



ATTACHMENT DOCUMENT FOR ORDINARY COUNCIL MEETING

26th March 2013

NOTICE IS HEREBY GIVEN pursuant to clause 7 of Council's Code of Meeting Practice that the Ordinary Council Meeting of Walgett Shire Council will be held in the **Lightning Ridge Bowling Club** on **26 March 2013** commencing at 10.00am to discuss the items listed in the Agenda.

Don Ramsland
GENERAL MANAGER

AGENDA

Revised Quarterly Budget Review.....3

Closed Section

Tender Documents - Namoi Village Sewerage and Water Supply
Pipeline.....18

Ninja the Labrador Documents.....42

Quarterly Budget Review Statement

REVISED

2012/2013

Quarter 2

1st October 2012 – 31st December 2012

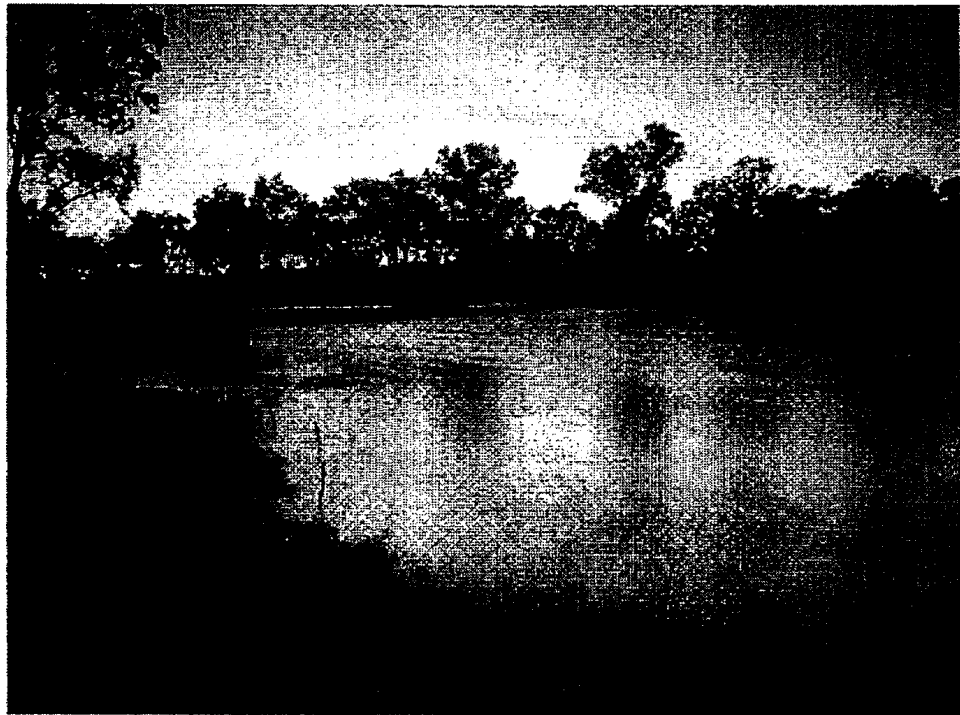


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Revised Quarterly Budget Review Statement

For the period 01/10/12 to 31/12/12

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 Walgett Shire Council for the quarter ended 31/12/12 indicates that Council's projected financial position at 30/06/13 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: _____

