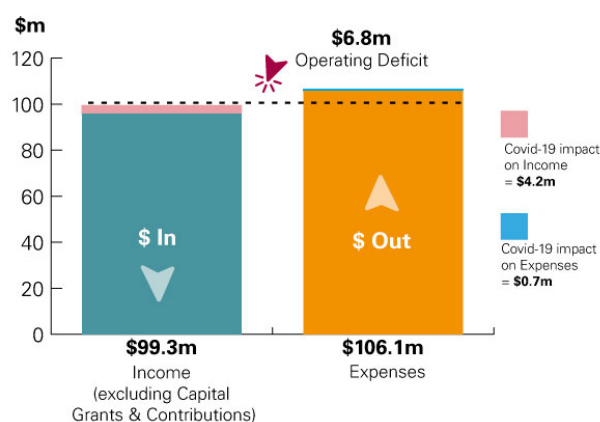


Quarterly Budget Review Update

December 2021

Council reports its financial results on a quarterly basis (in September, December and March) and revises its estimate of income and expenditure for that financial year. Council has completed the Quarterly Budget Review for December 2021. Our September Quarterly Budget Review for 2021-2022 anticipated an operating deficit result of \$7 million. Following our December review we have revised this to an operating deficit result for the year of \$6.8 million.



Forecast operating deficit

The December Quarterly Budget Review incorporates both COVID-19 related impacts as well as other items impacting on Council's budget.

The improvement of \$0.2m in our forecast operating deficit is due to:

- \$0.4m net adverse impact of COVID-19 driven by reduced incomes from Mobile Bin Services Income and Parking Meter Income
- \$0.4m expenditure savings from cost reductions/ service reviews
- \$0.2m net increase from other changes to income and expenditure

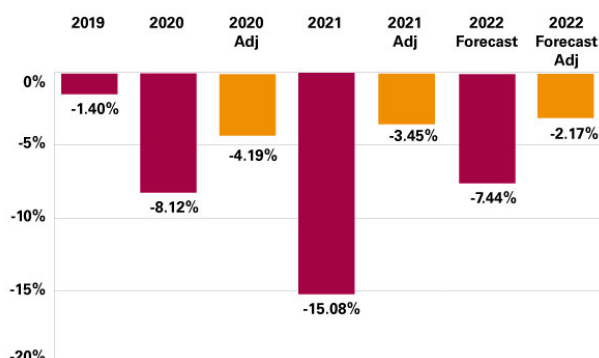
Our operating performance

There are a number of financial ratios which Council uses to monitor its financial health and performance. These are also required by the Office of Local Government (OLG) who have set benchmarks against which they are measured.

One of these ratios is the Operating Performance Ratio and is an indication of Council's continued capacity to meet on-going expenditure requirements. In other words it shows us if we have enough ongoing income to cover our ongoing expenses. The OLG benchmark is that it greater than 0%; currently, once we adjust for COVID-19 and the one-off loan re-financing costs in 2020/21, this was below the benchmark at -3.45%.

Whilst we have been able to use a range of cash reserves that we had in place, to enable us to minimise the impact of the deficit position and maintain our levels of service to the community, our cash reserves are limited, so we need to continue to take proactive action to improve our financial sustainability.

Council is undertaking Productivity Improvements/ Service Reviews to identify areas of the business where cost savings or income generation could be achieved without reducing our commitment to service. In relation to these, cost reductions totalling \$442,000 have been incorporated into the December quarterly budget review. These comprise \$175,000 in reduced employee costs (reduction of three positions) and \$200,000 in other expenses. Annually these total \$511,000.





December 2021 progress reports

A detailed quarterly budget review report as at the end of December 2021 was presented Council in February 2022. This provides more detailed information of Council's revised budget for 2021-2022 including the changes that were made. A copy of the report can be found [here](#).

We have also included below a chart which shows the breakdown of our income and expenses following our December review. Over the coming months we will be expanding this information so you will be able to see more detail of how much we spend on each of key services that Council provides. Examples of these are our libraries, our environment, our parks, trees and recreation areas.

Council also reviews its Capital Budget each quarter and reports this together with an update on the progress of each project. These reports are available to view [here](#).

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Broken down by

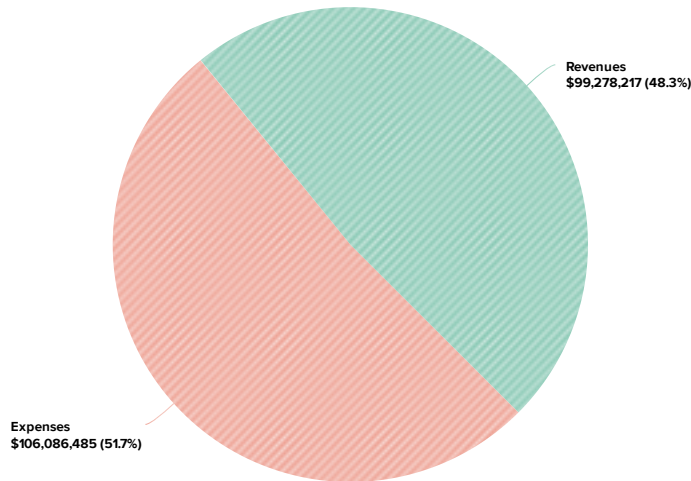
Types

Visualization



Sort Large to Small

- Expenses
- Revenues





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