



**Quarterly Budget Review Statement**  
**March 2018**

**2017-18 FINANCIAL YEAR**



PO Box 492, Bega NSW 2550

**P.** (02) 6499 2222

**F.** (02) 6499 2200

**E.** [council@begavalley.nsw.gov.au](mailto:council@begavalley.nsw.gov.au)

**W.** [begavalley.nsw.gov.au](http://begavalley.nsw.gov.au)

**ABN.** 26 987 935 332

**DX.** 4904 Bega

**Table of Contents**

	<b>page</b>
<b>1. Responsible Accounting Officer's Statement</b>	<b>1</b>
<b>2. Income &amp; Expenses Budget Review Statement's</b>	
- Income and Expenses - by Type	<b>2</b>
- Income and Expenses - by Activity	<b>3</b>
- Income and Expenses - Variation Detail	<b>5</b>
- Capital Budget Review Statement - by Type	<b>11</b>
- Capital Budget- Variance Detail	<b>12</b>
<b>3. Cash &amp; Investments Budget Review Statement</b>	
- Cash and Investments Budget Review Statement	<b>13</b>
- Cash and Investments Budget- Variance Detail	<b>15</b>
<b>4. Key Performance Indicator (KPI) Budget Review Statement</b>	
Council KPIs	<b>17</b>
<b>5. Contracts &amp; Other Expenses Budget Review Statement</b>	<b>20</b>

**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 Bega Valley Shire Council for the quarter ended 31/03/18 indicates that Council's projected financial position at 30/06/18 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.



**Signed:**

---

Graham Stubbs  
Chief Financial Officer

**Date:**

09/05/2018

## Income &amp; Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Income &amp; Expenses - Council Consolidated

(\$000's)

	Original Budget 2017/18	Approved Changes			Revised Budget 2017/18	Variations for this Mar Qtr		Notes	Projected Year End Result	Budget YTD figures	Actual YTD figures
		Sep QBRs	Dec QBRs	Mar QBRs							
<b>Income</b>											
Rates and Annual Charges	49,105	-	-	-	49,105	-	1		49,105	36,546	48,249
User Charges and Fees	18,186	-	-	-	18,186	-	2		18,186	13,426	14,200
Investment Income	1,379	-	-	-	1,379	200	3		1,579	1,234	1,304
Other Revenues	843	-	-	-	843	-			843	598	766
Grants and Contributions Operating	13,472	6,400	2,012	-	21,884	(4,796)	4		17,088	13,249	11,138
Grants and Contributions Capital	6,522	3,748	(4,120)	-	6,150	(780)	5		5,370	4,770	4,563
Net gain from disposal of assets	-	-	-	-	-	-			-	-	-
Share of Interests in Joint Ventures	-	-	-	-	-	-			-	-	-
<b>Total Income from Continuing Operations</b>	<b>89,507</b>	<b>10,148</b>	<b>(2,108)</b>	<b>-</b>	<b>97,547</b>	<b>(5,376)</b>			<b>92,171</b>	<b>69,823</b>	<b>80,220</b>
<b>Expenses</b>											
Employee Costs	31,920	-	-	-	31,920	-	6		31,920	23,880	23,828
Finance Costs	2,243	-	-	-	2,243	-	7		2,243	1,536	1,077
Materials & Contracts	21,673	7,558	2,046	-	31,277	(1,400)	8		29,877	23,350	19,295
Depreciation & Amortisation	26,229	-	-	-	26,229	(3,675)	9		22,554	16,915	17,123
Other Expenses	6,757	-	-	-	6,757	-	9		6,757	4,690	4,476
Net Loss from disposal of assets	-	-	-	-	-	-			-	-	-
<b>Total Expenses from Continuing Operations</b>	<b>88,822</b>	<b>7,558</b>	<b>2,046</b>	<b>-</b>	<b>98,426</b>	<b>(5,075)</b>			<b>93,351</b>	<b>70,371</b>	<b>65,799</b>
<b>Net Operating Result from Continuing Operations</b>	<b>685</b>	<b>2,590</b>	<b>(4,154)</b>	<b>-</b>	<b>(879)</b>	<b>(301)</b>			<b>(1,180)</b>	<b>(548)</b>	<b>14,421</b>
Discontinued Operations - Surplus/(Deficit)	-	-	-	-	-	-			-	-	-
<b>Net Operating Result from All Operations</b>	<b>685</b>	<b>2,590</b>	<b>(4,154)</b>	<b>-</b>	<b>(879)</b>	<b>(301)</b>			<b>(1,180)</b>	<b>(548)</b>	<b>14,421</b>
<b>Net Operating Result before Capital Items</b>	<b>(5,837)</b>	<b>(1,158)</b>	<b>(34)</b>	<b>-</b>	<b>(7,029)</b>	<b>479</b>			<b>(6,550)</b>	<b>(5,318)</b>	<b>9,858</b>

