



**COOTAMUNDRA-  
GUNDAGAI REGIONAL  
COUNCIL**

# **Quarterly Budget Review Statement**

**31 March 2020**



# Commentary

## Budgeted Operating Result

The Council's Income and Expenses, and Net Operating Result are reported on pages 4 & 5 of this Review Statement.

The revised estimated net operating result for the year to 30 June 2020 is a surplus of \$782,000 (original budget was a surplus of \$7,649,000) and the revised estimated result before capital grants and contributions is a \$2,843,000 deficit (original \$5,758,000 deficit).

The major changes detailed in this report are related to timing of income and expenditure.

## Budget Variations to the Operating Result

The budget adjustments recommended to Council for approval in this report result in a net increase to the operating surplus of \$3,265,000.

The material variations from the original budget for the year to date are attributed to:

### Favourable variations

- Amounts levied for annual waste charges exceeded the budget by \$45,000.
- \$25,000 is recommended to be reallocated from operational expenditure to a capital project.
- The result for cemeteries is expected to be \$100,000 better than budgeted.
- Revenue from the waste soil operation is expected to be \$120,000 better than budgeted.
- Expenditure of \$1,625,000 on community projects funded by grants was

completed earlier than anticipated, and was included in the 2019 Financial Year.

- Budgeted repayment of funding received under NCIF round one has been removed, resulting in a positive adjustment of \$1,400,000.
- Private works contract profits are expected to increase by \$135,000.

### Unfavourable variations

- Projected interest to be received from investments has been downgraded by \$180,000
- Changes to the organisational structure as a result of amalgamation have resulted in termination payments funded by NCIF (New Council Implementation Fund) and the Employee Leave Entitlement Reserve.



# 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 Cootamundra Gundagai Regional Council for the quarter ended 31/12/19 indicates that Council's projected financial position at 30/6/20 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



**Signed:**

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Tim Swan  
Responsible Accounting Officer

**date: 21 May 2020**



# Income and Expense Budget Review

## Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2020



### Income and Expenses Consolidated

(\$000's)	Original Budget	Council Approved Changes					Revised budget	Variations	Notes	Revised budget after variation	YTD Actual
		Carry Forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
<b>Income</b>											
Rates and Annual Charges	12,975			45	-		13,020	-		13,020	12,152
User Charges and Fees	8,181			-	100		8,281	677	1	8,958	5,597
Interest and Investment Revenues	677			(180)	-		498	-		498	309
Other Revenues	400			-	120		520	-		520	519
Grants & Contributions - Operating	10,511			-	20		10,531	107	2-5	10,638	4,575
Grants & Contributions - Capital	13,407			-	-		13,407	(9,782)	6	3,625	446
Internal Plant Hire	3,420			-	-		3,420	-		3,420	2,236
Internal Overheads	2,279			-	-		2,279	-		2,279	-
Internal Easements	1,465			-	-		1,465	-		1,465	-
<b>Total Income from Continuing Operations</b>	<b>53,314</b>	<b>-</b>	<b>-</b>	<b>(134)</b>	<b>240</b>	<b>-</b>	<b>53,420</b>	<b>(8,998)</b>		<b>44,422</b>	<b>25,834</b>
<b>Expenses</b>											
Employee Costs	11,955			325	-		12,280	(18)	7	12,262	9,190
Borrowing Costs	184			-	-		184	(77)	8	107	46
Materials & Contracts	14,102			(25)	(1,625)		12,452	779	9-15	13,232	11,126
Plant Hire	2,686			-	-		2,686	-		2,686	1,621
Legal Costs	72			-	-		72	-		72	116
Consultants	257			-	-		257	15	16	272	592
Depreciation	7,677			-	-		7,677	-		7,677	-
Other Expenses	4,988			-	(1,400)		3,588	-		3,588	3,220
Internal Overheads	2,279			-	-		2,279	-		2,279	-
Internal Easements	1,465			-	-		1,465	-		1,465	-
<b>Total Expenses from Continuing Operations</b>	<b>45,665</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>(3,025)</b>	<b>-</b>	<b>42,940</b>	<b>700</b>		<b>43,640</b>	<b>25,911</b>
<b>Net Operating Result from Continuing Operations</b>	<b>7,649</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>3,265</b>	<b>-</b>	<b>10,480</b>	<b>(9,698)</b>		<b>782</b>	<b>77</b>
<b>Net Operating Result before Capital Items</b>	<b>(5,758)</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>3,265</b>	<b>-</b>	<b>(2,927)</b>	<b>84</b>		<b>(2,843)</b>	<b>524</b>

# Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2020



## Income and Expenses by Business Unit

(\$000's)	Original Budget	Council Approved Changes					Revised budget	Variations	Notes	Revised budget after variation	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
<b>Income</b>											
Development, Building and Compliance	384			-	-		384	-		384	255
Regulatory Services	524			-	120		644	4	5	648	452
Community and Culture	267			-	-		267	91	2-3	358	276
Business Services	12			-	-		12	-		12	22
Finance and Customer Services	16,629			(73)	-		16,557	-		16,557	9,488
Executive Office	10			-	-		10	-		10	(172)
Operations Management	5,568			-	-		5,568	677	1	6,245	2,410
Facilities	133			-	120		253	-		253	290
Recreation	187			-	-		187	-		187	314
Technical Services	516			-	-		516	-		516	388
Civil Works	3,366			-	-		3,366	-		3,366	1,782
Asset Management	3,795			-	-		3,795	12	4	3,807	2,675
Waste Services	2,427			32	-		2,458	-		2,458	2,360
Water	4,275			(50)	-		4,224	-		4,224	3,291
Sewer	15,220			(43)	-		15,177	(9,782)	6	5,395	2,002
<b>Total Income from Continuing Operations</b>	<b>53,314</b>	<b>-</b>	<b>-</b>	<b>(134)</b>	<b>240</b>	<b>-</b>	<b>53,420</b>	<b>(8,998)</b>		<b>44,422</b>	<b>25,834</b>
<b>Expenses</b>											
Development, Building and Compliance	1,315			-	-		1,315	-		1,315	532
Regulatory Services	1,099			-	-		1,099	4	15	1,103	780
Community and Culture	1,392			-	-		1,392	109	11,14	1,501	1,202
Business Services	2,126			-	-		2,126	-		2,126	1,623
Finance and Customer Services	2,086			-	-		2,086	(200)	17	1,886	1,140
Executive Office	6,397			-	(3,025)		3,372	-		3,372	2,361
Operations Management	1,175			-	-		1,175	542	13	1,717	2,289
Facilities	1,408			(25)	-		1,383	(38)	7, 12	1,346	945
Recreation	1,721			-	-		1,721	173	9, 17	1,893	1,712
Technical Services	2,079			-	-		2,079	-		2,079	1,338
Civil Works	5,548			-	-		5,548	-		5,548	3,999
Asset Management	2,976			325	-		3,301	15	16	3,316	2,900
Waste Services	2,093			-	-		2,093	172	10	2,265	1,642
Water	4,073			-	-		4,073	(77)	8	3,997	2,584
Sewer	2,500			-	-		2,500	-		2,500	865
<b>Total Expenses from Continuing Operations</b>	<b>37,989</b>	<b>-</b>	<b>-</b>	<b>300</b>	<b>(3,025)</b>	<b>-</b>	<b>35,264</b>	<b>700</b>		<b>35,964</b>	<b>25,911</b>
<b>Net Operating Result from Continuing Operations</b>	<b>15,326</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>3,265</b>	<b>-</b>	<b>18,156</b>	<b>(9,698)</b>		<b>8,459</b>	<b>(77)</b>
Depreciation	7,677						7,677			7,677	-
<b>Net Operating Result including depreciation</b>	<b>7,649</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>3,265</b>	<b>-</b>	<b>10,480</b>	<b>(9,698)</b>		<b>782</b>	<b>(77)</b>
<b>Net Operating Result before Capital Items</b>	<b>(5,758)</b>	<b>-</b>	<b>-</b>	<b>(434)</b>	<b>3,265</b>	<b>-</b>	<b>(2,927)</b>	<b>84</b>		<b>(2,843)</b>	<b>(524)</b>

## Detail of budget variations

### Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2020



#### Income and Expenses Consolidated

Notes	Variance \$000	Details
1	677	Private works contracts have been secured, and are expected to return income of \$676,913 in the current financial year.
2	29	State Government libraries funding exceeded expectations by \$29,276.
3	62	A grant of \$62,025 has been received to promote economic recovery following bushfires. Equivalent expenditure will be incurred.
4	12	Funding of \$12,000 for a flood response feasibility study has been received. The study is expected to cost \$15,000.
5	4	A grant of \$4,000 for COVID19 stimulus has been received for the pound. Equivalent expenditure will be incurred.
6	(9,782)	The Gundagai Sewerage Treatment Plant had been budgeted for completion in the current year. The project has been largely deferred to 2020/21, including progress claims against the grant funding of \$9,781,936.
Total	(8,998)	
7	(18)	Employee expenses budgeted for operational expenditure have been contributed to the capital project at Carberry Park.
8	(77)	Delays in securing borrowings for the Cootamundra water mains project have resulted in interest payments being deferred until 2020/21.
9	(27)	Capital expenditure incurred in the upgrade of the Cootamundra pool backwash system were transferred from the operational budget per resolution 241/2019.
10	172	Expenses of \$171,959 have been incurred in the processing of accumulated green waste at the Cootamundra Landfill site.
11	47	The Wallendbeen Heritage Study has incurred expenses of \$47,110. The study was grant-funded, and budgeted for completion in 2018/19.
12	(20)	Solar panels will be installed at the Gundagai Depot, with \$20,000 contributed from the Facilities operating budget.
13	542	Expenses associated with private works contracts are estimated to be \$541,530 in the current financial year.
14	62	A grant of \$62,025 has been received to promote economic recovery following bushfires. Equivalent expenditure will be incurred.
15	4	A grant of \$4,000 for COVID19 stimulus has been received for the pound. Equivalent expenditure will be incurred.
16	15	Funding of \$12,000 for a flood response feasibility study has been received. The study is expected to cost \$15,000.
17	-	The annual budget for the Recreation Department has been exhausted. It is proposed to transfer \$200,000 from a budget reserved for proposed new positions.
Total	700	
Total	(9,698)	

