



SNOWY MONARO
REGIONAL COUNCIL

LATE REPORT

PUBLIC EXHIBITION COPY

Ordinary Council Meeting
15 December 2022

**ORDINARY COUNCIL MEETING
TO BE HELD IN COUNCIL CHAMBERS, 81 COMMISSIONER STREET, COOMA NSW
2630**

**ON THURSDAY 15 DECEMBER 2022
COMMENCING AT 1:00PM**

SUPPLEMENTARY AGENDA

9 OTHER REPORTS TO COUNCIL

9.2 FINANCE

9.2.3 Monthly Budget Review Statement (MBRS) to 30 November 2022 2

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Record No: I22/840

OFFICER'S RECOMMENDATION

That the Budget Review Statement for the month ended 30 November 2022 be received and the variations noted therein be approved.

ISSUES

This Monthly Budget Review Statement for November 2022 (the 'Statement') requests variations to the adopted budget for 2022/23 as subsequent information has been received that requires inclusion in the current year budget.

The Net Operating Result before Capital items projected as at 30 November 2022 is a deficit of \$2.107m. This result is an accumulation of budget adjustments over the previous quarter and budgets carried forward from 2021/22 into 2022/23, on the original budget.

The budget movements for the month of November results in a net increase of \$460,000 to the overall projected budget deficit. Ongoing reviews of the budget will see further adjustments made to better reflect deliverables for 2022/23.

The balances reported are current at the date of preparation, i.e. 05 December 2022. Actual balances reported do not include accruals.

This Monthly Budget Review Statement for November 2022 comprises:

- Responsible Accounting Officer's Statement
- Income and Expenses Budget Review Statement
 - By type
 - By business unit
- Cash and Investments Budget Review Statement
- Capital Budget Review Statement
- Other expenses – Consultancies and Legal Fees
- Contracts entered into during the quarter - NIL
- KPI's

Responsible Accounting Officer's Statement

It is my opinion that the Monthly Budget Review Statement for Snowy Monaro Regional Council for the month ended 30 November 2022 indicates that Council's projected financial position as at 30 June 2023 is unsatisfactory, having regard to the estimates of income and expenditure and the original budgeted income and expenditure.

My opinion above, that Council's projected financial position as at 30 June 2023 is unsatisfactory has been based on the following factors:

1. a deficit budget, when accumulated with previous years' deficits, is not financially sustainable;
2. a deficit budget does not enable the governing body to plan for unforeseen events;
3. a deficit budget relies on a deterioration of the capital base for ongoing operations.

Recommended remedial action to deal with this unsatisfactory position includes:

- a. Future budgets need to be in surplus to restore to an adequate level of working capital;
 - b. Revenue opportunities must also be considered;
 - c. Service reductions to core services should be avoided by exhausting all other options first.
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9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Income and Expenses Budget Review Statement – By Type