## Income &amp; Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Income &amp; Expenses - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes			Revised Budget 2017/18	Variations for this Mar Qtr	Notes	Projected Year End Result	Budget YTD Figures	Actual YTD figures
		Sep QBRS	Dec QBRS	Mar QBRS						
<b>Income</b>										
Children, Families and Ageing	3,956	-	1,400	-	5,356	1,000	10	6,356	4,766	4,412
Community, Culture and Information	855	-	-	-	855	-	11	855	641	1,064
Community, Relations & Leisure Coordination	-	-	-	-	-	-	12	-	-	11
Leisure and Recreation	972	-	-	-	972	-	13	972	729	873
Organisation Development & Governance	165	-	-	-	165	-	14	165	124	188
Building and Health Services	1,743	-	-	-	1,743	-	15	1,743	1,307	1,439
Environment Services	338	-	12	-	350	-	16	350	266	67
Planning Services	582	-	-	-	582	-	17	582	436	352
Planning & Environment Coordination	8	-	-	-	8	-	18	8	6	-
Strategy and Business Services Coordination	-	-	-	-	-	-	19	-	-	-
Business Services	62	-	-	-	62	-	20	62	47	41
Economic Development	267	-	-	-	267	-	21	267	200	108
Financial Management	592	-	-	-	592	-	22	592	444	271
Civil Assets	984	-	-	-	984	-	23	984	738	1,031
Fire & Emergency Services	346	-	-	-	346	-	24	346	260	300
Sewer Services	17,235	-	-	-	17,235	-	25	17,235	12,926	16,661
Transport & Utility Group	2,400	-	-	-	2,400	-	26	2,400	1,800	1,912
Transport Services	52	6,400	-	-	6,452	(2,400)	27	4,052	4,039	974
Waste Services	10,088	-	600	-	10,688	-	28	10,688	8,016	9,996
Water Supplies	11,154	-	-	-	11,154	-	29	11,154	8,365	9,184
Works	6,731	-	-	-	6,731	-	30	6,731	5,048	4,848
Council Wide	45,558	-	-	-	45,558	(3,196)	31	42,362	30,972	37,688
Project Development Service	-	-	-	-	-	-	32	-	-	15
Strategy and Asset Services	-	-	-	-	-	-	33	-	-	3
<b>Total Income from Continuing Operations</b>	<b>104,088</b>	<b>6,400</b>	<b>2,012</b>	<b>-</b>	<b>112,500</b>	<b>(4,596)</b>		<b>107,904</b>	<b>81,130</b>	<b>91,438</b>

## Income &amp; Expenses Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Income &amp; Expenses - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes			Revised Budget 2017/18	Variations for this Mar Qtr	Notes	Projected Year End Result	Budget YTD Figures	Actual YTD figures
		Sep QBRS	Dec QBRS	Mar QBRS						
<b>Expenses</b>										
Children, Families and Ageing	3,972	232	1,434	-	5,638	1,000	10	6,638	4,977	4,557
Community, Culture and Information	3,952	248	-	-	4,200	-	11	4,200	3,150	3,210
Community, Relations & Leisure Coordination	612	-	-	-	612	-	12	612	459	482
Leisure and Recreation	3,993	15	-	-	4,008	-	13	4,008	3,007	3,085
Organisation Development & Governance	4,063	33	-	-	4,096	-	14	4,096	3,073	2,916
Building and Health Services	2,001	26	-	-	2,027	-	15	2,027	1,520	1,543
Environment Services	2,171	75	12	-	2,258	-	16	2,258	1,697	1,123
Planning Services	1,533	86	-	-	1,619	-	17	1,619	1,214	1,019
Planning & Environment Coordination	902	2	-	-	904	-	18	904	678	617
Strategy and Business Services Coordination	814	-	-	-	814	-	19	814	611	673
Business Services	2,923	-	-	-	2,923	-	20	2,923	2,192	2,078
Economic Development	835	350	-	-	1,185	-	21	1,185	888	729
Financial Management	1,973	59	-	-	2,032	-	22	2,032	1,524	1,217
Civil Assets	1,022	32	-	-	1,054	-	23	1,054	791	622
Fire & Emergency Services	994	-	-	-	994	-	24	994	746	912
Sewer Services	11,500	-	-	-	11,500	-	25	11,500	8,625	7,967
Transport & Utility Group	691	-	-	-	691	-	26	691	518	881
Transport Services	8,061	6,400	-	-	14,461	(2,400)	27	12,061	10,046	6,505
Waste Services	7,877	-	600	-	8,477	-	28	8,477	6,358	6,954
Water Supplies	8,261	-	-	-	8,261	-	29	8,261	6,195	5,399
Works	6,059	-	-	-	6,059	-	30	6,059	4,545	4,493
Council Wide	7,677	-	-	-	7,677	-	31	7,677	4,903	7,139
Project Development Service	-	-	-	-	-	-	32	-	-	60
Strategy and Asset Services	1,080	-	-	-	1,080	-	33	1,080	810	800
<b>Total Expenses from Continuing Operations</b>	<b>82,966</b>	<b>7,558</b>	<b>2,046</b>	<b>-</b>	<b>92,570</b>	<b>(1,400)</b>		<b>91,170</b>	<b>68,527</b>	<b>64,981</b>
<b>Net Operating Result from Continuing Operations before Capital Items</b>	<b>21,122</b>	<b>(1,158)</b>	<b>(34)</b>	<b>-</b>	<b>19,930</b>	<b>(3,196)</b>		<b>16,734</b>	<b>12,603</b>	<b>26,457</b>

Note: Internal Income and Expenses has been included in this report. Expenses exclude depreciation.