# Capital budget review

Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2020



## Capital budget

(\$000's)	Original Budget	Approved Changes					Revised Budget	Variations this quarter	Notes	Revised budget after variations	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs					
<b>Capital Expenditure</b>											
Plant and equipment	2,484			-	-		2,484	-		2,484	1,371
Office equipment	40			-	-		40	-		40	33
Buildings	50			135	-		185	20	1	205	354
Land improvements	25			-	-		25	168	2	193	222
Major projects	5,920			-	-		5,920	-		5,920	5,284
Roads, bridges and footpaths	4,290			-	-		4,290	-		4,290	3,038
Stormwater drainage	-			-	-		-	-		-	460
Recreation assets	-			-	-		-	27	3	27	22
Parks and Gardens	-			-	-		-	102	4	102	92
Waste Services	-			-	-		-	-		-	23
Water supply network	4,000			-	-		4,000	100	5	4,100	3,882
Sewerage network	12,856			-	-		12,856	(6,682)	6	6,174	2,963
Other assets	-			-	-		-	-		-	-
<b>Total Capital Expenditure</b>	<b>29,665</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>29,800</b>	<b>(6,264)</b>		<b>23,536</b>	<b>17,744</b>
<b>Capital Funding</b>											
Rates & Other Untied Funding	4,069			135			4,204	215	1, 2, 3	4,419	10,337
Capital Grants & Contributions	15,859						15,859	(3,581)	6	12,278	448
Reserves:											
- External Restrictions/Reserves	7,493						7,493	(2,898)	4, 5, 6	4,595	6,292
- Internal Restrictions/Reserves							-			-	
New Loans	4,000						4,000			4,000	-
Receipts from Sale of Assets											
- Plant & Equipment	697			-	-		697	-		697	450
- Land & Buildings	-			-	-		-	-		-	216
<b>Total Capital Funding</b>	<b>32,118</b>	<b>-</b>	<b>-</b>	<b>135</b>	<b>-</b>	<b>-</b>	<b>32,253</b>	<b>(6,264)</b>		<b>25,989</b>	<b>17,744</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>2,452</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,452</b>	<b>1</b>		<b>2,453</b>	<b>-</b>



## Detail of budget variations

**Cootamundra Gundagai Regional Council**  
Budget review for the quarter ended 31 March 2020



### Capital Budget

Notes	Variance \$000	Details
1	20	Solar panels will be installed at the Gundagai Depot, with \$20,000 contributed from the Facilities operating budget.
2	168	Land has been purchased at the site of the Bangas Pit operation.
3	27	Capital expenditure incurred in the upgrade of the Cootamaundra pool backwash system were transferred from the operational budget per resolution 241/2019.
4	102	Capital works have been completed at Carberry park. This is to be funded from the Gundagai Town Improvement reserve and the Gundagai Parks & Gardens operational budget.
5	100	The Cootamundra water mains replacement programme has exceeded the original budget of \$4,000,000 by \$98,000. This project will continue for several years.
6	(6,682)	The Gundagai Sewerage Treatment Plant had been budgeted for completion in the current year. The project has been largely deferred to 2020/21, including capital expenditure of \$9,681,936.
<b>Total</b>	<b>(6,265)</b>	





# Cash and investments budget review

## Restricted and unrestricted cash (reserves)

Cootamundra Gundagai Regional Council  
Budget review for the quarter ended 31 March 2020



