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**Report by Responsible Accounting Officer**

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

31 March 2019

It is my opinion that the Quarterly Budget Review Statement for Cumberland Council for the quarter ended 31/3/19 indicates that Council's projected financial position at 30/6/19 will be satisfactory at year end, having regard to the projected estimates of income and expenditure and the original budgeted income and expenditure.

**Signed:** \_\_\_\_\_

**date:**

Richard Sheridan  
Responsible Accounting Officer

**Income & Expenses Budget Review Statement**

Budget review for the quarter ended 31 March 2019

**Income & Expenses - Council Consolidated**

(\$000's)	Original Budget	Approved Changes				Revised Forecast	Variations for this	Notes	Projected Year End	Actual	
		Carry	Other than	Sep	Dec						Mar
	2018/19	Forwards*	by QBRs**	QBRs	QBRs	QBRs	2018/19	Mar Qtr	Result	figures	
<b>Income</b>											
Rates and Annual Charges	127,612			1,259	160		129,031	(249)	1	128,782	128,140
User Charges and Fees	25,848			(652)	(746)		24,450	2,504	2	26,954	17,481
Interest and Investment Revenues	4,456			231	-		4,687	(77)		4,610	3,398
Other Revenues	11,895			805	6		12,706	(829)		11,877	7,948
Grants & Contributions - Operating	23,343			1,119	(882)		23,580	(2,219)	3	21,361	15,225
Grants & Contributions - Capital	36,497			(19,940)	157		16,714	1,238	4	17,952	13,818
Net gain from disposal of assets	-			4,434	-		4,434	(180)		4,254	3,882
Share of Interests in Joint Ventures	-			-	-		-	-		-	-
<b>Total Income from Continuing Operations</b>	<b>229,651</b>	<b>-</b>	<b>-</b>	<b>(12,743)</b>	<b>(1,305)</b>	<b>-</b>	<b>215,602</b>	<b>188</b>		<b>215,790</b>	<b>189,892</b>
<b>Expenses</b>											
Employee Costs	82,980			(1,171)	(24)		81,785	(73)	5	81,712	60,375
Borrowing Costs	597			-	-		597	20		617	518
Materials & Contracts	56,530			1,596	(1,866)		56,260	(529)	6	55,731	46,299
Depreciation	29,786			1,727	(0)		31,513	70		31,583	23,356
Other Expenses	21,839			1,438	438		23,715	1,017	7	24,732	17,785
<b>Total Expenses from Continuing Operations</b>	<b>191,732</b>	<b>-</b>	<b>-</b>	<b>3,590</b>	<b>(1,452)</b>	<b>-</b>	<b>193,870</b>	<b>505</b>		<b>194,375</b>	<b>148,333</b>
<b>Net Operating Result from Continuing Operations</b>	<b>37,919</b>	<b>-</b>	<b>-</b>	<b>(16,333)</b>	<b>146</b>	<b>-</b>	<b>21,732</b>	<b>(317)</b>		<b>21,416</b>	<b>41,559</b>
Discontinued Operations - Surplus/(Deficit)							-			-	
<b>Net Operating Result from All Operations</b>	<b>37,919</b>	<b>-</b>	<b>-</b>	<b>(16,333)</b>	<b>146</b>	<b>-</b>	<b>21,732</b>	<b>(317)</b>		<b>21,416</b>	<b>41,559</b>
<b>Net Operating Result before Capital Items</b>	<b>1,422</b>	<b>-</b>	<b>-</b>	<b>3,607</b>	<b>(10)</b>	<b>-</b>	<b>5,018</b>	<b>(1,554)</b>		<b>3,464</b>	<b>27,741</b>
<b>Recurring Net Operating Result before Capital Items</b>	<b>1,422</b>									<b>3,464</b>	<b>27,741</b>

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

Budget Variations being recommended include the following material items:

**Notes Details**

1	Forecast reduction in rates & annual charges - \$250k.
2	Reallocation of childcare grant income to user charges of \$4.7m
3	Forecast reduction in user charges of \$2.2m was mainly attributable to a reduction of development income of \$1.26m and road restoration income of \$780k.
4	Forecast reduction in other revenue of \$829k was mainly attributable to unrealised property leasing revenue of \$639k and worker's compensation claims income of \$100k.
5	Forecast increase in Operating Grants of \$2.5m was mainly attributable to an increase on the financial assistance grant of \$1.56m and additional traffic blackspot grants of \$550k.
6	Forecast increase of \$1.24m in Capital Grants and Contributions was attributable to grants claimed for the Parramatta Road Urban Improvement Program and Information Services Smart Cities grant.
7	Materials & Contracts have decreased by \$529k. Decrease are mainly attributable to a \$250k deferral in Council's accelerated LEP program and an decrease to Council's external legal services expense of \$130k.
8	Other expenses have increased by \$1.02m. Increase are mainly attributable to a \$500k increase to Council's street lighting expense previously not invoiced after boundary changes and an increase in the cost of I.T. software expense of \$355k.

## Capital Budget Review Statement

Budget review for the quarter ended 31 March 2019

## Capital Budget - Council Consolidated

(\$000's)	Original Budget 2018/19	Approved Changes					Revised Budget 2018/19	Variations for this Mar Qtr	Notes	Projected Year End Result	Actual YTD figures
		Carry Forwards	Other than by QBRS	Sep QBRS	Dec QBRS	Mar QBRS					
<b>Capital Expenditure</b>											
<i>New Assets</i>											
- Plant & Equipment	1,000			1,600			2,600	-		2,600	1,073
- Land & Buildings	14,728			(655)			14,073	86		14,159	4,011
- Roads, Bridges, Footpaths	2,342			1,777	987		5,119	317		5,436	3,207
- Parks and Open Spaces	4,942			(1,641)	950		4,251	(88)	1	4,163	991
- StormWater Drainage	8,500			(3,200)	-		5,300	-		5,300	3,499
- Other	4,406			2,574	(139)		6,841	436	2	7,277	4,998
<i>Renewal Assets (Replacement)</i>											
- Plant & Equipment	-			-	-		-	-		-	-
- Land & Buildings	17,486			(5,209)	(2,436)		9,841	(42)	3	9,799	4,884
- Roads, Bridges, Footpaths	16,805			815	636		18,242	(477)	4	17,765	15,411
- Parks and Open Spaces	5,564			2,566	380		8,510	(480)	5	8,030	4,913
- Storm Water/ Drainage	1,462			2,125			3,587	138		3,725	2,266
- Other	214			-			214	0		214	26
<b>Total Capital Expenditure</b>	<b>77,449</b>	<b>-</b>	<b>-</b>	<b>752</b>	<b>379</b>	<b>-</b>	<b>78,578</b>	<b>(110)</b>		<b>78,467</b>	<b>45,278</b>
<b>Capital Funding</b>											
Rates & Other Untied Funding	46,121			(8,494)	2,490		40,116	(667)		39,449	24,648
Capital Grants & Contributions	4,663			8,822	937		14,422	(871)		13,551	2,995
Reserves:											
- External Restrictions/Reserves	17,784			2,175	(4,531)		15,428	1,824		17,252	9,581
- Internal Restrictions/Reserves	8,881			(1,751)	1,483		8,613	(399)		8,214	8,054
New Loans							-			-	-
Loan Repayment							-			-	-
Carryovers							-			-	-
<b>Total Capital Funding</b>	<b>77,449</b>	<b>-</b>	<b>-</b>	<b>752</b>	<b>379</b>	<b>-</b>	<b>78,578</b>	<b>(112)</b>		<b>78,467</b>	<b>45,278</b>
<b>Net Capital Funding - Surplus/(Deficit)</b>	<b>0</b>	<b>-</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	<b>-</b>	<b>(0)</b>	<b>(0)</b>		<b>-</b>	<b>(0)</b>

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

Budget Variations being recommended include the following material items:

**Notes Details**

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1 Increase in budget allocation for stormwater renewal works (\$138k).