Edmund Włodarczyk

Responsible Acting Accounting Officer

**Quarterly Budget Review Statement
Operating Budget Consolidated**

	Original Budget	Adopted Changes to date		REF	Revised Budget	Proposed Variations	REF	Projected Year End Result	Actual YTD figures	
		Carried Forward	All Quarter 1 changes							Oct-Dec changes
<u>OPERATING REVENUE</u>										
Members and Executive	346,363	0	5,000		351,363	0		351,363	117,886	
General Purpose Revenue	8,163,450	0	(119,019)		8,044,431	0		8,044,431	5,975,009	
Corporate & Community Services	3,043,617	351,068	120,930		3,515,615	27,820	B	3,543,435	2,485,989	
Planning & Regulatory Services	282,267	9,384	0		291,651	1,000	C	292,651	131,345	
Rural Infrastructure and Support Services	10,983,974	0	17,058,231	964,178	A	29,006,383	14,510	D	29,020,893	8,375,171
Urban Infrastructure Services	5,085,611	0	0		5,085,611	56,644	E	5,142,255	4,094,337	
TOTAL	27,905,282	360,452	17,065,142		46,295,054	99,974		46,395,028	21,179,737	
<u>OPERATING EXPENDITURE</u>										
Members and Executive	1,238,055	134,940	15,000		1,387,995	4,300	F	1,392,295	495,731	
Corporate & Community Services	4,968,948	913,035	40,769		5,922,752	27,120	B	5,949,872	3,344,618	
Planning & Regulatory Services	1,250,346	131,672	0		1,382,018	1,000	C	1,383,018	661,928	
Rural Infrastructure and Support Services	13,701,193	36,202	14,776,008	964,178	A	29,477,581	(67,260)	D	29,410,321	12,262,104
Urban Infrastructure Services	9,646,021	28,720	58,200		9,732,941	40,695	E	9,773,636	5,596,281	
TOTAL	30,804,563	1,244,569	14,889,977		47,903,287	5,855		47,909,142	22,360,661	
NETT OPERATING SURPLUS/(DEFICIT)	(2,899,281)	(884,117)	2,175,165		(1,608,233)	94,119		(1,514,114)	(1,180,924)	

- i. Each year Council manage the services provided to Namoi and Gingie villages. The New South Wales Office of Water pays for all work completed, and Council retains a 10% management fee from them. As yet no budget has been allocated for the 2012/13 year, and therefore there is a proposal to put an expense of \$30k and income of \$33k into the budget.
- ii. An extra \$8,195 is required to pay for water testing in the Walgett sewer plant. This will be a re-occurring operational budget required each year on from now
- iii. This is an expense for the maintenance of telemetry and computerisation which has not been provided for in the Lightning Ridge Water fund. This extra expense has therefore been added in to the current budget.
- iv. Walgett Sewer income has been higher than budgeted, therefore the extra income has been included as a budget variation

F. The Shires Association has asked all Councils to pay for the media campaign to promote constitutional recognition of Local Government. This will amount to just over \$4k per year for the next three years. Therefore there is a budget amendment of \$4k in the current year budget, and a further \$4k will be provided for in the next two consecutive year's budgets.

Quarterly Budget Review Statement											
Operating Budget Water Fund											
	Original Budget	Adopted Changes to date			REF	Revised Budget	Proposed Variations	REF	Projected Year End Result	Actual YTD figures	REF
		Carried Forward	All Quarter 1 changes	Oct-Dec changes							
OPERATING REVENUE											
Walgett	1,131,153	0	0	0		1,131,153	33,000	A	1,164,153	917,730	
Carinda	14,008	0	0	0		14,008	0		14,008	13,354	
Rowena	11,273	0	0	0		11,273	0		11,273	10,936	
Cumborah	0	0	0	0		0	0		0	0	
Lightning Ridge	294,594	0	0	0		294,594	0		294,594	227,949	
Collarenebri	279,562	0	0	0		279,562	0		279,562	245,308	
TOTAL	1,730,590	0	0	0		1,730,590	33,000		1,763,590	1,415,276	
OPERATING EXPENDITURE											
Walgett	1,022,597	7,180	0	0		1,029,777	30,000	A	1,059,777	558,363	
Carinda	21,127	7,180	500	0		28,807	0		28,807	4,327	
Rowena	13,596	0	940	0		14,536	0		14,536	4,748	
Cumborah	2,433	0	500	0		2,933	0		2,933	1,194	
Lightning Ridge	326,908	7,180	0	0		334,088	2,500	B	336,588	184,034	
Collarenebri	483,394	7,180	0	0		490,574	0		490,574	272,825	
TOTAL	1,870,055	28,720	1,940	0		1,900,715	32,500		1,933,215	1,025,493	
NETT OPERATING SURPLUS/(DEFICIT)	(139,465)	(28,720)	(1,940)	0		(170,125)	500		(169,625)	389,784	

Proposed Changes

- A Each year Council manage the services provided to Namoi and Gingie villages. The New South Wales Office of Water pays for all work completed, and Council retains a 10% management fee from them. As yet no budget has been allocated for the 2012/13 year, and therefore there is a proposal to put an expense of \$30k and income of \$33k into the budget.
- B This is an expense for the maintenance of telemetry and computerisation which has not been provided for in the Lighting Ridge Water fund. This extra expense has therefore been added in to the current budget.

