

**Statement of Variances in Excess of \$50,000 by Program and Sub
Program Financial Year-To-Date Ending 31 July 2019**

This report provides commentary on the variances identified in attachment 6002C – Rate Setting Statement by Program and Sub-Program, for the month of July.

In accordance with Council Accounting Policy CP-025, variances below \$50,000 are not considered material.

Variances are based on 'Actual' income raised and expenditure incurred compared to revised budget. The main reasons for the variances are outlined in the notes below.

Positive variances are shown in the tables below, in black coloured font, and negative variances are shown in parentheses and in red coloured font, i.e. (XXX.XX). The subsequent analysis of these variances references the applicable sub-program.

It should be noted that 2018-2019 capital works project budgets to be carried forward for inclusion in the 2019-2020 financial year, have not been finalised at the time of reporting. Consequently, expenditure against these projects will be reflected as a negative variance.

A proportion of Employee Costs processed in the first pay period ending in July has been accrued to the 2018-2019 financial year as this pay period commenced in late June. This was not reflected in the July target budget, resulting in a timing variance relating to employee costs across the organisation. The Employee Cost budgets have been amended in August to accurately reflect the timing of expenditure.

Operating Revenue

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Recreation and Culture				
Swimming Areas and Beaches	386,066	438,742	52,676	5,324,742
Economic Services				
Public Utility Services incl. Underground Power	3,238,117	3,349,796	111,679	3,378,117

Swimming Areas and Beaches

- Fees and Charges at LeisureFit Booragoon due to both June fees received in July and timing variances in the 2019-2020 budget.

Public Utility Services including Underground Power

- Service Charges for the Alfred Cove East Underground Power project are greater than expected due to changes to both the number of properties and charges in the project area following the adoption of the annual budget.

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Operating Expenditure				
	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Governance				
Other Governance	(502,559)	(351,197)	151,362	(4,342,026)
Law, Order, Public Safety				
Other Public Order, Fire & Safety	(319,128)	(248,857)	70,271	(3,926,944)
Community Amenities				
Sanitation - Other	(122,096)	(70,832)	51,264	(7,326,215)
Urban Stormwater Drainage	(92,273)	(34,694)	57,580	(1,134,903)
Protection of Environment	(234,503)	(147,537)	86,967	(2,660,087)
Recreation and Culture				
Libraries	(457,317)	(376,714)	80,602	(5,380,779)
Other Culture	(145,317)	(60,306)	85,215	(1,736,338)
Swimming Areas and Beaches	(576,562)	(468,825)	107,737	(6,603,877)
Other Recreation & Sport	(1,706,816)	(1,386,056)	320,759	(20,346,684)
Transport				
Streets, Roads, Bridges, Depot	(1,331,464)	(1,173,775)	157,689	(17,475,379)
Other Property and Services				
Plant Operations	73,550	(11,288)	(84,838)	677,577
Public Works Overheads	(285,997)	(203,847)	82,150	(1,128,604)
General Administration Overheads	(473,574)	(370,092)	103,482	(2,625,830)
Business Unit Operations	(705,932)	(632,753)	73,179	(8,503,354)
Fleet Unclassified	18,351	91,720	73,369	

Other Governance

- Timing variances in materials and Contracts and employee costs.

Other Public Order, Fire & Safety

- Timing variances in employee costs.

Sanitation – Other

- Non material variances in Waste Services.

Urban Stormwater Drainage

- Timing variances in drainage maintenance

Protection of Environment

- Timing variances relating mainly to materials and contracts in Natural Areas and Parks.

Libraries

- Timing variances in employee costs and materials and contracts.

Other Culture

- Timing variances mainly in materials and contracts in Cultural Development.

Swimming Areas and Beaches

- LeisureFit Booragoon timing variances in employee costs, and materials and contracts.

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Other Recreation & Sport

- Timing variances in materials and contracts in Natural Areas and Parks and City Buildings, and employee costs in Natural Areas and Parks.

Streets, Roads, Bridges, Depot

- Timing variances in employee costs, and materials and contracts in Engineering and Natural Areas and Parks.

Plant Operations

- Timing variances mainly for motor vehicle insurance and registration costs incurred in July, but not budgeted until August.

Public Works Overheads

- Timing variances in employee costs, and materials and contracts in Engineering and Natural Areas and Parks.

General Administration Overheads

- Timing variances mainly in materials and contracts in Information Technology and City Buildings.

Business Unit Operations

- Timing variances in employee costs in the administrative functions spread across the organisation.

Fleet Unclassified

- Represents unprocessed internal allocations in Fleet to be cleared to the appropriate cost accounts in August.

Capital Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Purchase of Plant & Equipment	(30,561)	29,507	60,068	(1,766,504)
Purchase of Infrastructure Assets	(39,500)	(275,421)	(235,921)	(24,561,172)

Purchase of Plant and Equipment

- The Light vehicles budget variance reflects the reversal of 2018-2019 year end accruals in July 2019, yet to be offset by invoices in the current year.

Purchase of Infrastructure Assets

- Road renewal projects are shown as over budget as 2018-2019 project budgets to be carried forward to the 2019-2020 financial year are awaiting processing at the time of reporting.