Budget review for the month ended 30 November 2022

Income & expenses - Council Consolidated

(\$000's)	Original budget 2022/23	Approved Changes					Revised budget 2022/23	Variations for this Nov Mth	Notes	Projected year end result	Actual YTD figures	Variance Surplus (Deficit)
		Carry forwards	Sep MBRS	Oct MBRS	Nov MBRS	Dec MBRS						
Income												
Rates and annual charges	33,992						33,992			33,992	26,803	(7,189)
User charges and fees	17,860		99	1			17,960	3,616	1	21,576	5,725	(12,235)
Other revenues	363						363	1	2	364	246	(117)
Other income	-						-			-	-	-
Grants and contributions - operating	28,959		1,294	240			30,493	2,805	3	33,298	5,300	(25,193)
Grants and contributions - capital	88,231		4,865	(7,200)			85,896	(3,291)	4	82,605	15,752	(70,144)
Interest and investment revenue	1,288						1,288	17	5	1,305	1,062	(226)
Net gain from disposal of assets	356		500				856			856	204	(652)
Fair value increment on investment properties	-						-			-	-	-
Reversal of revaluation decrements on IPPE previously expensed	-						-			-	-	-
Reversal of impairment losses on receivables	-						-			-	-	-
Rental income	1,075						1,075			1,075	513	(562)
Share of interests in joint ventures	-						-			-	-	-
Total income from continuing operations	172,124	-	6,758	(6,959)	-	-	171,923	3,148		175,071	55,605	(116,318)
Expenses												
Employee benefits and on-costs	30,753		(5)	48			30,796	2,117	6	32,913	12,071	18,725
Borrowing costs	5						5			5	1	4
Materials and services	31,991	1,317	1,311	193			34,812	4,457	7	39,269	11,618	23,194
Depreciation and amortisation	20,309						20,309	324	8	20,633	8,597	20,309
Impairment of receivables	-						-			-	-	-
Legal costs	-						-			-	-	-
Consultants	-						-			-	-	-
Other expenses	1,752						1,752			1,752	821	931
Interest & investment losses	-						-			-	-	-
Net Loss from disposal of assets	-						-			-	-	-
Revaluation decrement/impairment of IPPE	-						-			-	-	-
Fair value decrement on investment properties	-						-			-	-	-
Share of interests in joint ventures	-						-			-	-	-
Total expenses from continuing operations	84,810	1,317	1,306	241	-	-	87,674	6,899		94,573	33,108	63,163
Net operating result from continuing operations	87,314	(1,317)	5,452	(7,200)	-	-	84,249	(3,751)		80,498	22,497	(53,155)
Discontinued operations - surplus/(deficit)												
Net operating result from all operations	87,314	(1,317)	5,452	(7,200)	-	-	84,249	(3,751)		80,498	22,497	(53,155)
Net Operating Result before Capital Items	(917)	(1,317)	587	-	-	-	(1,647)	(460)		(2,107)	6,745	16,989

Actual YTD figures are reported on a cash basis at the time of the report, with accruals yet to be processed.

Variations for November are detailed below:

1	Additional income for RMCC ordered works: Monaro Hwy - Pavement re-instatement	10,000	
	RMS Main Roads Ordered Works: Increased revenue due to changes to the 2022-2023 Re-seal program	2,531,196	
	Strategic Planning: Secondment funds reimbursed from NSW Dept Planning for external consultants to get planned work completed	180,000	
	Aged Care: Resident Fees - Additional income due to 12 months budget required	894,897	
			3,616,093
2	Aged Care: Sundry Income - Additional income due to 12 months budget required	500	500
3	Rural Roads: Fixing Local Roads Program - Pothole repair	300,000	
	Urban Streets: Fixing Local Roads Program - Pothole repair	312,398	
	Regional Roads : Fixing Local Roads Program - Pothole repair	300,000	
	Rural Roads: Natural Disaster grant - Built Environment Collective - consultation (ARGN1012)	106,000	
	Rural Roads: Natural Disaster grant -DM00571 - Billilingra Road (ARGN1014)	35,000	
	Rural Roads: Natural Disaster grant -DM00201 - Prestons Road (ARGN1014)	35,000	
	Rural Roads: Natural Disaster grant -DR00163 - Rockwell Road (ARGN1014)	30,000	
	Rural Roads: Natural Disaster grant -DM00504 - Dry Plains Road (ARGN1014)	20,000	
	Rural Roads: Natural Disaster grant - JH00001 - Racecourse Road (ARGN1014)	60,000	
	Aged Care: Commonwealth operating grant - Additional income due to 12 months budget required	1,549,678	
	Aged Care: Registered nurses wage subsidy	14,966	
	Aged Care: Electronic national residential medication chart - adoption grant	42,200	
			2,805,242

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Variations for November continued,

