



SNOWY MONARO
REGIONAL COUNCIL

LATE REPORT

PUBLIC EXHIBITION COPY

Ordinary Council Meeting
17 February 2022

**ORDINARY COUNCIL MEETING
TO BE HELD IN BOMBALA COMMUNITY CENTRE, 163 MAYBE STREET, BOMBALA
NSW 2632**

**ON THURSDAY 17 FEBRUARY 2022
COMMENCING AT 5:00PM**

SUPPLEMENTARY AGENDA

9.4 KEY THEME 4. LEADERSHIP

9.4.1 Budget Adjustments to Allow for New Budget Controls

3

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

Record No: I22/104

OFFICER’S RECOMMENDATION

That the budget adjustments in the report be approved.

ISSUES

As of 14 February 2022, the Finance team implemented a new budget control. Essentially by activating this financial system tool (CIVICA), purchasing officers are prevented from creating payment requisitions for work orders without an approved budget. To date officers were able to approve requisitions / work orders when approved budgets did not exist, which has resulted in overspending against budgets. Often revision was undertaken when the next quarterly budget review was done to provide an approved budget.

The new control therefore improves budget ownership by Council – via quarterly budget reviews whereby officers must now seek Council approval to increase expenditure thresholds prior to the funds being used.

This does have the impact in that some budgets were not properly in place in the system and now need to be included into the budget to allow for works to proceed.

RISK ASSESSMENT

Risk Type	Current Risk	Expected Risk	Within Accepted
Asset Management	Low	Low	Yes
Economic Activity	Low	Low	Yes
Environmental Security	Low	Low	Yes
External Political Environment	Low	Low	Yes
Financial Sustainability	Low	Low	Yes
Health and Safety	Low	Low	Yes
Legislative Governance and Compliance	Low	Low	Yes
Reputation and Image	Medium	Low	No
Service Delivery	Medium	Low	No

Not approving the budgets will have impacts in that projects that are underway will not be able to proceed until after Council has formally adopted revised budgets.

FINANCIAL IMPACTS

	Amount	Details
Current Annualised Net Cost	Nil.	The budget changes do not have an ongoing impact on the cost of operations.
Estimated Annualised Net Cost	Nil.	
Capital Investment	-\$15,640	Overall the changes lead to a

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

	Amount	Details
Current Annualised Net Cost	Nil.	The budget changes do not have an reduced net capital investment
Capital Funding Source	\$	

The adjustments are primarily to bring existing projects into the formal system. Impacts on the budget and reserve funding of Council are summarised as follows:

- Legal Costs: \$60,000 unfavourable – Being the impact of an unexpected appeal. Legal budgets were reduced for this year, leaving a reduce capacity to absorb higher legal costs without an adjustment.
- Cathcart Hall Improvements (Erect shed): \$26,800 – There has been an ongoing dispute as to the level of funds Council was making available to the committee. This reflects the amount Council had previously not spent. It is planned to fund these works from the Former Bombala LGA reserve, which had identified that infrastructure was a future use of the funds.
- Aitchison’s Cottage Berridale \$15,000 – Grant funding had been gained and the previous funding raised by the committee had not been separately identified in Council’s reserves. Accordingly \$15,000 is proposed to be allocated from the Former Snowy River LGA reserves to reflect that this is where all of the former Council’s cash was diverted to.
- Bombala Swimming Pool Upgrades: \$216,677 – Currently Council has resolved to fund the Council’s contribution through loans. A review of the reserves indicated that the Former Bombala LGA reserve was intended to provide funding towards this projects. Changing the funding source to the reserve instead of a loan reduces the financing costs to Council.
- Bombala Depot female and accessible amenities: \$26,556 – The cost of this project is greater than originally allowed. It is proposed to fund the upgrades from the Former Bombala LGA reserves so that these essential facilities to allow all employees to have access to facilities can proceed.
- Adaminaby truck parking area design: \$11,724 – Council resolved to undertake additional consultation on this project and this had led to additional work. No funding was identified as part of the resolution. It is proposed to fund these works from salaries budgets where vacancies exist.

RESPONSIBLE OFFICER: Chief Finance Officer

OPTIONS CONSIDERED

- 1) Delaying changes to the budgets until the next Council meeting is the other option: This would delay a wide range of projects and impact on operations in a number of areas, including the ability for Council to defend a legal appeal.
- 2) Reverse implementation of the restriction on budget control: While a late report on budget changes is undesirable, primarily they are to bring the budget showing the system into line with the projects that are already planned in Council’s Operational Plan. There is considered to be greater value in implementing tighter budget controls earlier as the risk of

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

budget overruns is higher than the risk of reputational damage from considering the changes proposed with late notice.