Income & Expenses Budget Review Statement  
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Note	Sub-Note Details	
1	Rates and Annual Charges	
	Rates and Annual charges revenue is tracking within budget. The recent bushfire in Tathra will impact on the overall revenue and it is currently being assessed.	
2	User Charges and Fees	
	User Charges and Fees is tracking within budget.	
3	Investment Income	
	Investment Income is tracking slightly above original budget. Forecast has been revised to reflect the actual income for the year.	200k
4	Grants and Contributions Operating	
	Income from operating Grants and Contributions is tracking within the revised budget.	
	Previous adjustments were made in September in the expectation of receiving \$6.4M in flood grant fundings.	
	Previous adjustments were made in December for the increase in FOGO grant of \$600K and additional NDIS income of \$1.4M.	
	Current budget adjustments for Operating grants and contribution relates to:	
a	Adjustment of FAG Grant- received in advance in FY16/17. This money was kept aside in unspent grant reserve for FY17/18.	(3,396k)
b	Deferring June 2016 flood events for FY18/19. Applied for extension of time	(1,300k)
c	NDIS Income forecast as per actual trend	1,000k
d	Cost savings in January 2016 flood work due to effective management of resources	(1,100k)
	Council is not anticipating advance FAG grants for FY18/19	
5	Grants and Contributions Capital	
	Income from capital Grants and Contributions is tracking within the revised budget.	
	Previous adjustment were made in September for bike tracks of \$3.5M and for the North Bega Sewer System of \$248K.	
	In December, adjustments were made for the bike tracks beginning in FY18/19, reducing the amount of income by \$2.1M.	
	In December, Council also adjusted its income as a result of not receiving Eden Wharf Access Rd project of \$2M.	
	A further revision of Bike Track grants has been made in March as major construction work will progress in FY18/19.	
a	Active Transport Grant New for Bike Track from Tathra to Kalaru	(290k)
b	Active Transport Grant New for Bike Track in Merimbula	(490k)
6	Employee Costs	
	Employee costs are tracking within budget. Savings from vacant positions across Council has offset redundancy payments.	
7	Finance Costs	
	Finance costs are under budget due to the deferral of \$2.6M loan from FY16/17. Savings are anticipated by the year end.	



Income & Expenses Budget Review Statement  
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details	
8		Materials & Contracts A number of adjustments were made in previous quarters including Bike Track grants (\$3.7M increase), North Bega Project under budget (\$500K), West pambula sewer project not going ahead (\$500K), Eden Wharf road (\$2M) and NDIS expenses \$1.4M.	
		Materials and Contracts budget is tracking within the revised forecasts. Further adjustments include:	
	a	Deferring June 2016 flood events for FY18/19. Applied for extension of time	(1,300k)
	b	NDIS Income forecast as per actual trend	1,000k
	c	Cost savings in January 2016 flood events due to effective management of resources	(1,100k)
9		Depreciation and Other Expenses	
	a	Depreciation: Depreciation expense is tracking within revised budget. Revision relates to decrease in water and sewer assets depreciation due to impairment of water and sewer assets in FY16/17.	(3,675k)
	b	Other Expenses: Other expenses are tracking within budget.	
10		Children, Families and Ageing	
	a	Children Services Fee income levels for Eden Childcare Centre and Bandara Children's Services have been lower than expected due to decline in childcare utilisation levels. Staff backfilling costs at both Centres have also been considerably higher than budget due to prolonged periods of staff on sick leave. In comparison, due to improved efficiencies in staffing and the management of overheads, Eden Preschool and Sapphire Mobile Preschool are in surplus. It is anticipated that \$65K will be withdrawn from reserve to fund the overall deficit in Children Services.	
	b	Indigenous Advancement Strategy (IAS) The funding agreement for the Indigenous Advancement Strategy program initially concluded in December 2017, but has now been extended for a further 12 months. By end of financial year, income and expenditure in the Indigenous Advancement Strategy cost centre will be approximately \$100K greater than what was initially budgeted.	
	c	Ageing and Disability Services Increased lease and rental expenses within Brighter Futures may result in a draw down of \$10K from reserves by end of financial year. Income and expenditure under the National Disability Insurance Scheme (NDIS) cost centre are significantly higher than expected due to the delivery of Plan Financial Management services, which involve financial brokerage of client plans. In FY17/18, more staff resources have been devoted to NDIS services than initially budgeted in order to meet the compliance requirements of this pilot program. As a result, a draw down from reserves of up to \$50K may be required by end of financial year. Budget adjustment relates to revised forecast as per actual trend.	1,000k
		The Children, Families and Ageing Administration cost centre is tracking within budget. Salaries and other administrative costs were directly attributed to individual cost centres.	
		Increased brokerage costs and staff time devoted to program delivery may result in the Compacts cost centre requiring a draw down from reserves of approximately \$20K by end of financial year.	

Income & Expenses Budget Review Statement  
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details
11		Community, Culture and Information
	a	Community, Culture and Information is above budget. This is mainly due to Civic Centre operating costs being greater than anticipated. Overall branch is expected to be within budget by the end of the year.
	b	Library Library budget is generally on track and will be expected to have a \$15k overspend by EOFY. This overspend is primarily due to ongoing software license costs (Bibliotheca) that were never in the budget. Staffing costs are also slightly higher than budgeted due to casual backfilling requirements.
	c	CCI Coordination Due to staffing restructures involving redundancies, the Community, Culture and Information cost centre is anticipated to be over budget by \$75K by end of financial year.
	d	Community Development  Due to staffing restructures impacting the FTE of the team, the Community Development cost centre is expected to be approximately \$140K under budget by end of financial year. Some changes in grant income, including new grants as well as prior grants that have been withdrawn due to external changes, will result in a total net increase in grant funding of approximately \$20K by end of financial year
	e	Community Halls is tracking within budget. Stronger Community Grant for Kitchen upgrade and Eden Log Cabin upgrade will be utilised mostly in next financial year.
	f	Cemeteries is tracking within budget. A surplus of approximately \$25K is expected by the year end.
	g	Property Services is tracking within budget.
12		Community, Relations & Leisure Coordination
	a	Communications  Communications service expenditure is slightly above the budget. Salary for the Media Officer role was removed at the start of the financial year, as was the salary for the Cadet role, which has since been converted to the full time Communication Officer role. Savings in salary in other areas of Council is anticipated to fund this deficit.
	b	CRL Coordination CRL Coordination is tracking within budget.
13		Leisure and Recreation
	a	Swimming Pools: Swimming Pools is tracking within annual budget. Noted some variation from budgeted amounts for salaries (over) and contractors (under) largely due to BVSC now operating Candelo Pool. Also some salaries increase accountable to increased services and programs delivered to encourage increased patronage at Eden, Candelo and Bemboka pools. It is anticipated to be breakeven by the end of year despite operating Candelo Pool. Seasonal pools have closed for the year (end of March).
	b	Sportsgrounds: Operations is tracking over budget. This is largely accountable to increased mowing and some increases in water expenses, power expenses. Staff are monitoring mowing requirements and delivery more closely. Some of this is related to increased surrounds mowing undertaken by BVSC as volunteering capability has reduced and leading to requests for increased services (Berrambool as an example). It will continue to be monitored to further control spending. Shortfall will be accounted for within Leisure and Recreation Services, likely through the Parks and Gardens cost centre.
	c	Parks and Gardens: Overall operational budgets tracking marginally under budget. Operational contingencies continue to be monitored and may be required to offset over spends within the sportsgrounds area as discussed above.
	d	Leisure & Recreation Coordination: Overall costs are tracking within budget.