4	Reduce expected income for Cooma Sports Hub - project delay, expected to complete up to 50% of construction by 30 June	(3,000,000)	
	Reduced income for Cooma & Bombala Swimming Pools: SCCF2 grant reduced to reflect expected expenditure	(3,802,439)	
	Sewer: Adaminaby STP - Recognise Restart NSW grant receivable this financial year	2,500,000	
	Sewer: Bombala STP - Recognise final claim on Restart NSW grant received	424,137	
	Sewer: Michelago feasibility studies - Recognise final claim on Restart NSW grant received	24,475	
	Sewer: Kalkite STP Augmentation - Recognise Regional Housing grant receivable this financial year	500,000	
	Waste: Cooma & Jindabyne Landfill - Recognise EPA Bushfire Recovery grant received	62,550	
			(3,291,277)
5	Aged Care Interest - Additional income due to 12 months budget required	16,961	16,961
6	Aged Care Salaries & Wages - Additional expense due to 12 months budget required	2,108,939	
	Aged Care Other Employment Costs - Additional expense due to 12 months budget required	8,500	
			2,117,439
7	Additional costs associated with:		
	RMCC ordered works: Monaro Hwy - Pavement re-instatement	10,000	
	RMS Main Roads Ordered Works: Increased expenditure due to changes to the 2022 - 2023 Re-Seal program	1,880,196	
	Additional costs associated with Rural Roads: Fixing Local Roads Program - Pothole repair	300,000	
	Additional costs associated with Urban Streets: Fixing Local Roads Program - Pothole repair	312,398	
	Additional costs associated with Regional Roads: Fixing Local Roads Program - Pothole repair	300,000	
	Rural Roads: Natural Disaster grant - Built Environment Collective - consultation (ARGN1012)	106,000	
	Rural Roads: Natural Disaster grant -DM00571 - Billililngra Road (ARGN1014)	35,000	
	Rural Roads: Natural Disaster grant -DM00201 - Prestons Road (ARGN1014)	35,000	
	Rural Roads: Natural Disaster grant -DR00163 - Rockwell Road (ARGN1014)	30,000	
	Rural Roads: Natural Disaster grant -DM00504 - Dry Plains Road (ARGN1014)	20,000	
	Rural Roads: Natural Disaster grant - JH00001 - Racecourse Road (ARGN1014)	60,000	
	Aged Care Material & Contracts - Additional expense due to 12 months budget required	1,001,358	
	Aged Care : Business Improvement Fund - Unexpended grant transferred in from restrictions	76,934	
	Aged Care: Registered nurses wage subsidy	14,966	
	Aged Care: Electronic national residential medication chart - adoption grant	42,200	
	Emergency Management: COVID 19 Management Activity Grants Program. Unexpended grant transferred in from restrictions to support council led initiatives to deliver pandemic support to vulnerable communities	11,617	
	Water: Developer service plan contractor expenses	30,827	
	Sewer: Developer service plan contractor expenses	30,827	
	Strategic Planning: Secondment expense (reimbursed from NSW Dept Planning) for external consultants to get planned work completed	180,000	
	Youth Services: Transfer portion of operational expenditure budget for the RYDER program to the capital expenditure component for trailer purchase	(20,000)	
			4,457,323
8	Aged Care: Amortisation & Depreciation - Additional expense due to 12 months budget required	324,088	324,088

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Income and Expenses Budget Review Statement – By Business Unit

