,121
Sewer Fund	-166,053	-1,500	-39,828	-1,110,000	-1,317,381
Domestic Waste Fund	1,350,484	-350,000	0	0	1,000,484
Section 94 Developer Contributions	608,310	-180,417	0	0	427,893
Section 94A Developer Contributions	36,440	0	0	0	36,440
Unexpended Grants	0	-2,267,644	-265,910	-8,158	-2,541,712
Other Contributions	-300,000	-132,564	-439,587	0	-872,151
General Loans External	0	0	0	0	0
Sewer Loans External	0	0	0	0	0
Water Loans External	0	0	0	0	0
Special Rate Variation External	0	0	0	0	0
StormwaterFund	-6,051	0	0	0	-6,051
Other Waste Funds	0	0	0	0	0
Crown Reserve	483,754	-224,441	0	0	259,313
Tree Fund	-5,311	0	0	0	-5,311
CS Asset Replacement	0	0	0	0	0
Crown Reserve Loan Pool	2,030	0	0	0	2,030
Total Externally Restricted Funds	7,831,735	-3,207,577	-745,325	-2,218,158	1,660,675
Internally Restricted Funds					
Infrastructure Fund	-90,000	-532,955	0	2,456	-620,499
Employee Leave Entitlements	76,125	0	0	0	76,125
Community Development Infrastructure Fund	-176,928	-19,043	0	0	-195,971
Council Funded Loan Pool	3,451	0	0	0	3,451
Energy And Efficiency Fund	6,878	-20,000	0	0	-13,122
Gravel Pits	0	0	0	0	0
IT Investment Fund	0	0	0	0	0
Management Committees	7,744	0	0	0	7,744
Sports Liason Committee	19,590	0	0	0	19,590
Unexpended General Loan Fund	0	-670,116	-12,000	0	-682,116
Works Income Equalisation Fund	74,430	4,153	471,465	-13,711	536,337
Real Estate Disposal	-1,688,161	1,721	1,184,573	0	-501,867
Special Rate Variation	-1,453,521	-1,074,572	-100,653	93,569	-2,535,177
Infrastructure Renewals (FFTF)	1,152,510	0	0	0	1,152,510
Recreation Strategy	-478,789	0	0	0	-478,789
Other Internal Reserves	-42,226	-92,564	153,909	0	19,119
Financial Assistance Grants	0	0	0	-3,513,847	-3,513,847
Total Internally Restricted Funds	-2,588,897	-2,403,376	1,697,294	-3,431,533	-6,726,512
Total Council Funds	-2,162,000	-3,127,830	242,458	-6,258,281	-11,305,653

Entity	Cost Centre Description	Fund Flow Type	(Favourable)/ unfavourable	Quarterly Budget Review Comments
<i>Sewer Fund</i>	Sewerage System Asset Renewals	Purchase of Assets	1,200,000	Capital expenditure for Water and Sewer works at Batemans Bay Bridge
	Sewerage System Augmentations	Purchase of Assets	- 90,000	Revise Augmentation Program
Sewer Fund Total	TOTAL ADJUSTMENTS THIS QUARTER		1,110,000	
<i>Water Fund</i>	Water Supply Asset Renewals	Purchase of Assets	1,100,000	Capital expenditure for Water and Sewer works at Batemans Bay Bridge
Water Fund Total	TOTAL ADJUSTMENTS THIS QUARTER		1,100,000	
<i>Environment Fund</i>	Various	Various	- 20,000	Various minor adjustments
Environmental Fund Total	TOTAL ADJUSTMENTS THIS QUARTER		- 20,000	