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

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details
14		<p>Organisation Development &amp; Governance (ODG)</p> <p>ODG Services is tracking within the budget. There is significant underspend in pre-employment medicals. This is due to having inherited the budget from ESS and being too frugal. This will not be an issue for FY18/19 as we intend to do more functional assessments non compensable etc.</p>
15		<p>Building and Health Services</p> <p>Building Regulations: Building Regulation expenditure is slightly above the budget due to unexpected sick leave expenses in the department. This has been partly compensated by some vacancies in the department. Overall Council's salary is within the budget.</p> <p>Enforcement Regulations is tracking within the budget. Legal and contractors costs are over budget, if Council wins its litigation the costs will be reimbursed. There are more prosecutions being undertaken and the budget does not reflect the increased level of legal action.</p> <p>Health Services is tracking within budget.</p> <p>Animal Control Services is tracking within budget.</p>
16		<p>Environment Services</p> <p>Environment Services is tracking within budget. Majority of the grant income is anticipated to be received by the end of the year. There are vacant positions in this service area and it is anticipated that some savings will be made.</p> <p>Noxious Plants &amp; Insect/Vermin Control section is tracking within budget.</p>
17		<p>Planning Services</p> <p>Planning Services is within budget. Budgeted income is below the target however that is offset by expenditure being down by the same amount.</p>
18		<p>Planning &amp; Environment Coordination</p> <p>Planning &amp; Environment Coordination is tracking within budget. It is anticipated that there will be some savings in salary and wages expenditure.</p>
19		<p>Strategy and Business Services Coordination</p> <p>Strategy and Business Services Coordination expenditure is above the budget. This is mainly due to writing off Loose Tools (\$50K) and Real Estate Assets (\$70K). Savings in salary from redundant position and delay in Server Platform Refresh and Mapping System New Generations projects is anticipated to fund the deficit.</p>
20		<p>Business Services</p> <p>Business Services is tracking within budget.</p>
21		<p>Economic Development</p> <p>Bega Valley Regional Learning Centre (BVRLC) income is below the budget and corresponding expenditure is less than the budget. However, it is anticipated that BVRLC will make an overall loss by year end.</p> <p>Economic Development cost centre is tracking within budget. Eden Cruise Strategy project is expected to be completed by FY 2018/19.</p> <p>Tourism service is tracking within budget. Tourism signage project is expected to be completed by early next year.</p>

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

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details	
22		Financial Management	
	a	Finance Services expenditure is tracking slightly above the budget. This is mainly due to allocation of extra resources in the area to support transition of new staff at the beginning of the financial year and the payroll function. Savings in other areas of Council will fund this deficit.	
	b	Revenue Services is tracking within budget.	
23		Civil Assets	
		Civil Assets is tracking within budget. Revenue from stormwater annual charge is levied at the beginning of the year. Cycleways maintenance is underway and will align to budget.	
24		Fire & Emergency Services	
		Fire and Emergency Services expenditure is over the budget at this stage. This is mainly due to Tathra bushfire related expenses captured in this cost centre. Council is in the process of making claim for reimbursable bush fire related expenditure.	
25		Sewer Services	
		Sewer Services revenue is tracking slightly above the budget and operating expenditure is slightly under the budget, which is favourable.	
26		Transport & Utility Group and Assets and Strategy Group	
		The over expenditure is due to back pay of salaries for 2016/17. It is anticipated that Council wide salary savings by the year end will offset the back pay.	
27		Transport Services	
		Operating expenditure is slightly below the budget. Budgeted Line marking of \$200K will not be performed in this FY. There will be some savings in operational budget.	
		\$1.7M has been spent on 2016 floods out of budgeted \$4M. January 2016 flood events will be completed by the year end. It is anticipated June 2016 flood events will not be spent in full and will need to be carried forward in FY18/19.	
		Budget adjustment relates to:	
	a	Deferring June 2016- flood work for FY18/19. Applied for extension of time	(1,300k)
	b	Cost savings in Jan 2016 flood work due to effective management of resources	(1,100k)

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

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details	
28		Waste Services	
		Waste Services revenue is tracking slightly above the budget. Operating expenditure is slightly above the budget due to increased salary and wages cost compared to budget and this will be offset by increased revenue.	
29		Water Supplies	
		Water Supplies revenue is slightly above the budget and operating expenditure is slightly below the budget.	
30		Works	
		Fleet operating income is tracking within budget. Operating expenditure is slightly above the budget due to increase in fuel, insurance, maintenance and parts costs. Increase in internal hire rate has reduced the deficit but we estimate an operational loss at the end of financial year. Any further capital programs for FY17/18 has been postponed to fund the deficit.	
31		Council Wide	
		Council wide is tracking within budget.	
		Budget adjustment relates to FAG Grant- received in advance in FY16/17. This money was kept aside in unspent grant reserve for FY17/18.	(3,396k)
		Investment Income is tracking slightly above original budget. Forecast has been revised to reflect the actual income for the year.	200k
32		Project Development Service	
		Project Development Service is tracking within budget.	
33		Strategy and Asset Services	
		Strategy and Asset Services is tracking within budget.	