Budget review for the month ended 30 November 2022

Income & expenses - Council Consolidated

(\$'000's)	Original budget 2022/23	Approved changes						Revised budget 2022/23	Variations for this Nov Mth	Notes	Projected year end result	Actual YTD figures
		Carry forwards	Other than by QBRS	Jul MBRS	Aug MBRS	Sep MBRS	Oct MBRS					
Business Unit												
Asset Management	(113)							(113)			(113)	(132)
Biosecurity	(1,087)	(107)				71		(1,123)			(1,123)	(297)
Building Certification	(144)							(144)			(144)	73
Cemetery Operations	57							57			57	43
Communications & Engagement	(699)							(699)			(699)	(192)
Community Facilities	8,175			(47)				8,128	(3,802)		4,326	(314)
Community Services Management	(338)							(338)			(338)	(213)
Community Support Programs	311							311	20		331	(319)
Corporate Projects	(267)							(267)			(267)	(158)
Customer Service	(246)							(246)			(246)	(184)
Development Certification	(975)			47				(928)			(928)	(460)
Economic Development	13,676	(47)						13,629	(3,000)		10,629	2,305
Emergency & Fire Services	(1,174)			500		(500)		(1,174)	(12)		(1,186)	(2,126)
Executive Team	(1,486)							(1,486)			(1,486)	(945)
Financial Services	(1,523)							(1,523)			(1,523)	(1,058)
Fleet & Plant	1,490							1,490			1,490	2,862
General Purpose Revenue	22,643							22,643			22,643	20,595
Governance	(608)			(15)				(623)			(623)	(417)
ICT	(2,709)						(133)	(2,842)			(2,842)	(1,356)
Internal Audit	(184)							(184)			(184)	(11)
Land & Property	(421)	(286)						(207)			(207)	(332)
Library	(726)							(726)			(726)	(249)
Open Space & Recreation	1,573							1,583			1,583	(1,341)
Organisational Development	(680)				10			(680)			(680)	(70)
Public Health & Environment	(245)							(245)			(245)	(131)
Ranger Services	(236)			15				(221)			(221)	(110)
Records Management	(223)							(223)			(223)	(116)
Residential Aged Care	3,419				818			4,237	(1,058)		3,179	(1,035)
Resource and Waste	1,685					16		1,701	63		1,764	3,449
Risk Management	(576)							(576)			(576)	(1,282)
Road Infrastructure	28,666	(878)		2,000	64	2,473	(2,000)	30,325	651		30,976	(3,175)
Strategic Planning	(1,350)							(1,350)			(1,350)	(341)
Tourism & Events	(977)							(977)			(977)	(296)
Water & Sewer	20,463				(500)		(5,200)	14,763	3,387		18,151	8,117
Workforce Management	2,143						133	2,276			2,276	1,713
Net operating result from all operations	87,314	(1,318)	-	2,500	392	2,560	(7,200)	84,248	(3,751)	-	80,498	22,497
Discontinued operations - surplus/(deficit)												
Net operating result from all operations	87,314	(1,318)	-	2,500	392	2,560		84,248	(3,751)		80,498	22,497
Net operating result before capital items	(917)	(1,318)	(4,865)	9,700	392	2,560		5,553	(460)		(2,107)	6,745

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Cash and Investments Budget Review Statement

Budget review for the month ended 30 November 2022

Cash & investments - Council Consolidated

(\$000's)	Opening Balance 2022/23	Original budget 2022/23	Approved changes				Revised budget 2022/23	Variations for this Nov Mth	Notes	Projected year end result	Actual YTD figures
			Carry forwards	Sep Qtr	Oct MBRS	Nov MBRS					
Externally restricted ⁽¹⁾											
Section 7.11	3,265	(1,337)					1,928			1,928	3,431 *
Section 64 - water	4,179	(2,226)		226			2,179			2,179	5,050 *
Section 64 - sewer	3,563	(2,721)		2,721			3,563			3,563	4,317 *
Specific purpose unexpended grants	27,783		(9,055)		400		19,128	(1,496)	1	17,632	27,783
Water fund	21,948	(22,041)	(1,310)	19,737			18,334	(64)	2	18,270	22,849 *
Sewer fund	4,193	(14,392)	(917)	13,702	(1,000)		1,586	4,597	3	6,183	4,489 *
Domestic waste management	1,149						1,149			1,149	1,149
Snowy River Hostel accommodation bonds	1,519						1,519			1,519	3,336 *
Yallambee Lodge accommodation bonds	1,740						1,740			1,740	595 *
Crown land reserves	1,614			(300)			1,314			1,314	1,314
Boco Rock Community Reserve	31						31			31	31
Kamoto-Cooma friendship scholarship fund	45						45			45	45
Other	76						76			76	76
Total externally restricted	71,105	(42,717)	(11,282)	36,086	(600)	-	52,592	3,037		55,629	74,465
(1) Funds that must be spent for a specific purpose											
Internally restricted ⁽²⁾											
Plant and vehicle replacement	626						626	(490)	4	136	626
Employees leave entitlements	1,383						1,383			1,383	1,383
Deposits, bonds & retentions	1,366						1,366			1,366	1,366
Uncompleted works	810		(810)				-			-	-
Waste management	2,719	(2,121)	(750)	152			-	323	5	323	323
Yallambee Lodge/Snowy River Hostel	271						271			271	271
Former Snowy LGA	699		(130)				569			569	569
Former Bombala LGA	1,692						1,692			1,692	1,692
Stronger communities fund interest	1,390						1,390			1,390	1,390
Total internally restricted	10,956	(2,121)	(1,690)	152	-	-	7,297	(167)		7,130	7,620
(2) Funds that Council has earmarked for a specific purpose											
Unrestricted (ie. available after the above Restrictions)	4,433	-	-	-	-	-	4,433	-		-	4,228
Total Cash & investments	86,494	(44,838)	(12,972)	36,238	(600)	-	59,889	2,870		62,759	86,313