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2 Finalisation of agreement with Sydney Trains for the replacement of Bridge Road Railway Overbridge (\$500k)

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3 Additional allocation towards waste bin replacement (\$310k)

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4 Additional allocation towards Gipps Road remediation works (\$300k)

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5 Deferral of Park upgrade/renewal works (\$669k)

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6 Completion of funded road renewal works under budget (\$497k)

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7 Deferral of Friend Park Children's Centre Renovation (\$197)

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## Cash &amp; Investments Budget Review Statement

Budget review for the quarter ended 31 March 2019

## Cash &amp; Investments - Council Consolidated

(\$000's)	Original	Approved Changes					Revised	Variations		Notes	Projected	Actual
	Budget	Carry	Other than	Sep	Dec	Mar	Budget	for this	Year End		YTD	
	2018/19	Forwards	by QBRs	QBRs	QBRs	QBRs	2018/19	Mar Qtr	Result		figures	
<b>Externally Restricted <sup>(1)</sup></b>												
<b>Developer Contributions</b>												
S94 2007 Plan - Drainage	647		17	-	-		664	-		664	670	
S94 2007 Plan - Parking	92		126	(63)	-		155	-		155	157	
S94 2007 Plan - Community Facilities	1,925		1,230	(990)	-		2,165	(83)		2,082	2,317	
S94 2007 Plan - Accessibility & Traffic	1,351		571	(1,081)	-		841	35		876	990	
S94 2007 Plan - Public Domain	8,204		417	(3,988)	(4,300)		333	(425)		(92)	5,052	
S94 2007 Plan - s94A Levies	3,517		(283)	(270)	217		3,181	(100)		3,081	3,758	
S94 2007 Plan - Administration	(5,384)		6,746	(71)	(123)		1,169	(34)		1,134	1,009	
S94 1998 Plan Merrylands Town Centre	2,647		71	-	-		2,718	-		2,718	2,739	
S94 Woodville Ward	223		1,504	(383)	(200)		1,144	-		1,144	807	
SEPP 59 Agreements(Pem)	3,976		453	518	10		4,958	-		4,958	4,689	
S94 2013 Plan Open Space Citywide	10,377		(25,983)	(5,120)	-		(20,726)	-		(20,726)	(20,409)	
S94 2013 Plan Open Space Sporting Fields	26,698		1,689	(2,140)	-		26,247	-		26,247	25,220	
S94 2013 Plan Open Space Local	1,300		13,745	9,011	-		24,056	(45)		24,011	23,153	
S94 2013 Plan Community Facilities	-		15,293	(4,661)	-		10,632	1,076		11,708	11,207	
S94 2013 Plan Local Transport	-		(1,710)	500	-		(1,210)	-		(1,210)	(1,189)	
s94 2013 Plan Public Domain	-		7,163	1,000	(575)		7,588	575		8,163	7,972	
S94 2013 Plan Drainage	-		(689)	(5,300)	-		(5,989)	-		(5,989)	(4,234)	
S94 2013 Plan Administration	-		462	29	95		586	(64)		522	652	
S94 2013 Plan Car Park	-		-	-	-		-	-		-	-	
<b>Developer Contributions Total</b>	<b>55,574</b>	<b>-</b>	<b>20,822</b>	<b>(13,008)</b>	<b>(4,876)</b>	<b>-</b>	<b>58,512</b>	<b>935</b>	<b>0</b>	<b>59,447</b>	<b>64,560</b>	
<b>External Reserves - Other</b>												
Domestic Waste Management External Reserve	5,428		(984)	5,324	(5,305)		4,463	(1,024)		3,439	3,113	
Stormwater Levy External Reserve	2,205			1,747	(2,278)		1,674	(100)		1,574	4,017	
Specific Purpose Grants External Reserve	4,816		(2,998)	266	(250)		1,834	574		2,408	521	
Internal Ombudsman	-		45	-	(130)		(85)	40		(44)	126	
<b>External Reserves - Other Total</b>	<b>12,449</b>	<b>-</b>	<b>(3,937)</b>	<b>7,337</b>	<b>(7,962)</b>	<b>-</b>	<b>7,887</b>	<b>(510)</b>		<b>7,377</b>	<b>7,777</b>	
<b>Total Externally Restricted</b>	<b>68,023</b>	<b>-</b>	<b>16,885</b>	<b>(5,671)</b>	<b>(12,838)</b>	<b>-</b>	<b>66,399</b>	<b>425</b>		<b>66,824</b>	<b>72,337</b>	
(1) Funds that must be spent for a specific purpose												
<b>Internally Restricted <sup>(2)</sup></b>												
Employees Leave Entitlement - Internal Reserve	5,242		(103)	-	-		5,139	-		5,139	5,139	
Parks and Gardens Amenities - Internal Reserve	-		157	-	-		157	(14)		143	157	
Stronger Community Funds	1,856		484	3,800	(538)		5,602	(901)		4,701	10,623	
S355 Park Committee	-		1,185	-	-		1,185	-		1,185	1,185	
Marrong Reserve South from Boral	3,200		-	(500)	400		3,100	-		3,100	3,200	
SRV Reserve	-		6,236	-	-		6,236	-		6,236	5,526	
Woodville Reserve	-		14,282	-	(732)		13,550	-		13,550	14,188	
Merryland CBD Low Cost Loan	-		-	-	30,000		30,000	(2,500)		27,500	(142)	
Land Reserve	-		-	-	-		-	4,303		4,303	5,303	
<b>Total Internally Restricted</b>	<b>10,298</b>	<b>-</b>	<b>22,241</b>	<b>3,300</b>	<b>29,130</b>	<b>-</b>	<b>64,969</b>	<b>888</b>		<b>65,857</b>	<b>45,180</b>	
(2) Funds that Council has earmarked for a specific purpose												
<b>Unrestricted (ie. available after the above Restrictions)</b>	<b>40,221</b>	<b>-</b>	<b>(19,111)</b>	<b>596</b>	<b>-</b>	<b>-</b>	<b>21,706</b>	<b>(2,835)</b>		<b>18,871</b>	<b>15,030</b>	
<b>Total Cash &amp; Investments</b>	<b>118,542</b>	<b>-</b>	<b>20,015</b>	<b>(2,371)</b>	<b>16,292</b>	<b>-</b>	<b>153,074</b>	<b>(1,522)</b>		<b>151,552</b>	<b>132,547</b>	