Quarterly Budget Review Statement										
Operating Budget Sewer Fund										
	Original Budget	Adopted Changes to date			REF	Revised Budget	Proposed Variations	REF	Projected Year End Result	Actual YTD figures
		Carried Forward	All Quarter 1 changes	Oct-Dec changes						
<u>OPERATING REVENUE</u>										
Walgett	375,342	0	0	0		375,342	23,644	A	398,986	398,986
Lightning Ridge	325,018	0	0	0		325,018	0		325,018	323,627
Collarenebri	109,347	0	0	0		109,347	0		109,347	112,824
TOTAL	809,707	0	0	0		809,707	23,644		833,351	835,437
<u>OPERATING EXPENDITURE</u>										
Walgett	482,168	0	0	0		482,168	8,195	B	490,363	230,343
Lightning Ridge	230,969	0	0	0		230,969	0		230,969	111,979
Collarenebri	136,625	0	0	0		136,625	0		136,625	69,170
TOTAL	849,762	0	0	0		849,762	8,195		857,957	411,492
NETT OPERATING SURPLUS/(DEFICIT)	(40,055)	0	0	0		(40,055)	15,449		(24,606)	423,945

Proposed Variations

- A Extra income has been received over and above budgeted. Therefore the budget has been increased to match the income.
- B An extra \$8,195 is required to pay for water testing in the Walgett sewer plant. This will be a re-occurring operational budget required each year on from now

Summary of Capital Budget

Quarterly Budget Review Statement								
Summary Capital Budget								
	Original Budget	Adopted Changes to date		Revised Budget	Proposed Variations	REF	Projected Year end Result	Actual YTD figures
		Carried Forward	Other Changes					
CAPITAL REVENUE								
Corporate & Community Services	0		0	0			0	0
Rural Infrastructure and Support Services	2,297,500	245,711	0	2,543,211	(128,106)	A	2,415,015	(1,188,475)
Urban Infrastructure Services	2,017,143	5,873,603	0	7,890,746	0		7,890,746	0
TOTAL	4,314,643	6,119,314	0	10,433,957	(128,106)		10,305,851	(1,188,475)
CAPITAL EXPENDITURE								
Corporate & Community Services	31,000	10,000	0	41,000	0		41,000	16,884
Rural Infrastructure and Support Services	5,927,997	759,109	0	6,687,106	0		6,68,106	2,593,671
Urban Infrastructure Services	4,564,873	10,016,703	0	10,271,576	24,000	B	10,295,576	1,235,960
TOTAL	10,523,870	10,785,812	0	16,999,682	24,000		17,023,682	3,846,515
NETT CAPITAL SURPLUS/(DEFICIT)	(6,209,227)	(4,666,498)	0	(6,565,725)	(152,106)		(6,717,831)	(5,034,990)

Carried Forward budgets were restricted at year end and released into the current year budget at the beginning of the 2012/13 year. There were no adopted changes in the quarter 1 October - 31 December 2012 other than those set out in the Quarter 1 QBRS.

2012/2013 Capital Budget Quarter 2 Proposed Budget Variations

A. An amount of \$128k was accrued back into the previous financial year, however it was not removed from the budget. This is purely a timing administrative difference and does not reflect any reductions of income received.

B. Adjustments are made up of the following:	\$		
Urban Streets Kerb and Guttering	42,860	i	
Pitt Street	(26,504)	ii	
Cryon Road	47,206	iii	
Come by Chance	67,343	iiii	
	130,905		

See engineers report for details:

C There are some immediate works which need to be completed to replace the telemetry and computerisation equipment for each serviced town which will cost \$24k. This budget has therefore been proposed as a variation.