Note: Opening balances as at 1/7/22 are now audited. Actual reserve balances are estimated as at 30 November as some reserves require significant calculations to arrive at an accurate balance. Some reserve balances, as indicated by *, have been calculated within the timeframe required for this report.

Details of the variation requests for the month are summarised below:

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

1	Cooma & Bombala Swimming Pools: adjustment required to funding source	(1,541,487)
	Waste: Cooma & Jindabyne Landfill: This years unspent grant from EPA Bushfire Recovery into unexpended grants restriction	45,545
2	Additional funding required from water reserve for additional vehicle purchase	(63,700)
3	Reduction to funding required from sewer reserve for Adaminaby STP as grant funding will be received and part of project will be completed in the following financial year	6,816,047
	Reduction to funding from Sewer reserve: Michelago feasibility studies, grant funding expected	24,475
	Reduction to funding required from sewer reserve for Kalkite STP Evaporation Pond Relining as project to be completed in the following financial year	878,560
	<i>Additional funding required from sewer reserve for the following projects:</i>	
	Bombala STP	(1,719,941)
	Kalkite STP Augmentation project	(900,000)
	Sewerage Telemetry	(112,429)
	Cooma WW Construction of Line A25 to EN4	(42,480)
	Kalkite SPS 3 Pump and Macerator Replacement	(103,032)
	East Jindabyne SPS6 Wet Well Pumps 1 and 2 Replacement	(10,500)
	Jindabyne STP Chemical Storage Roof	(1,500)
	Kalkite SPS3 Electrical Switchgear and Control Assembly	(1,346)
	Kalkite STP Effluent Irrigation System	(31,947)
	Adaminaby Wastewater CCTV and Pipe Relining Project	(47,351)
	Berridale Wastewater CCTV and Pipe Relining Project	(124,409)
	Kalkite Wastewater CCTV and Pipe Relining Project	(27,035)
4	Funding required for Fleet Replacements - Komatsu Loader	(489,996)
5	Waste: Funding required for Street Furniture and Recycle Bins Purchases	(33,736)
	Waste: Jindabyne Landfill - Quarry expansion not progressing, funding not required	356,665

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Capital Budget Review Statement