IMPLEMENTATION PLANS

The following adjustments would be made to the adopted budget within services:

Service Area	Type of Inc. / Exp.	Reason	Amount requested	GL no. / Description
Built and Natural Environment	Legal Costs	Current court case.	\$60,000	1000.100.610 – Executive Office – General Legal Costs
Built and Natural Environment	Unexpended Grants	Project complete and owed to the General Fund	(\$46,020.29)	Transfer from Reserve
Financial Services	Legal Costs	Debt collection recovery costs.	\$290,000	1110.100.612 Debt Collection - Legal Fees
Financial Services	Legal Costs	Recouped debt collection recovery costs.	(\$194,421)	2990.900.030 Legal Costs Recovered – Rates
Financial Services	Legal Costs	Recouped debt collection recovery costs.	(\$49,956)	3220.800.30 Legal Costs Recovered - Water
Financial Services	Printing and Photocopying	Favourable actuals to Budget	(\$30,000)	17.20.521 Printing and Photocopying
Financial Services	Contractors	Favourable actuals to Budget	(\$15,623)	17.20.421 Contractors (no contracts)
Net Impact			\$13,979.71	Increase to Expenditure

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

The following Infrastructure Roads income and expenditure budget amounts are proposed:

Project	Segment	Road	Expenditure	Income
TfNSW Reseal Program	10	Kosciuzsko Rd	\$120,478	
"	240	Kosciuzsko Rd	\$90,059.35	
"	1265	Monaro Hwy	\$44,784.22	
"	1380	Monaro Hwy	\$60,845.94	
"	1390	Monaro Hwy	\$38,084.15	
"	1520	Monaro Hwy	\$69,426.71	
"				\$423,678.37
TfNSW Heavy Patch Program	10	Kosciuzsko Rd	\$146,928.80	
"	100	Kosciuzsko Rd	\$43,067.86	
"	270	Kosciuzsko Rd	\$17,311.27	
"	405	Kosciuzsko Rd	\$23,877.69	
"	30	Alpine Way	\$52,401.05	
"	1325	Monaro Hwy	\$2,168.60	
"	1330	Monaro Hwy	\$47,620.41	
"	1340	Monaro Hwy	\$53,678.37	
"	1380	Monaro Hwy	\$12,924.54	
"	1390	Monaro Hwy	\$44,927.57	
"	1520	Monaro Hwy	\$131,898.47	
"				\$576,804.63
Total			\$1,000,483	\$1,000,483
Net Impact				\$0

The project expenses, revenue and reserve funding budgets are proposed to be the following amounts:

Project	Capital Expenditure	Grant Revenue	Reserve Funding	Loan Funding	Net Impact
Adaminaby Long Vehicle and Truck Parking	\$1,000,000		-\$1,000,000		\$0
Delegate School of Arts - Building Improvements	\$106,200		-\$106,200		\$0
Cathcart Hall - Erect Shed	\$26,800		-\$26,800		\$0
Jindabyne Memorial Hall Upgrade Heating and Cooling	\$34,631		-\$34,631		\$0
Bombala Exhibition Ground Caretaker House Renovation	\$246,561	-\$15,700	-\$155,861	-\$75,000	\$0

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

Project	Capital Expenditure	Grant Revenue	Reserve Funding	Loan Funding	Net Impact
Lions Park Yallakool Road Cooma Upgrade	\$67,800		-\$67,800		\$0
Jindabyne Sportsground Upgrade Amenities Change rooms	\$390,000	-\$279,614	-\$110,386		\$0
Demolition Toilet Block Jindabyne Town Centre	\$81,400		-\$81,400		\$0
Public Toilet Block Jindabyne Town Centre	\$139,400		-\$139,400		\$0
Cooma Multifunction Centre Upgrade	\$970		-\$970		\$0
Bombala Racecourse Amenity Improvement Works	\$53,326	-\$53,326			\$0
SCCF Bombala Platypus Reserve Upgrade	\$0	-\$10,000			\$10,000
Nimmitabel Showground Electrical Upgrades	\$110,995		-\$110,995		\$0
Bombala Showground Electrical Upgrades	\$212,695		-\$212,695		\$0
Jindabyne Shared Trail Project 1 Gaden to Boat Ramp	\$2,080,000	-\$2,080,000			\$0
Jindabyne Shared Trail Project 3 Tyrolean Village to East Jindabyne	\$2,500,000	-\$2,500,000			\$0
Jindabyne Shared Trail Project Banjo to Cobbin	\$750,000	-\$750,000			\$0
Jindabyne Shared Trail Project 5 East and West Link	\$1,000,000	-\$1,000,000			\$0
Jindabyne Shared Trail Project Mill Creek to Tyrolean Village	\$990,000	-\$990,000			\$0
Nimmitabel Showground Luncheon and Bar Upgrades	\$193,400		-\$193,400		\$0
Cooma Showground Electrical Upgrades to External Electrical Infrastructure	\$324,472		-\$324,472		\$0
Ginger Leigh Playground Stage 2	\$894,860	-\$500,000	-\$394,860		\$0
Lake Williams Toilets Nimmitabel (Project Management for NAG)	\$10,000	-\$10,000			\$0
Cooma Showground Bar Installation of Guttering and Painting	\$10,300	-\$10,300			\$0
Cooma North Ridge - Community Place for Space	\$229,598	-\$229,598			\$0
Jindabyne Skate Park Upgrade	\$250,000	-\$250,000			\$0
Dalgety Showground Pavilion	\$8,400	-\$8,400			\$0
Yallabee Lodge New Section of Facility	\$1,279,709	-\$500,000	-\$489,473	-\$290,300	\$64
Adaminaby Pool Upgrade	\$76,600			-\$76,600	\$0
Bombala Swimming Pool Upgrade	\$2,243,000	-\$1,368,229	-\$620,471	-\$254,300	\$0
Cooma Swimming Pool Upgrade	\$3,815,000	-\$3,063,399	-\$384,401	-\$367,200	\$0