Works	Estimated budget	Expenditure	Over/under expenditure	Funding	Over/less expenditure
1. Urban Street Kerb and guttering work in Pitt street , Walgett	\$ 170,000.00	\$ 212,860.00	\$ 42,860.00	Council	over
2. Pitt Street rehabilitation, Walgett	\$ 130,000.00	\$ 103,496.00	(-\$ 26,504.00)	RTR	under
3. Cryon Road sealing work	\$ 428,571.00	\$ 475,777.00	\$ 47,206.00	RTR	over
4. Come By chance road sealing work, Walgett	\$ 750,000.00	\$ 817,343.00	\$ 67,343.00	RTR and RMS	over

D Collarenebri to Lightning Ridge Road – the balance id \$194,790 has been reinstated

E Collarenebri to Mungindi – the balance of \$297,917 has been reinstated

Budgeted Cash Flow for the quarter ended 31 December 2012							
	Opening Balance	Original Budget	Approved movement	Revised Budget	Current Closing Balance	Changes for Council Resolution	Revised Closing Balance
Unrestricted	2,459,786	(2,196,908)	500,960	(1,695,948)	763,838	387,148	1,150,986
Plus/(Less) Restricted cash released into budget	3,380,347	(600,000)		(600,000)	2,780,347		2,780,347
Plus new Loans		3,500,000		3,500,000	3,500,000		3,500,000
Less Loan Repayments		(468,652)	-	(468,652)	(468,652)		(468,652)
Carried Forward Budgeted Unrestricted funds	5,840,133	234,440	500,960	735,400	6,575,533	387,148	6,962,681
Externally Restricted Funds							
Water	1,817,020	(56,969)	(8,940)	(65,909)	1,551,111	(23,500)	1,527,611
Less Loan Capital repayments		(11,549)		(11,549)	(11,549)		(11,549)
Sewer	2,193,967	(492,609)		(492,609)	1,701,358	15,449	1,716,807
Less Loan Capital Repayments		(4,739)		(4,739)	(4,739)		(4,739)
Waste	388,477	(56,487)	(9,000)	(65,487)	322,990	-	322,990
Carried forward Externally Restricted funds	4,199,463	(622,353)	(17,940)	(640,293)	3,559,170	(8,051)	3,551,119
Internally Restricted							
Employee Leave entitlements	500,000	-		-	500,000	-	500,000
Other Provisions	107,571	-	10,000	10,000	117,571	-	117,571
Other restricted balances not released into budget	704,093	-		-	704,093	-	704,093
Carried forward Internally Restricted funds	1,311,664	-	10,000	10,000	1,321,664	-	1,321,664

Legal and Contracts

Consultancy, Legal Expenses & Contracts Budget Review Statement

Consultancy & Legal Expenses Overview

Expense	YTD Expenditure (Actual Dollars \$)	Budgeted (Y/N)
Consultancies – See list below	85,000	Y
Legal Fees	9,738	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.

Contracts Listing

The following contracts have been committed to by Council in Quarter 2 October to 31 December 2012

Date contract signed	Project	Contractor	\$ Value	Status
14/12/2012	Retainer contract for legal work associated with Lehman Brothers investments	Piper Alderman	-	Ongoing
30/11/2012	Contract for legal work associated with Lehman Brothers investments	IMF	-	Ongoing
7/12/2012	Loan agreements for LIR5 round 1	Commonwealth Bank	2,000,000	10 year agreement
20/11/2012	Levee construction part 2	Batterline Earthmoving	448,706	Ongoing
20/11/2012	Management Services in conjunction with Levee upgrade	NSW Public works	50,860	Ongoing
16/10/2012	Replacement of Wangan Timber Bridge RFT12/009	Deniliquin Irrigation Contracting Pty Ltd	665,468	Ongoing
27/11/2012	Construction of Collarenebri Boat Ramp RFD 12/010	Deniliquin Irrigation Contracting Pty Ltd	48,235	Ongoing