## Capital Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Capital Budget - Council Consolidated

(\$000's)	Original Budget 2017/18	Approved Changes			Revised Budget 2017/18	Variations for this Mar Qtr	Notes	Projected Year End Result	Budget YTD figures	Actual YTD figures
		Sep QBRS	Dec QBRS	Mar QBRS						
<b>Income</b>										
New Loans	6,200	-	-	-	6,200	-	1	6,200	4,650	-
Receipts from Sale of Assets	1,350	-	-	-	1,350	-	2	1,350	1,013	530
Reserves Transfer From	19,913	1,500	895	-	22,308	3,396	3	25,704	20,994	3,413
Grants and Contributions Capital	6,522	3,748	(4,120)	-	6,150	(780)	4	5,370	4,770	4,563
<b>Total Income from Continuing Operations</b>	<b>33,985</b>	<b>5,248</b>	<b>(3,225)</b>	<b>-</b>	<b>36,008</b>	<b>2,616</b>		<b>38,624</b>		<b>8,506</b>
<b>Expenses</b>										
Employee Costs	1,027	-	-	-	1,027	-		1,027	770	817
Materials & Contracts	32,097	7,636	(3,259)	-	36,474	(780)	5	35,694	27,265	15,407
Loan Repayments (Principal)	4,003	-	-	-	4,003	-	6	4,003	3,002	1,944
Reserves Transfer To	17,027	861	-	-	17,888	-	7	17,888	13,652	-
<b>Total Expenses from Continuing Operations</b>	<b>54,154</b>	<b>8,497</b>	<b>(3,259)</b>	<b>-</b>	<b>59,392</b>	<b>(780)</b>		<b>58,612</b>	<b>44,689</b>	<b>18,168</b>
<b>Net Operating Result from Continuing Operations</b>	<b>(20,169)</b>	<b>(3,249)</b>	<b>34</b>	<b>-</b>	<b>(23,384)</b>	<b>3,396</b>		<b>(19,988)</b>	<b>(44,689)</b>	<b>(9,662)</b>
Discontinued Operations - Surplus/(Deficit)					-			-	-	-
<b>Net Operating Result from Capital Operations</b>	<b>(20,169)</b>	<b>(3,249)</b>	<b>34</b>	<b>-</b>	<b>(23,384)</b>	<b>3,396</b>		<b>(19,988)</b>	<b>(44,689)</b>	<b>(9,662)</b>
<b>Total capital expense is made up of:</b>										
Renewals	18,686	-	-	-	18,686	-		18,686		6,345
New Assets	14,438	7,636	(3,259)	-	18,815	(780)		18,035		9,879
<b>Total</b>	<b>33,124</b>	<b>7,636</b>	<b>(3,259)</b>	<b>-</b>	<b>37,501</b>	<b>(780)</b>		<b>36,721</b>		<b>16,224</b>

**Capital Budget Review Statement**  
**Recommended changes to revised budget**

Budget Variations being recommended include the following material items:

Note	Sub-Note	Details	
1		New Loans Loans are planned to be drawn down towards the end of the year.	
2		Receipts from Sale of Assets Budgeted Sale of assets relates to fleet. Useful life of assets have been extended, which in turn defer capital expenditure for future. Sale of assets corresponds to the purchase.	
3		Reserves Transfer From	
	a	Reserves transfer from relates to: Advance FAG grant for FY17/18 received in FY16/17	3,396k
4		Grants and Contributions Capital Further revision of Bike Track grants as major construction work will progress in FY18/19.	
	a	Active Transport Grant New for Bike Track from Tathra to Kalaru	(290k)
	b	Active Transport Grant New for Bike Track in Merimbula	(490k)
5		Materials and Contract Capital expenditure is under the budget. The main reasons are:	
	a	Transport Services: Eden Towamba flood study, Sapphire Coast Drive, Pretty Point Bridge, Monaro Street, Merimbula Traffic Study (smart parking), Lamont Street Reseal Program, Andy Pool Drive Reseal Program will not be completed as budgeted in FY17/18.	
	b	Merimbula Airport: Runway: Detailed design still being undertaken - possible but unlikely to tender by June 2018	
	c	Sewer Services: Merimbula Deep Ocean Outfall capital program will be completed by FY 18/19 and approx. \$2.6M is anticipated to be carried forward from FY17/18 budget.	
	d	Water Supplies: Bemboka WTP has \$2.5M committed which will be spent next FY.	
	e	Fleet: New Fleet purchase of approximately \$1M is postponed for future years.	
	f	Parks and Gardens: Two projects (at Short Point and Bruce Steer pool amenities) have been delayed through Council resolution to review planning and for additional consultation for projects at those sites. This is largely due to aligning 2018 budget amounts with BVSC contributions to grant submissions. Aligning the Bruce Steer Amenities renewal and north Tura trail improvements to the related grant submissions will be the basis for a capital funding revote request.	
	g	Sportsgrounds: This is largely due to aligning 2018 budget amounts with BVSC contributions to grant submissions. Staff have also been working with the site committee at Barclay Street Eden to define project and asset renewal priorities at that site. Aligning the site committees priorities with the Stronger Country Community - Sportsground Grant submission will be the basis for a capital funding revote request. Budget adjustments for the quarter relates to:	
	h	Active Transport Grant New for Bike Track from Tathra to Kalaru	(290k)
	i	Active Transport Grant New for Bike Track in Merimbula	(490k)
6		Loan Repayments (Principal) Loan Repayments are under the budget due to deferral of \$2.6M loan from FY16/17. Some savings is anticipated by the year end.	
7		Reserves Transfer To No actual reserve transfer has been made in this quarter. Reserve movement is generally done annually based on the actual expenditure and overall position of the Council.	