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

Project	Capital Expenditure	Grant Revenue	Reserve Funding	Loan Funding	Net Impact
Bombala Arts & Innovation Centre Building Upgrade	\$358,698	-\$138,978	-\$219,720		\$0
Aitchison Cottage Berridale Restoration	\$30,000	-\$15,000	-\$15,000		\$0
Delegate Preschool Renewal of Drainage Systems	\$256,723		-\$256,723		\$0
Bombala Caravan Park Amenities Block	\$6,601		-\$6,601		\$0
Cooma Saleyards New Truck Wash	\$90,762	-\$90,762			\$0
Bombala Caravan Park Electrical Upgrade	\$55,939		-\$55,939		\$0
Community facility in Cooma (shared use)	\$199,561		-\$200,000		\$439
Bombala Caravan Park Dump Point	\$104,863		-\$110,000		\$5,137
Jindabyne Holiday Park Hydrant and Hose Reel	\$499,300		-\$499,300		\$0
Jindabyne Community Library	\$3,000,000	-\$2,500,000	-\$500,000		\$0
Jindabyne Swimming Pool	\$2,100,000	-\$1,779,000	-\$321,000		\$0
Bombala Council Depot Female and Accessible Amenities	\$101,556		-\$26,556	-\$75,000	\$0
Delegate Landfill Upgrade	\$60,000		-\$60,000		\$0
Cooma Compost Facility	\$500,000		-\$500,000		\$0
Jindabyne Landfill Quarry Expansion	\$6,163		-\$6,163		\$0
Concept Design - Jindabyne Transfer Station Upgrade	\$150,000		-\$150,000		\$0
Cowbed Creek Bridge Replacement	\$1,283,300	-\$866,518	-\$416,782		\$0
Bobeyan Road Upgrade Sealing Adaminaby to ACT Border	\$5,559,100	-\$5,910,000	\$350,900		\$0
C PP-053 Shared Path to Murrumbidgee River	\$0				\$0
SR PP-101 Pavers Promenade Jindabyne Town Centre	\$58,876	-\$58,876			\$0
Jindabyne Holiday Park Drainage for Annual Vans	\$290,757		-\$290,757		\$0
Upgrade Jindabyne Town Centre	\$113,600		-\$113,600		\$0
Bombala Streetscape Project	\$50,000		-\$50,000		\$0
Bombala Therry Street Square	\$822,532		-\$822,532		\$0
Ryrie Street Michelago Extension	\$1,789,000	-\$1,419,209	-\$369,791		\$0
Craigie Little Plains River Bridge - (Mila Rd)	\$1,672,800	-\$1,388,438	-\$284,362		\$0
Adaminaby Truck Parking Area Design and Review	\$11,724				-\$11,724
Cooma Footpath Pavers CBD Streetscape Beautification (Sharp St - Cooma Creek Bridge to Soho St)	\$114,999		-\$114,999		\$0

9.4.1 BUDGET ADJUSTMENTS TO ALLOW FOR NEW BUDGET CONTROLS

Project	Capital Expenditure	Grant Revenue	Reserve Funding	Loan Funding	Net Impact
Peak Creek Bridge The Snowy River Way Bungarby Replacement	\$1,148,700	-\$977,982	-\$170,718		\$0
Deep Creek Bridge Mila Road Craigie Replacement	\$275,507	-\$198,842	-\$76,665		\$0
Youth Adventure Series	\$208,790		-\$208,790		\$0
Total	\$40,045,968	-\$28,962,171	-\$9,449,313	-\$1,388,400	\$3,916

ATTACHMENTS

Nil