Entity	Program	Fund Flow Type	(Favourable)/ Unfavourable	Quarterly Budget Review Comments
<i>General Fund</i>	Airport	User Charges & Other	147,312	Revise new lease income based on redevelopment project timing
	Finance	Operating Grants & contributions	2,689,592	Restrict first payment of 2018-19 Financial Assistance Grant (received in 2017-18)
		Transfers from (to) Restricted Investments	- 2,689,592	
	Governance & Administration	Purchase of Assets	185,000	Capital expenditure for early replacement of vehicle anticipated in 2019-20 and new truck for Water and Sewer Operations
	Recreation	Transfers from (to) Restricted Investments	100,653	Funding for Carpark Construction at Moruya Showground
	Transport	User Charges & Other	721,263	Recognise RMS Kings Highway works on engagement
		Capital Grants & Contributions	96,292	Fixing Country Roads Grants 2018 for Garlandtown Bridge Works; revised estimates for various transport works
		Operating Grants & Contributions	391,575	Funding for Hill Street Pathway works, dredging works and Nature Based Tourism program; restriction of first payment of 2018-19 Financial Assistance Grant (received in 2017-18)
		Other Costs (incl materials & contracts)	- 761,920	Revise expenditure for RMS Kings Highway work, dredging and Nature Based Tourism programs
		Purchase of Assets	387,480	Garlandtown Bridge widening, Hill Street Pathway and revision of transport program expenditure
		Transfers from (to) Restricted Investments	- 466,141	Recognise RMS Kings Highway works on engagement and unexpended Financial Assistance Grant received in 2017-18
	Various	Various	- 172,924	Various minor adjustments
General Fund Total	TOTAL ADJUSTMENTS THIS QUARTER		628,590	
	TOTAL ADJUSTMENTS THIS QUARTER		2,818,590	

Description	SRV Funding Amount	Current Revised Budget	Actual YTD Costs	\$ Remaining	% Spent	Progress Update
Recreation Admin						
Community Facilities Renewals	32,559	80,000	0	80,000	0.00%	Yet to commence
Dr Mackay Landscape Upgrade/Disability Access	6,105	15,000	27	14,973	0.18%	In Progress
Bay Community Centre CCTV Renewal	8,140	20,000	0	20,000	0.00%	Yet to commence
Kyla Park Hall Thermal Efficiency Upgrade	8,140	20,000	4,500	15,500	22.50%	In progress
Total Recreation Admin	54,944	135,000	4,527	130,473	3.35%	
Facilities Management						
Sporting amenities - minor renewal activities	1,245	59,064	4,062	55,002	6.88%	In Progress
Gundry Oval Amenities - Kitchen upgrade & BBQ	25,000	25,000	40	24,960	0.16%	In Progress
Moruya Library - Renewals	30,000	120,000	353	119,647	0.29%	In Progress
Halls, Library & Community Centres-Asbestos Remov	30,000	48,126	6,101	42,025	12.68%	In Progress
Captain Oldrey Amenities Disabled Toilet, Security	27,605	27,605	0	27,605	0.00%	Due to commence 2019/20
Gundry Oval Amenities Ext. With Extra Changerooms	310,897	500,871	0	500,871	0.00%	Due to commence 2019/20
Albert Ryan Stairs Replacement	23,275	61,380	0	61,380	0.00%	Yet to commence
Hanging Rock Tennis Courts Replacement	21,335	56,265	0	56,265	0.00%	Yet to commence
Bodalla Tennis Courts Replacement	21,335	56,265	0	56,265	0.00%	Yet to commence
Electrical Box Upgrades - Sporting Amenities	5,819	15,345	0	15,345	0.00%	Yet to commence
Sporting Amenities Changeroom Partition Upgrades	6,342	16,726	0	16,726	0.00%	Yet to commence
Narooma Meals on Wheels Mould Rectification Works	3,256	8,000	0	8,000	0.00%	Yet to commence
Dalmeny Josh's Beach Stairs Renewals	28,489	70,000	0	70,000	0.00%	Yet to commence
Hanging Rock Function Centre PA System	8,140	20,000	0	20,000	0.00%	Yet to commence
Total Facilities Management	542,738	1,084,647	10,556	1,074,091	0.97%	
Transport						
Box Culvert Widening - Cullendulla Dr. Long Beach	126,723	1,001,354	172,133	829,220	17.19%	In progress
Car Park - Extend Road & Parking Riverside Park	231,821	231,821	51,788	180,033	22.34%	In progress
Gravel Resheet - Unsealed Roads Resheeting	8,081	66,002	14,892	51,110	22.56%	In progress
Low Cost Reconstruction - Congo Rd South	890,534	890,534	1,218	889,316	0.14%	In Progress
Low Cost Reconstruction- Wamban Road	172,269	442,119	149,336	292,783	33.78%	In progress
Reseal - Local Urban Sealed	452,720	1,587,244	130,459	1,456,785	8.22%	In progress
South Durras Bridge Repairs and Guardrail Durras D	150,000	150,000	0	150,000	0.00%	Yet to commence
Tuross Head Boat Ramp - Dredging	31,805	61,556	496	61,060	0.81%	Yet to commence
Bridge Renewal - Runnyford Bridge	405,346	0	91	-91	0.00%	Complete
Bridge Renewal - Silo Farm Bridge	44,766	0	0	0	0.00%	Complete
Shared Pathway - Beach Road, Surf Beach	5,743	5,743	0	5,743	0.00%	Yet to commence
Bridge Renewal - Replacement/upgrades various locn	252,428	252,428	28,820	223,608	11.42%	In progress
Gravel Resheet - Black Flat Road, Nelligen West	6,734	55,000	0	55,000	0.00%	Yet to commence
Gravel Resheet - Quartpot Road	7,346	60,000	0	60,000	0.00%	Yet to commence
Gravel Resheet -Runnyford Road (Mogo End)	3,061	25,000	0	25,000	0.00%	Yet to commence