## Cash &amp; Investments Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Cash &amp; Investments - Council Consolidated

(\$000's)	Reserve Acc No	Original	Approved Changes			Revised	Variations		Projected	Budget	Actual
		Budget 2017/18	Sep QBRs	Dec QBRs	Mar QBRs	Budget 2017/18	for this Mar Qtr		Year End Result	YTD figures	YTD figures
Externally Restricted <sup>(1)</sup>											
Asset Replacement Reserve [Sewer Fund]	03130.8020.7951	15,136	1,000	-	-	16,136	-		16,136	16,901	18,194
Asset Replacement Reserve [Water Fund]	02130.8020.7928	9,329	-	-	-	9,329	-		9,329	9,251	9,016
Other Contribution - Tathra Estate	01130.8020.7991	41	-	-	-	41	-		41	41	41
S64 - Sewer Headworks	03130.8020.7938	4,436	-	-	-	4,436	-		4,436	4,436	4,436
S64 - Water Headworks	02130.8020.7939	1,866	-	-	-	1,866	-		1,866	2,366	3,866
S94 - Carparking	01130.8020.7940	709	-	-	-	709	-		709	697	659
S94 - Land Acquisitions	01130.8020.7942	23	-	-	-	23	-		23	22	17
S94 - Open Space and Recreation	01130.8020.7943	201	-	-	-	201	-		201	190	157
S94 - Public Reserve Acquisition	01130.8020.7945	400	-	-	-	400	-		400	400	400
S94 - Roads	01130.8020.7946	117	-	-	-	117	-		117	88	-
S94 - Streetscapes	01130.8020.7948	13	-	-	-	13	-		13	9	-
S94- Woodlands Lane	01130.8020.7994	20	-	-	-	20	-		20	20	20
S94 - Community Facilities	01130.8020.7941	27	-	-	-	27	-		27	27	27
S94A	01130.8020.7949	12	-	-	-	12	-		12	12	12
Unspent Grants	01130.8020.7977	5,300	(1,500)	-	-	3,800	(3,396)	1	404	732	1,538
Unspent Loans	01130.8020.7978	1,443	-	-	-	1,443	-		1,443	1,093	43
Waste Management [Domestic]	01130.8020.7979	6,965	(2,032)	(840)	-	4,093	-		4,093	4,568	5,989
Water Fund - Unrestricted		3,229				3,229	-		3,229	3,229	3,229
Sewer Fund - Unrestricted		1,682				1,682	-		1,682	1,682	1,682
Total Externally Restricted		50,949	(2,532)	(840)	-	47,577	(3,396)		44,181	45,764	49,326
(1) Funds that must be spent for a specific purpose											

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

## Cash &amp; Investments Budget Review Statement

Budget review for the quarter ended 31 March 2018

## Cash &amp; Investments - Council Consolidated

(\$000's)	Reserve Acc No	Original Budget 2017/18	Approved Changes			Revised Budget 2017/18	Variations for this Mar Qtr	Projected Year End Result	Budget YTD figures	Actual YTD figures
			Sep QBRS	Dec QBRS	Mar QBRS					
Internally Restricted <sup>(2)</sup>										
Access Committee Reserve	01130.8020.7995	38	-	-	-	38	-	38	38	38
Airport Reserve	01130.8020.7900	265	-	-	-	265	-	265	267	272
Animal Control Reserve	01130.8020.7901	42	-	-	-	42	-	42	42	42
Asset Replacement Reserve [General Fund]	01130.8020.7902	643	-	-	-	643	-	643	718	1,289
Brighter Futures [Vehicle Replacement]	01130.8020.7904	30	-	-	-	30	-	30	30	30
Candelo Park Maintenance	01130.8020.7905	22	-	-	-	22	-	22	22	22
Children Services Reserve	01130.8020.7907	511	-	-	-	511	-	511	515	527
Committee Funds [Cemetery]	01130.8020.7908	430	-	-	-	430	-	430	430	430
Committee Funds [Halls]	01130.8020.7909	166	-	-	-	166	-	166	166	166
Election Expenses	01130.8020.7915	55	-	-	-	55	-	55	41	-
E-Levy Reserve	01130.8020.7916	11	-	-	-	11	-	11	33	101
Employee Leave Entitlement	01130.8020.7917	1,932	-	-	-	1,932	-	1,932	1,845	1,582
Foreshore Reserves	01130.8020.7986	25	-	-	-	25	-	25	25	25
Gallery Donations	01130.8020.7921	10	-	-	-	10	-	10	10	10
Information Technology Facilities	01130.8020.7922	148	-	-	-	148	-	148	183	288
Insurance Claims [Unspent]	01130.8020.7923	72	-	-	-	72	-	72	72	72
Insurance Excess Reserve	01130.8020.7924	100	-	-	-	100	-	100	100	100
Merimbula Jetty Maintenance and Improve	01130.8020.7926	46	-	-	-	46	-	46	46	46
Mirador Asset Protection Developmen	01130.8020.7988	150	-	-	-	150	-	150	150	150
Narira Village	01130.8020.7927	106	-	-	-	106	-	106	106	106
Old Bega Racecourse Development	01130.8020.7989	33	-	-	-	33	-	33	33	33
Operational Examination Contingency	01130.8020.7929	27	-	-	-	27	-	27	20	27
Plant Replacement Reserve	01130.8020.7930	320	-	-	-	320	-	320	251	46
Property Development Reserve	01130.8020.7931	182	-	-	-	182	-	182	182	182
Property Sale 73 Upper St	01130.8020.7932	164	-	(55)	-	109	-	109	123	164
Quarries and Gravel Pits	01130.8020.7935	724	-	-	-	724	-	724	724	724
Revotes	01130.8020.7936	512	(335)	-	-	177	-	177	266	536
Saleyard Reserve	01130.8020.7950	58	-	-	-	58	-	58	58	58
SV - Airport	01130.8020.7954	83	-	-	-	83	-	83	83	83
SV - Armco Culvert Restoration	01130.8020.7955	191	-	-	-	191	-	191	191	191
SV - Public Domain and Buildings	01130.8020.7966	751	-	-	-	751	-	751	639	303
SV - Sportsground	01130.8020.7969	98	-	-	-	98	-	98	98	98
SV - VIC and Tourism	01130.8020.7972	325	-	-	-	325	-	325	406	650
SV - Recreation Facilities	01130.8020.7967	469	-	-	-	469	-	469	469	469
Tura Beach Country Club Crown Land	01130.8020.7975	22	-	-	-	22	-	22	22	22
Waste Management [Other]	01130.8020.7980	483	-	-	-	483	-	483	483	483
Budget Contingency Reserve	10410.6000.7992	365	(84)	-	-	281	-	281	-	281
Total Internally Restricted		9,609	(419)	(55)	-	9,135	-	9,135	8,887	9,646
(2) Funds that Council has earmarked for a specific purpose										
Unrestricted (i.e. available after the above Restrictions)		1,551				1,551		1,551	10,838	6,517
Total Cash & Investments		62,109	(2,951)	(895)		58,263	(3,396)	54,867	65,489	65,489