Capital budget review statement												
Budget review for the month ended 30 November 2022												
Capital budget - Council Consolidated												
(\$000's)	Original budget 2022/23	Carry forwards	Approved changes				Revised budget 2022/23	Variations for this Nov Mth	Notes	Projected year end result	Actual YTD figures	Variance Surplus (Deficit)
			Sep Qtr	Oct MBRS	Nov MBRS	Dec MBRS						
Capital expenditure												
<i>New assets</i>												
- Plant & equipment	80						80	(60)	1	20	11	69
- Land & buildings	4,644	200	1,168				6,012			6,012	439	5,573
- Roads, bridges, footpaths	8,950	3,194	64				12,208			12,208	3,108	9,100
- Stormwater	50	1,000	300	(1,000)			350			350	3	347
- Water												
- Wastewater												
- Waste	100						100			100	98	
- Other	18,480	498					18,978	(3,000)	2	15,978	796	18,880
<i>Renewal assets (replacement)</i>												
- Plant & equipment	2,279			4			2,283	651	3	2,934	703	1,580
- Land & buildings	3,973	84	(15)				4,042			4,042	268	3,774
- Roads, bridges, footpaths	33,117	579	4,286	(1,232)			36,750	(5,759)	4	30,991	4,587	32,163
- Stormwater	130			175			305			305	50	255
- Water	34,267	1,988	(20,241)	(5,627)			10,387			10,387	1,629	6,727
- Wastewater	21,598	917	(10,929)	1,000			12,586	(1,148)	5	11,438	3,660	12,162
- Waste	2,021	750	(347)				2,424	(323)	6	2,101	231	
- Other	9,717	2,446	(1,694)	80			10,549	(2,281)	7	8,268	424	10,125
Loan repayments (principal)							-			-		
Total capital expenditure	139,405	11,656	(27,408)	(6,600)			117,051	(11,920)		105,131	16,007	100,754
Capital funding												
Rates & other untied funding	6,186						6,186	(5,759)	8	427		(6,186)
Capital grants & contributions	88,231		4,865	(7,200)			85,896	(3,291)	9	82,605	15,752	(70,144)
Reserves:												
- External restrictions/reserves	44,838	10,763	(32,964)	600			23,238	(3,037)	10	20,201		(23,238)
- Internal restrictions/reserves		893					893	167	11	1,060		(893)
New loans												
Receipts from sale of assets												
- Plant & equipment			341				341			341	204	(137)
- Land & buildings			500				500			500		(500)
Proposed internal loan	150		(150)									
Total capital funding	139,405	11,656	(27,408)	(6,600)			117,051	(11,920)		105,131	15,956	(101,098)
Net capital funding - surplus/(deficit)		(0)					(0)			(0)	(51)	(344)

Note: Actual YTD figures for capital funding from reserves are currently being reviewed for accuracy

The capital works program has decreased to \$105m. Ongoing review of the 2022/23 budget will see further adjustments to ensure the current year budget reflects the appropriate timing for delivering the capital works program over the delivery program period.

Details of the variation requests for the month are summarised below:

1.	Youth Services: Transfer portion of operational expenditure budget for the RYDER program to capital expenditure for trailer purchase	20,000
	IT Services: Transfer re-occurring computer leases to the renewal asset category	(80,000)
2	Economic Development: Cooma Sports Hub - project delayed, expected to complete up to 50% of Construction by 30 June	(3,000,000)
3	Waste Fleet Replacements - Komatsu Loader	489,996
	Water Fleet Replacements - Utility Vehicle	63,700
	Waste: Cooma & Jindabyne Landfill - Recognise remaining expenditure budget for GNSS/GPS equipment & software solution	17,005
	IT Services: Re-occurring computer leases transferred from new asset category	80,000

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Variations for November continued,

4	Reduction to roads infrastructure asset renewal program;	
	Cowbed Creek Bridge Replacement	(800,000)
	Lee Avenue Reconstruction and Drainage	(400,000)
	Transport Infrastructure Asset Renewal Program	(6,150,026)
	Increase to 2022-2023 Re-seal program;	
	SMRC Urban Sealed Roads	530,000
	SMRC Rural Sealed Roads	530,000
	SMR Regional Sealed Roads	531,000
5	Following Sewer capital renewal budgets reduced due to completion dates expected in the following financial year:	
	Adaminaby STP	(4,316,047)
	Kalkite STP Evaporation Pond Relining	(878,560)
	Following Sewer capital renewal budgets added to reflect projected work program:	
	Sewerage Telemetry	112,429
	Cooma WW Construction of Line A25 to EN4	42,480
	Bombala STP	2,144,078
	Kalkite SPS 3 Pump and Macerator Replacement	103,032
	East Jindabyne SPS6 Wet Well Pumps 1 and 2 Replacement	10,500
	Jindabyne STP Chemical Storage Roof	1,500
	Kalkite SPS3 Electrical Switchgear and Control Assembly	1,346
	Kalkite STP Effluent Irrigation System	31,947
	Kalkite STP Augmentation	1,400,000
	Adaminaby Wastewater CCTV and Pipe Relining Project	47,351
	Berridale Wastewater CCTV and Pipe Relining Project	124,409
	Kalkite Wastewater CCTV and Pipe Relining Project	27,035
6	Waste - Street Furniture and Recycle Bins Purchases	33,736
	Jindabyne Landfill - Quarry expansion project no longer going ahead	(356,665)
7	Cooma & Bombala Swimming Pools: Reduced to reflect expected expenditure	(2,260,952)
	Swimming Pool Improvements: Reduced to reflect expected expenditure	(20,000)
8	2022/23 Re-sealing projects funded in part by profit from RMCC ordered works program (681,000) with remaining untied;	
	SMRC Urban Sealed Roads	530,000
	SMRC Rural Sealed Roads	530,000
	SMR Regional Sealed Roads	531,000
	Reduction to roads infrastructure asset renewal program as funding from untied;	
	Cowbed Creek Bridge Replacement	(800,000)
	Lee Avenue Reconstruction and Drainage	(400,000)
	Transport Infrastructure Asset Renewal Program	(6,150,026)