### Cash and Investments

(\$000's)	Original Budget	Approved Changes					Variations			Revised budget after variations	YTD Actual
		Carry forwards	Other than by QBRs	Sept QBRs	Dec QBRs	Mar QBRs	Revised Budget	Variations this quarter	Notes		
<b>Externally Restricted <sup>(1)</sup></b>											
Developers contributions	12				(12)		-	10	1	10	10
Specific Purpose Unexpended Grants & Contributions	960						960	(808)	1	152	1,579
Water network infrastructure	6,197				(3,412)		2,785	(286)	1, 2, 3	2,499	(1,143)
Sewer network infrastructure	5,226				(847)		4,379	(3,634)	1, 4	745	889
Gundagai Town Improvement District	1,376				141		1,517	(102)	5	1,415	1,511
Domestic Waste Management	1,725				542		2,267	(172)	6	2,095	1,761
Stormwater infrastructure renewal	160				103		263	-		263	263
<b>Total Externally Restricted</b>	<b>15,656</b>	-	-	-	(3,485)	-	<b>12,171</b>	<b>(4,992)</b>		<b>7,179</b>	<b>4,870</b>
<b>Internally Restricted <sup>(2)</sup></b>											
Merger Implementation Fund	-						-			-	1,400
Stronger communities fund	-						-			-	
Aerodrome bitumen resurfacing	246				(1)		245	-		245	245
Bradman's birthplace	51				2		53	-		53	53
Coolac bypass	78				24		102	-		102	102
Cootamundra caravan park	92				-		92	-		92	92
Development	193				401		594	-		594	594
Employee leave entitlements	1,586			(195)	(6)		1,385	-		1,385	1,385
Financial assistance grant	-				-		-	-		-	-
Heritage centre	12				2		14	-		14	14
Incomplete works	-				33		33	-		33	33
Plant replacement	76				172		248	-		248	1,329
Quarries & pit restoration	51				(35)		16	-		16	16
Saleyards	110				(75)		35	-		35	(35)
Special projects	-				(15)		(15)	15	1	0	454
Swimming Pool Pump & Equipment	12				-		12	(12)	7	-	-
Cemetery reserve	28				(28)		0	(0)		-	-
<b>Total Internally Restricted</b>	<b>2,535</b>	-	-	(195)	475	-	<b>2,815</b>	<b>3</b>		<b>2,817</b>	<b>5,682</b>
<b>Unrestricted</b>	<b>2,184</b>	-	-	195	99	-	<b>2,478</b>	<b>2,175</b>		<b>4,654</b>	<b>2,073</b>
<b>Total Cash &amp; Investments</b>	<b>20,375</b>				<b>(2,911)</b>		<b>17,464</b>	<b>(2,814)</b>		<b>14,650</b>	<b>12,625</b>

(1) Funds that must be spent for a specific purpose

(2) Funds that Council has earmarked for a specific purpose

## Detail of budget variations

**Cootamundra Gundagai Regional Council**  
Budget review for the quarter ended 31 March 2020



### Cash & Investments

Notes	Variance \$000	Details
1	(1,580)	Reconciled closing balances of reserves for the final 2019 Financial Statements varied from the projections used for the preparation of the current year budget.
2	77	Delays in securing borrowings for the Cootamaundra water mains project have resulted in interest payments being deferred until 2020/21.
3	(100)	The Cootamundra water mains replacement programme has exceeded the original budget of \$4,000,000 by \$98,000. This project will continue for several years.
4	(3,100)	The Gundagai Sewerage Treatment Plant had been budgeted for completion in the current year. The project has been largely deferred to 2020/21, with the net impact to the reserve in the current year being a reduction of \$3,100,000.
5	(102)	Capital works have been completed at Carberry park. This is to be funded from the Gundagai Town Improvement reserve and the Gundagai Parks & Gardens operational budget.
6	(172)	Expenses of \$171,959 have been incurred in the processing of accumulated green waste at the Cootamundra Landfill site.
7	(12)	Expenditure on the backwash system at the Cootamundra Swimming Pool has exhausted the Swimming Pool Pump and Equipment reserve.
<b>Total</b>	<b>(4,989)</b>	



# Key Performance Indicators

## Cootamundra Gundagai Regional Council

Budget review for the quarter ended 31 March 2020



### Key Performance Indicators

	This revision	Original budget	2018/19	2017/18	Target
<b>1. Operating performance</b>					
Operating revenue less operating expense	(3,577)	-10.64%		-29.61%	>0%
Operating revenue	33,633				
<b>2. Own source revenue</b>					
Total operating revenue less grants	22,995	61.72%		65.28%	>60%
Total operating revenue	37,259	48.17%			
<b>3. Rates and annual charges outstanding</b>					
Rates outstanding	1,193	9.16%		7.68%	<10%
Rates collectible	13,020				

Note: Rates and annual charges outstanding reflects the balances at quarter end



## **COOTAMUNDRA-GUNDAGAI REGIONAL COUNCIL**

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