Cash & Investments Budget Review Statement  
Recommended changes to revised budget

Budget Variations being recommended include the following material items:

Notes	Sub-note	Details	
1		Withdraw Advance FAG grant from FY16/17	(3,396k)

**Cash & Investments Budget Review Statement****Comment on Cash & Investments Position****Investments**

Investments have been invested in accordance with Council's Investment Policy.

The Cash at Bank figure included in the Cash & Investment Statement totals \$65,489,301

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 31/03/18

**Reconciliation Status**

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

		<b>\$ 000's</b>
Cash at Bank (as per bank statements)		859,940
Cash at Bank (as per bank statements)- Mayoral Appeal Fund		430,608
Investments on Hand		64,175,784
less: Unpresented Cheques	(Timing Difference)	(2,013)
add: Undeposited Funds	(Timing Difference)	24,982
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	-
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	-
less: Unidentified Deposits (not yet actioned)	(Require Investigation)	-
add: Unidentified Outflows (not yet actioned)	(Require Investigation)	-

**Reconciled Cash at Bank & Investments**


---



---

65,489,301
**Balance as per Review Statement:**

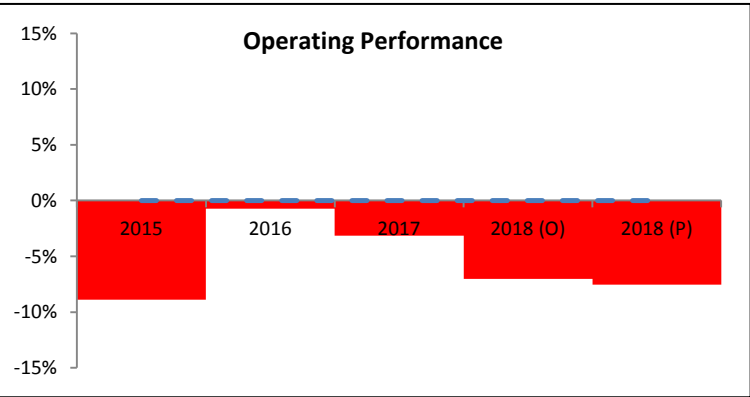

---



---

65,489,301

Key Performance Indicators (KPIs)

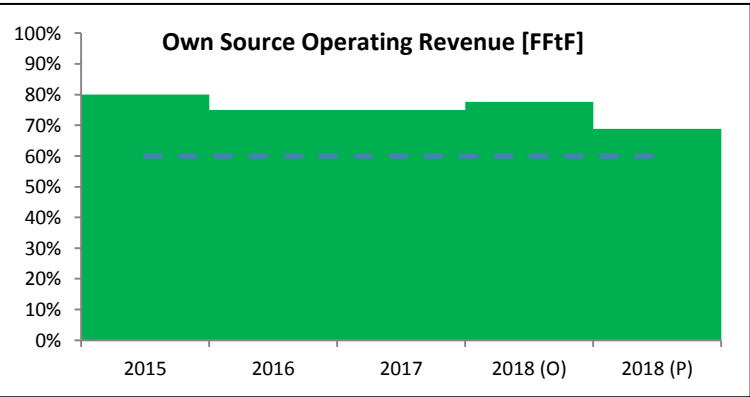


Source of Benchmark: Code of Accounting Practice and Financial Reporting #24

Purpose
The ratio measures Council's achievement of containing operating expenditure within operating revenue

Commentary
The proposed budget shows a further decline in Council's operating performance. This is due to additional item of expenditure recognised in the budget relating to unspent grants and carry forward works.

