

BUDGET REVIEW REPORT

Shire of Kent 28 February 2023

An increase in available cash of **\$53,160** is recognized as a difference between budget opening balance and 2022 closing balance. The following provides an additional summary of material variances with budget amendment. Included in the budget review, but not individually listed below, are various wages, public works overheads, plant operating and depreciation costs, insurance adjustments.

General Purpose Funding	<u>Revenue</u> <ul style="list-style-type: none">Federal Assistance Grants (FAG's) to receive more than budgeted – extra \$473,972Interest rate increase, more interest to be received \$85,124
Governance	<u>Expense</u> <ul style="list-style-type: none">No cleaning staff, contract cleaning not budgeted – increased expenditure \$10,000Reduced wages from cleaning staff \$16,250Additional audit expenses of \$2,800Additional CEO recruitment costs \$8,000Increase in legal costs for Nyabing Church, Kent Districts Pistol Club and staff issues \$10,000Rebranding logo/slogan \$22,000
Law, Order and Public Safety	<u>Expense</u> <ul style="list-style-type: none">Animal Welfare grant carried over from 2021/2022, expenditure of \$5,600
Health	<u>Expense</u> <ul style="list-style-type: none">Increased expenditure for chemicals to mosquito fog \$7,000
Housing	<u>Revenue</u> <ul style="list-style-type: none">\$16,170 insurance claim 6 Coates Close, Nyabing <u>Expense</u> <ul style="list-style-type: none">Insurance costs, contract cleaning and filtration system 6 Coates Close, Nyabing \$24,000Contract cleaning costs x 2 for 16A, 16B Bourke Street, Nyabing and 6 Paterson Street, Pingrup
Community Amenities	<u>Revenue</u> <ul style="list-style-type: none">Increase income due to large development applications \$17,000 <u>Expense</u> <ul style="list-style-type: none">Less wages for town planning due to use of consultant \$15,000Increased consultant fees for development applications and implementation Town Planning Scheme 3 \$30,000
Recreation & Culture	<u>Expense</u> <ul style="list-style-type: none">Increased contract expenses at Nyabing Pavilion due to contract cleaning costs and repairs and maintenance to Football oval lights/towers

Transport	<p><u>Revenue</u></p> <ul style="list-style-type: none"> • Direct Grant greater than budgeted \$18,990 <p><u>Expenses</u></p> <ul style="list-style-type: none"> • \$100,000 increase in contract expenses for contract grading previously approved by Council (OCM2223/024)
Economic Services	<p><u>Revenue</u></p> <ul style="list-style-type: none"> • Extra income Pingrup Caravan Park \$15,000 <p><u>Expenses</u></p> <ul style="list-style-type: none"> • Contract cleaning costs for Nyabing Caravan Park
Other Property & Services	<p><u>Revenue</u></p> <ul style="list-style-type: none"> • LSL reimbursements from other shires <p><u>Expenses</u></p> <ul style="list-style-type: none"> • Reduction in workers compensation insurance \$16,000 • Reduction employee provisions \$10,000 • Reduction in recruitment expenses \$10,000 • \$15,000 increase in contract expenses for plant • \$12,000 reduction in plant insurance • Final Nyabing General Store fuel tank monitoring not budgeted \$21,000

CAPITAL – Plant Replacement Program

Several changes have been made throughout the plant replacement program generally due to supply. Changes within the plant replacement program also have an effect on the profit and loss and proceeds from sale of assets. An amount of \$500,000 to transfer to Plant Reserve has been invaded within the amended budget for the future replacement of grader. Points to note are as follows:

<u>Deferment of the following:</u>	<ul style="list-style-type: none"> • 2013 Komatsu Grader (central) – KT027 – <i>current supply 23/24</i> • 2010 JD 544 Loader – KT035 – <i>current supply 23/24</i> • 2011 JD 318D Skid Steer – KT006 – <i>Defer 23/24, proposed replacement with new Track Skid Steer (CAT) with associated attachments.</i> • 2003 Isuzu Fuel Truck – KT012 • Road sweeper attachment for Skid Steer • 2018 Mitsub Utility (signs) – KT003 – <i>Sourcing availability of Hilux Extra Cab, expected 2024</i> • 2018 Mitsub Utility (west grader) – KT002 – <i>Sourcing availability of Hilux Extra Cab, expected 2024</i> • OKT defer until early 23/24
<u>Addition of the following:</u>	<ul style="list-style-type: none"> • 4 x new traffic counters \$21,380 • Repurpose Mitsubishi Triton Dual cab and replace \$52,000 • Toro Stump Grinding Head for mini excavator \$9,000 - <i>Will be engaged immediately as a significant number of stumps to be ground, and ROI will be immediate compared to engaging a Contractor.</i> • Refurbish CAT Backhoe \$59,000 - <i>Backhoe is 27 years old, 7,900 hours, a full refurbish will extend life 20 years. New Machine cost >\$230K and rejected justification by CEO to replace.</i>

CAPITAL – Road Program

Richmond Street Carpark	<ul style="list-style-type: none"> Originally budgeted \$65,000 as a project under LRCIP Phase 3. Costs are now estimated to be considerably higher Defer project to 23/24 Replace this LRCIP project with another to create carpark adjacent to Council Chambers
Footpaths	<ul style="list-style-type: none"> Considerable amount of work is required on Sanderson Street, Pingrup footpath – increase budget by \$150,000
Range Road	<ul style="list-style-type: none"> Roads to Recovery Program Under budgeted, also substantial repairs are required where previous works have failed.
Rasmussen Road	<ul style="list-style-type: none"> Regional Road Group Additional expenses, flood damage
Own Source	<p><u>Deferment of the following:</u></p> <ul style="list-style-type: none"> Bowra Road Ryan Road Watson Road Thomas Road Duncombe Road Martens Road <p>Increased expenses on other Own Source projects remaining</p>

CAPITAL – Other

Furniture & Equipment	<ul style="list-style-type: none"> Additional expenditure for new photocopier, previously approved by Council \$7,737.
Land & Buildings	<ul style="list-style-type: none"> Deferment of bathroom at 26 Aspendale Street, Nyabing Adjustment to costs for new teacher housing, extra was included in budget as a contingency Complete lock and key system replacement \$57,000 - Quotation received based on audit from a WALGA Preferred Supplier for \$45K including locks, labour and keys. Allowing contingency for unknown locks and padlocks in addition to sub-Synergy/Western Power system with common key to enable all staff and Emergency Services access to isolate power. System will significantly increase reliability and provide 20-years life of locks (systems expire) and replace ageing cylinders that are not electronic to stand the conditions.

Infrastructure Other

- Purchase of 2 extra bins for Refuse Sites, previously approved by Council \$34,000
 - Additional funds required to complete Pingrup Silo Trail project \$50,000
 - Reduced expenses for demolition Sanderson Street sheds
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RESERVE TRANSFERS

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- Additional \$50,000 from Building Reserve for teacher housing
 - \$34,000 from Refuse Reserve to cover costs of bins
 - \$100,000 from Road Reserve for contract grading, previously approved by Council
 - Reduction from Plant Reserve, \$500,000 into Plant Reserve for Grader
 - Increase interest into reserves
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