Consultancies

Value \$	Consultant	Project	Contract
\$33,000.00	BRD Civil	Come By Chance (RR7715)	RFT 12/007
\$23,000.00	BRD Civil	Lightning Ridge Road (RR426)	RFT 12/007
\$29,000.00	BRD Civil	Gundabloui (RR457)	RFT 12/007
Total \$85,000.00			

Key Performance Indicators Budget Review Statement

for the period 01/10/2012 - 31/12/2012

(\$000's)	Current Projection		Original Budget 12/13	Actuals Prior Periods	
	Amounts	Indicator		11/12	10/11
	12/13	12/13			

The Council monitors the following Key Performance Indicators:

1. Operating Surplus/Deficit Ratio

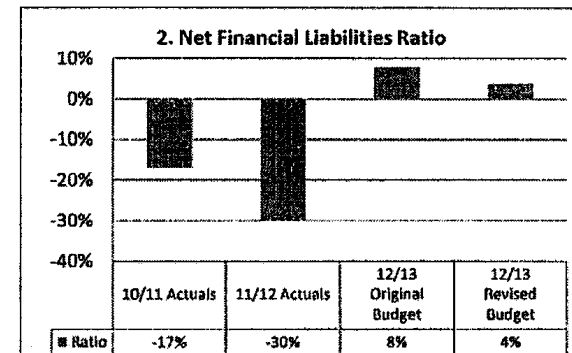
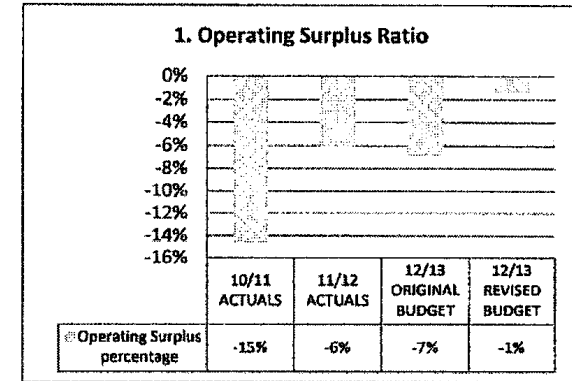
Surplus/Deficit before New Capital revenues	-	448	-1%	-7%	-6%	-15%
Total Operating Income		32,591				

The Quarter 2 variations continue to improve the projected Ratio, however it is still negative representing an Operational loss at the end of the financial year

2. Net financial liabilities ratio

Total Liabilities less financial assets		1,243	4%	8%	-30%	-17%
Total Operating Income		32,591				

The Quarter 2 Variations have improved the budgeted outcome for the year by 4%.



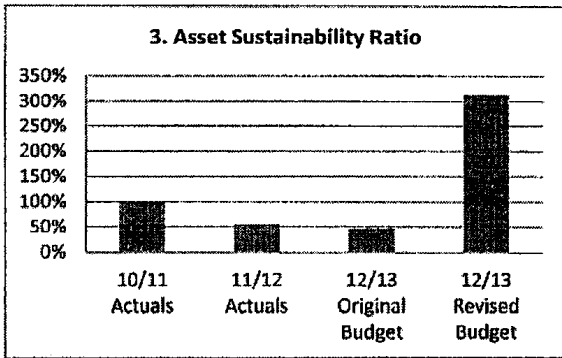
3. Asset Sustainability Ratio

Capital Replacement expenditure	15,345,506	316%	46%	55%	102%
Depreciation Expense	4,859,048				

Council currently has a lot of large infrastructure renewal works planned in the current year, including the Walgett Water Treatment plant and Sewer upgrade worth over \$5.7m, aswell as Wangan Bridge replacement, Walgett Aerodrome upgrade and Walgett Levee upgrade Capital projects.

4. Asset Renewal funding ratio
 NPV of Asset Renewal Expenditure as set out in LTFP
 NPV of projected asset renewal expenditure needed
 as per the Asset Management Plans

Council is still in the process of compiling renewal expenditure from our Asset Management Plans. Therefore we are currently unable to calculate this ratio. Further information will be provided once Council has sufficient data to collate any meaningful performance ratios.



Closed Section