Ratio achieves benchmark  
Ratio is outside benchmark



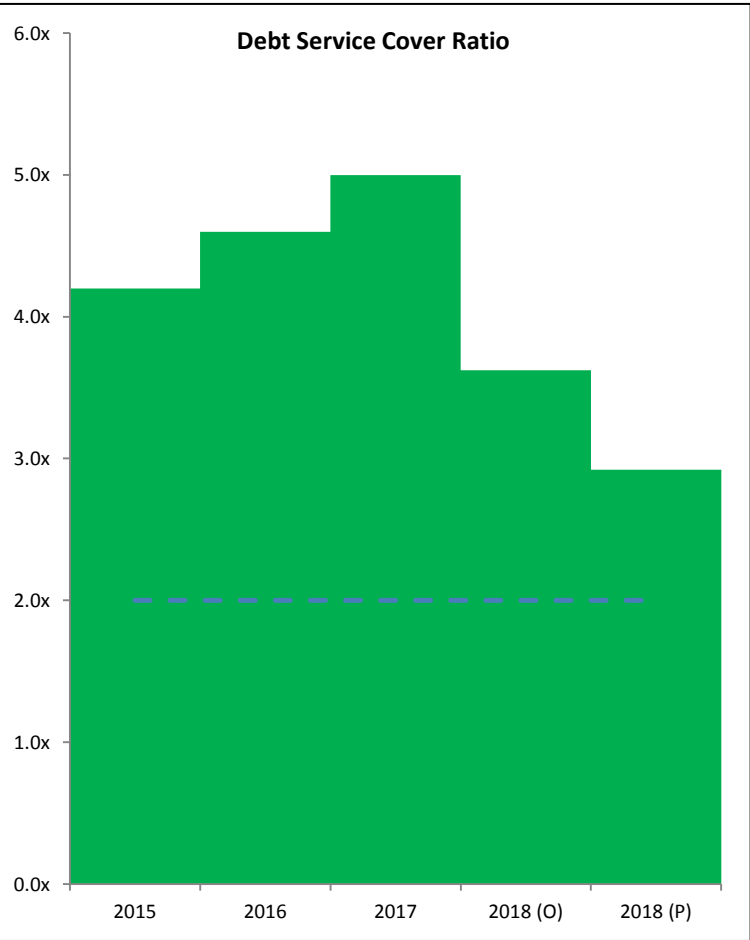
Source of Benchmark: Code of Accounting Practice and Financial Reporting #24

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

Commentary
Council's own source revenue is over the benchmark of 60%

Ratio achieves benchmark  
Ratio is outside benchmark

Key Performance Indicators (KPIs)



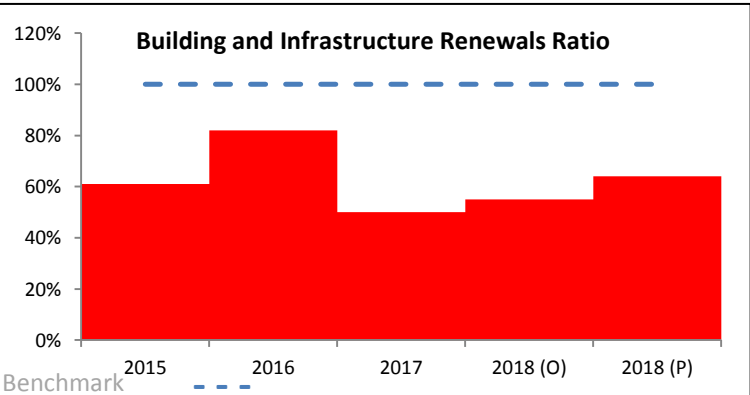
Source of Benchmark: Code of Accounting Practice and Financial Reporting #24

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

Commentary
Council's debt service ratio is above the benchmark indicating strong capacity of Council to service its borrowing repayments

Ratio achieves benchmark  
Ratio is outside benchmark

Key Performance Indicators (KPIs)

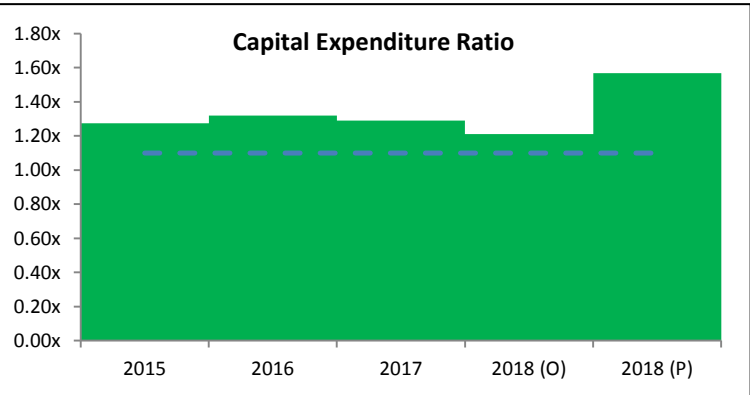


Source of Benchmark: Code of Accounting Practice and Financial Reporting #24

**Purpose**  
To assess the rate at which these assets are being renewed relative to the rate at which they are depreciating

**Commentary**  
Council has not been able to achieve the benchmark of 100%. The proposed budget continues on the same trend. Classification of expenditure item differently can have adverse effect on this ratio and we believe that is the case here. This is being addressed by staff.

Ratio achieves benchmark  
Ratio is outside benchmark



Source of Benchmark: T-Corp Financial Assessment and Benchmarking Report 2013

**Purpose**  
This ratio assesses the extent to which a Council is expanding its asset base with capital expenditure (on new assets, replacement & renewal of existing assets).

**Commentary**  
Council's capital expenditure ratio is above the benchmark indicating Council is expanding its assets base with capital expenditure.

Ratio achieves benchmark  
Ratio is outside benchmark



Contracts Budget Review Statement

Budget review for the quarter ended 31 March 2018

Part A - Contracts Listing - contracts entered into during the quarter

Contractor	Contract detail & purpose	Contract Value (Inc. GST) in '000	Acceptance Date	Budgeted (Y/N)
Ron Doyle Motors Pty Ltd	Purchase of vehicle - Isuzu	\$ 177	23/01/2018	Y
Bucher Municipal Pty Ltd	Street Sweeper	\$ 338	07/02/2018	Y

Consultancy & Legal Expenses Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
Consultancies	2,406,967	Y
Legal Expenses	131,195	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.