Description	SRV Funding Amount	Current Revised Budget	Actual YTD Costs	\$ Remaining	% Spent	Progress Update
Gravel Resheet - Buckenbowra Road (Mogo West)	6,121	50,000	0	50,000	0.00%	Yet to commence
Gravel Resheet - Old Mossy Point Road, Jeremadra	5,509	45,000	0	45,000	0.00%	Yet to commence
Gravel Resheet - Araluen Road (Moruya West)	18,976	115,000	4,182	110,818	3.64%	In progress
Gravel Resheet - Larrys Mountain Road (Moruya North)	5,509	45,000	0	45,000	0.00%	Yet to commence
Gravel Resheet - Donald Creek Road (Moruya West)	5,509	45,000	11,332	33,668	25.18%	In progress
Gravel Resheet - Mymossa Road (Moruya West)	6,734	55,000	4,544	50,456	8.26%	In progress
Gravel Resheet - Stewarts Road (Moruya West)	5,509	45,000	180	44,820	0.40%	In Progress
Gravel Resheet - Eurobodalla Road (Bodalla West)	5,509	45,000	0	45,000	0.00%	Yet to commence
Gravel Resheet - Belowra Road	11,631	95,000	0	95,000	0.00%	Yet to commence
Gravel Resheet - Kianga Forest Road (Narooma North)	11,019	90,000	19,063	70,937	21.18%	In progress
Gravel Resheet - Old Highway (Narooma South)	9,182	75,000	56,006	18,994	74.68%	In progress
Shared Pathway - Beach Road, Surf Beach	23,899	373,101	4,405	368,696	1.18%	In progress
Shared Pathway - George Bass Drive, Malua Bay (Stage 2)	19,649	135,000	0	135,000	0.00%	Yet to commence
Shared Pathway - Queen Street, Moruya	1,455	10,000	9,540	460	95.40%	Complete
Shared Pathway - Evans Street, Moruya	8,005	55,000	3,972	51,028	7.22%	In progress
Wimbi Creek Culvert Extension	150,000	150,000	120,717	29,283	80.48%	In progress
Yellow Frog Culvert Replacement	150,000	150,000	206,746	-56,746	137.83%	Complete
Total Transport	3,233,593	6,406,902	989,920	5,416,981	15.45%	

Description	SRV Funding Amount	Current Revised Budget	Actual YTD Costs	\$ Remaining	% Spent	Progress Update
Recreation						
Burri Point, Guerrilla Bay	127,219	127,219	0	127,219	0.00%	Yet to commence
Corrigans Beach Reserve Batehaven Car Park Upgrade	117,537	136,225	19,940	116,285	14.64%	In Progress
Observation Point, Batehaven Viewing Platform	126,451	126,451	0	126,451	0.00%	Yet to commence
Parks Facilities Renewals - Seats/Tables	54,188	143,784	44,436	99,348	30.90%	In Progress
Playgrounds renewals	26,063	58,758	0	58,758	0.00%	Yet to commence
Riverside Park Improvements	212,032	212,032	0	212,032	0.00%	Due to commence in 2019-20
Sporting Fields - topdressing/renovation	63,610	219,285	0	219,285	0.00%	Due to commence in 2019-20
Carters Headland, Kianga - Viewing Platform	39,116	39,116	0	39,116	0.00%	Yet to commence
Moruya Showground - Construct Parking	110,847	253,138	8,931	244,207	3.53%	In progress
Congo - Playground Renewals	11,500	25,875	36,796	-10,921	142.21%	Completed
Malua Bay Deck Replacement	9,422	25,000	21,016	3,984	84.07%	In Progress
Evans Road Tuross Playground Upgrade	37,547	114,646	0	114,646	0.00%	In progress
Total Recreation	935,532	1,481,528	131,118	1,350,410	8.85%	
Public Conveniences						
Drainage Renewals - Shirewide	486,346	291,817	29,215	262,602	10.01%	In Progress
Total Public Conveniences	486,346	291,817	29,215	262,602	10.01%	
Corporate Administration						
Public Toilets - Durras Lake Boatramp New Toilet	77,749	77,749	74,710	3,039	96.09%	In progress
Total Corporate Administration	77,749	77,749	74,710	3,039	96.09%	
Environment Works						
Beach Road (Caseys Beach) Rockwall St 1	30,000	30,000	0	30,000	0.00%	Yet to commence
Total Environment Works	30,000	30,000	0	30,000	0.00%	
Other Works						
SRV Project Management Wages & Salaries	93,748	103,831	24,114	79,717	23.22%	In Progress
Total Other Works	93,748	103,831	24,114	79,717	23.22%	
Total SRV Program	5,454,650	9,611,475	1,264,161	8,347,314	13.15%	