## Cash & Investments Budget Review Statement

### Comment on Cash & Investments Position

#### Investments

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

#### Cash

The Cash at Bank figure included in the Cash & Investment Statement totals \$132,547

This Cash at Bank amount has been reconciled to Council's physical Bank Statements.  
The date of completion of this bank reconciliation is 1/04/2019

### Reconciliation Status

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

**\$ 000's**

Cash at Bank (as per bank statements)		2,158
Investments on Hand		130,858
less: Unpresented Cheques/ EFTs	(Timing Difference)	455
add: Undeposited Funds	(Timing Difference)	3
less: Identified Deposits (not yet accounted in Ledger)	(Require Actioning)	11
add: Identified Outflows (not yet accounted in Ledger)	(Require Actioning)	-
less: Unidentified Deposits (not yet actioned)	(Require Investigation)	6
add: Unidentified Outflows (not yet actioned)	(Require Investigation)	-
<b>Reconciled Cash at Bank &amp; Investments</b>		<b>132,547</b>
<b>Balance as per Review Statement:</b>		<b>132,547</b>
Difference:		-



**Contracts Budget Review Statement**

Budget review for the quarter ended 31 March 2019

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

Contractor	Contract detail & purpose	Contract Value	Start Date	Duration of Contract	Budgeted (Y/N)
HIX Group Pty Ltd	Sports Field Floodlighting Upgrade Program 2018	\$ 276,190.00	20/02/19	until the completion of the project	Y
Buildcorp Group Pty Ltd	Auburn Civic Centre Revitalisation Project (ACC Revitalisation)	\$2,999,791.00	06/02/19	until the completion of project	Y
Statewide Civil Pty Ltd	Merrylands Rd CBD Footpath Upgrade	\$2,148,736.00	11/02/19	until the completion of the project	Y
RMA Contracting Ltd	Tender for Minor Civil Works for Heritage Test excavations (retender for Q-2018-068)	\$ 102,791.00	22/01/19	until the completion of the project	Y
SDL Project Solutions Pty Ltd	Construction of Public Toilets Dellwood St, Granville	\$ 92,480.73	23/01/19	until the completion of the project	Y
Enviropacific Services	Decommissioning Underground Fuel Tank at Guildford Depot	\$ 90,856.70	31/01/19	until completion of the project	Y
Murphy's Remedial Builders	Renewal of Exterior Cladding to nominated areas at Merrylands Admin Building	\$ 99,000.00	01/01/19	2 Months	Y
D J Staniforth & Co	Guildford Community Centre New AC System	\$ 82,980.00	25/02/19	until completion of the project	Y
Gabrielle's Demolition & Excavation Pty Ltd	Demolition of Four Sites	\$ 97,500.00	16/01/19	until completion of the project	Y
Humm Pty Ltd	Outdoor Movies Event	\$ 55,000.00	17/01/19	19 January 2019	Y
RMA Contracting Pty Ltd	Gipps Road Asbestos Remediation Project	\$ 431,789.00	25/03/19	1 Month	Y

## Notes:

1. Minimum reporting level is 1% of estimated income from continuing operations of Council or \$50,000 - whatever is the lesser.
2. Contracts listed are those entered into during the quarter being reported and exclude contractors on Council's Preferred Supplier list.
3. Contracts for employment are not required to be included.