9.2.3 MONTHLY BUDGET REVIEW STATEMENT (MBRS) TO 30 NOVEMBER 2022

Variations for November continued,

9	Changes in capital grant funding for the following projects:	
	Reduced funding to offset reduced expenditure for Cooma Sports Hub	(3,000,000)
	Reduced grant income for Cooma & Bombala Swimming Pools - adjustment to funding source required	(3,802,439)
	Restart NSW - grant funding expected for Sewer: Adaminaby STP	2,500,000
	Restart NSW - grant funding received for Bombala STP	424,137
	Restart NSW - grant funding expected for Michelago feasibility studies	24,475
	Regional Housing Fund Stage 2 - grant expected for Kalkite STP Augmentation	500,000
	Waste: Cooma & Jindabyne Landfill - EPA Bushfire Recovery grant	62,550
10	Movement in external restriction funding;	
	Cooma & Bombala Swimming Pools: adjustment required to funding source	1,541,487
	Reduction to funding required from sewer reserve for Adaminaby STP as grant funding will be received and part of project will be completed in the following financial year	(6,816,047)
	Reduction to funding from Sewer reserve: Michelago feasibility studies, grant funding expected	(24,475)
	Reduction to funding required from sewer reserve for Kalkite STP Evaporation Pond Relining as project to be completed in the following financial year	(878,560)
	Additional funding required from sewer reserve for the following projects:	
	Bombala STP	1,719,941
	Kalkite STP Augmentation project	900,000
	Sewerage Telemetry	112,429
	Cooma WW Construction of Line A25 to EN4	42,480
	Kalkite SPS 3 Pump and Macerator Replacement	103,032
	East Jindabyne SPS6 Wet Well Pumps 1 and 2 Replacement	10,500
	Jindabyne STP Chemical Storage Roof	1,500
	Kalkite SPS3 Electrical Switchgear and Control Assembly	1,346
	Kalkite STP Effluent Irrigation System	31,947
	Adaminaby Wastewater CCTV and Pipe Relining Project	47,351
	Berridale Wastewater CCTV and Pipe Relining Project	124,409
	Kalkite Wastewater CCTV and Pipe Relining Project	27,035
	Funding from water reserve for Water Fleet Replacements - Utility Vehicle	63,700
	Waste: Cooma & Jindabyne Landfill: This years unspent grant from EPA Bushfire Recovery into unexpended grants restriction	(45,545)
11	Movement in internal restriction funding;	
	Waste: Funding required for Street Furniture and Recycle Bins Purchases	33,736
	Funding required for Fleet Replacements - Komatsu Loader	489,996
	Waste: Jindabyne Landfill - Quarry expansion not progressing, funding not required	(356,665)

CONSULTANCY & LEGAL EXPENSES BUDGET REVIEW STATEMENT

Consultancy & legal expenses overview

Expense	YTD expenditure (actual dollars)	Budgeted (Y/N)
Consultancies	90,502	Y
Legal Fees	248,464	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.