Consultancy, Legal and Contractors Expenses
for the quarter ending 31 December 2018

Contracts entered into greater than \$50,000

Contractor	Contract detail & purpose	Contract Value	Commencement Date	Duration of contract	Budgeted (Y/N)
Coastal Auto Group	Supply & Delivery of Fleet replacements	\$ 63,173.50	18-Dec-18	21 days	Y
Downer EDI Works Pty Ltd	Various Asphalt Sealing Works	\$ 251,674.00	30-Nov-18	3 months	Y
Sustain Me	Consultancy - food business waste management	\$ 55,000.00	01-Dec-18	2 years	Y
Fulton Hogan Industries	Spray sealing works 2018-2020	\$ 1,477,350.00	26-Oct-18	2 years	y
Jardine Lloyd Thompson	Develop WHS Management System specific to Council activities.	\$ 194,500.00	02-Oct-18	15 months	y
CSBA Customer Service Benchmarking Australia	The mystery shopping programme	\$ 59,350.00	01-Nov-18	2 years	Y

Consultancy and Legal Expenses Incurred

	December Quarter	Budgeted (Y/N)	Comments
Consultants	2,014,418	Y	Management of construction projects, investigation and design works, business systems development and input to various strategic planning and environmental projects.
Legal Fees	262,504	Y	Rates recoveries, land sales, leasing contracts, Aboriginal Land Claim and Native Title and other general legal advice.

Definition of consultant:

A consultant is a person or organisation engaged under a 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.

Key Performance Indicators : Consolidated Results for the quarter ended December 2018

Indicator	Target	Original Budget 2018-19	Projected FY 2018-19
Unrestricted Current Ratio	> 1.5	>2	>2
Operating Performance Ratio	minimum 0%	4.55%	0.88%
Buildings & Infrastructure Renewals Ratio	= > 100%	83%	121%
		<i>Refer Note (a)</i>	<i>Refer Note (b)</i>

Fit for the Future update : General Fund (incl. Environment and Waste Funds)

Indicator	Target	Original Budget 2018-19	Projected FY 2018-19
Operating Performance Ratio (3 year rolling average)	minimum 0%	0.03	0.07

Explanations:

Unrestricted Current Ratio - Indicates adequacy of working capital and the ability to satisfy obligations in the short term.

Operating Performance Ratio - Indicates achievement of containing operating expenditure within operating revenue.

Buildings & Infrastructure Renewals Ratio - Indicates the rate at which assets are being renewed compared to the rate at which they are depreciated.

Target : Source 2017-18 Financial Statements

Notes:

(a) Budgeted ratios are based on the original budgets for 2018-19.

(b) Projected ratios are based on the revised budgets for 2018-19.

Councillor	Councillor Allowance	Conference / Delegate Costs	Travelling Expenses	Phone / Fax/ Internet etc	Training / Skill Development	Other Costs	Total
Cr L Brown	9,895	606	2,769	545	3,460	0	17,275
Cr L Innes	31,480	692	-1,063	2,363	0	6,739	40,212
Cr Constable	10,041	3,241	880	344	0	0	14,507
Cr Mayne	9,895	911	1,768	863	0	0	13,437
Cr McGinlay	9,895	0	1,961	1,776	0	0	13,632
Cr Nathan	9,895	545	1,122	359	0	0	11,921
Cr Tait	9,895	0	895	390	0	43	11,223
Cr J Thomson	9,895	2,565	3,516	449	0	98	16,522
Cr Pollock	9,895	0	1,377	1,259	0	0	12,531
Total	110,786	8,560	13,226	8,348	3,460	6,880	151,259