### Consultancy & Legal Expenses Budget Review Statement

#### Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars)	Budgeted (Y/N)
63300 - Consultancies	1,610,874	Y
63243 - Legal Fees	1,038,304	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.

#### Details

	Actual	Budget	Budget
Consultancies	YTD	YTD Budget	Full Year
100090 Waste- Domestic Waste Management	94,614	75,000	100,000
100110 Homework Help Program	29,474	28,224	58,451
100155 S94 Contributions	23,000	22,500	30,000
100316 Auburn Festival	4,125	4,125	4,125
100750 Cherry Blossom/Autumn Colours	12,013	12,013	12,013
101006 Facilities	73,058	51,429	74,000
101010 Development Assessment	264,833	217,500	290,000
101011 Capital Works Admin	0	0	0
101020 Environmental & Resource Recovery	56,480	73,987	134,000
101025 Development Compliance	14,505	10,142	15,000
101030 Environmental Health	0	0	20,000
101040 Environmental Protection	1,136	11,250	15,000
101045 Corporate Planning	48,440	48,440	48,440
101099 Technical Assessment	0	0	0
101150 Governance	6,985	26,250	35,000
101165 Chief Financial Officer	92,278	156,667	220,000
101190 Technology Services Administration	25,536	22,500	30,000
101215 Risk & Audit	42,187	38,500	50,000
101220 GM Administration	10,500	7,875	10,500
101221 Transformation and Business excellence	0	0	0
101225 Internal Ombudsman	0	34,524	50,000
101265 Place Activation	52,570	52,660	52,660
101280 Community & Culture	0	0	8,608
101470 Customer Services	19,970	19,969	40,000
101490 Works and Services Management	1,950	3,958	5,000
101501 Active Parks	67,557	57,568	86,352
101511 Streetscapes & Trees	2,187	0	0
101530 Recreation	1,500	0	0
101571 Peacock Gallery Programs	11,351	27,328	16,679
101670 BWaRP - Asbestos Awareness and Disposal	0	1,500	2,000
101692 Finance & Business	9,900	13,333	20,000
101775 Procurement administration	44,853	45,000	45,000
101830 Footpath Maintenance	32,077	24,000	32,000
101850 Urban Road Maintenance	28,483	24,375	32,500
101930 Regional Roads Maintenance	16,287	0	0
101985 Cleansing	33,000	30,000	40,000
102022 Reporting and Analytics	19,600	22,050	29,400
102030 Leased Properties	137,016	143,264	190,000
102280 Flood Management	27,886	25,000	30,000
102300 Traffic Engineering	0	0	0
102426 Strategic Planning	277,140	244,500	326,000
102435 LEP review program.	0	0	500,000
102487 Technology Services	0	50,000	50,000
102495 Innovation & transformation	28,381	26,250	35,000
	<b>1,610,874</b>	<b>1,651,681</b>	<b>2,737,729</b>

		<b>Actual</b>	<b>YTD Budget</b>	<b>Full Year Budget</b>
<b>Legal</b>		0	0	0
100090	Waste- Domestic Waste Management	43,368	37,500	50,000
101000	Planning Administration	1,800	2,250	3,000
101010	Development Assessment	293,920	225,000	300,000
101025	Development Compliance	339,848	346,667	465,000
101030	Environmental Health	4,492	15,000	20,000
101040	Environmental Protection	2,151	8,023	10,000
101165	Chief Financial Officer	6,300	10,417	0
101170	Rates Administration	175,678	150,000	200,000
101220	Human Resources Services	119,548	127,500	170,000
102030	GM Administration	44,086	37,500	50,000
102426	Works and Services Management	5,500	4,125	5,500
102080	Leased Properties	1,615	0	0
		<b>1,038,304</b>	<b>963,981</b>	<b>1,273,500</b>