Key Performance Indicators Budget Review Statement – Industry KPI’s (OLG)

KPI’s for the financial year 2021/22 are not provided until the statements have been audited as they are still subject to change.

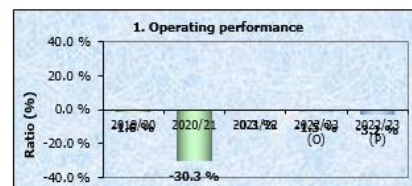
Not all OLG KPI’s have been reported as at 30 November 2022. Improvements to the reporting systems need to be undertaken to assist with this reporting.

(\$000's)	Current projection		Original budget	Actuals prior periods	
	Amounts	Indicator		21/22	20/21
	22/23	22/23	22/23	21/22	20/21

NSW local government industry key performance indicators (OLG):

1. Operating performance	Current projection	Indicator	Original budget	Actuals prior periods
Operating revenue (excl. capital) - operating expenses	2,963	-3.21 %	-1.52 %	-0.34 % -30.27 %
Operating revenue (excl. capital grants & contributions)	92,466			

This ratio measures Council's achievement of containing operating expenditure within operating revenue.



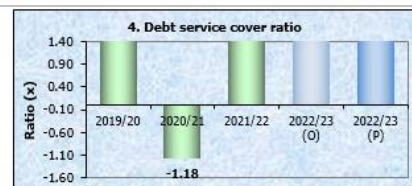
2. Own source operating revenue	Current projection	Indicator	Original budget	Actuals prior periods
Operating revenue (excl. ALL grants & contributions)	58,312	33.47 %	31.84 %	51.72 % 60.19 %
Total Operating revenue (incl. capital grants & cont)	174,215			

This ratio measures fiscal flexibility. It is the degree of reliance on external funding sources such as operating grants & contributions.



4. Debt service cover ratio	Current projection	Indicator	Original budget	Actuals prior periods
Operating result before interest & dep. exp (EBITDA)	17,676	1472.96	3808.20	29.74 -1.18
Principal repayments + borrowing interest costs	12			

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



RISK ASSESSMENT

Risk Type	Current Risk	Expected Risk	Within Accepted
Asset Management	High	High	No
Financial Sustainability	High	High	No
Legislative Governance and Compliance	Low	Low	Yes
Reputation and Image	High	High	No
Service Delivery	Low	Low	Yes

Asset management: The underfunding of maintenance and delays in asset refurbishment have placed Council in a high risk position that assets will not provide the expected level of service. This risk cannot be addressed within a single year's budget. The Council needs to develop a policy of surplus budgets in the long term to adequately renew its existing infrastructure thereby reducing this risk.

Financial sustainability: Council should strive for developing budgets that provide an operating surplus before capital grants and contributions. The surplus generated is then available to restore working capital to an adequate level and minimise the risk of being exposed to unexpected financial shocks.

Legislative governance & compliance: A Quarterly Budget Review Statement is a minimum requirement to be reported to Council, however, in the interests of public scrutiny of Council's budgetary control, management provides timely reporting of budget reviews on a monthly basis.

Reputation and image: Deficit budgets indicate to the community that future generations will be required to restore working capital and pay for the services delivered in advance. Until a long term financial plan is adopted by the Council that clearly demonstrates how the financial position will be restored, the projected deficit in this type of review will be viewed negatively by the community.

FINANCIAL IMPACTS

The financial impacts are identified in the above statements.

RESPONSIBLE OFFICER: Chief Financial Officer

OPTIONS CONSIDERED

This is the fifth monthly review for the 2022/23 financial year.

Budgets will continue to be subject to further reviews each month. As we progress through the 22/23 financial year, we will be thoroughly reviewing the current year's budget which may result in significant changes to the budget. This will help inform the development of the 23/24 financial year budget.

IMPLEMENTATION PLANS

The 2022/23 budget and operational plan was adopted in June 2022. It provides for the progressive elimination of operating deficits with a nominal original deficit of \$917,711.

Monthly reviews by operations need to focus on recognising income earlier and absorbing any unplanned financial shocks for the financial year.

BACKGROUND

Nil

ATTACHMENTS

Nil
