

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

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

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 the 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.

Operating Revenue

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
General Purpose Funding				
Rates	88,994,289	89,361,078	366,789	89,200,956
Other General Purpose Funding	2,459,227	2,651,836	192,609	8,082,694
Law, Order, Public Safety				
Animal Control	55,392	122,741	67,349	75,650
Community Amenities				
Sanitation - Other	1,330,969	1,270,011	(60,958)	2,053,542
Town Planning and Regional Development	703,333	775,316	71,983	1,414,000
Transport				
Parking Facilities	398,333	451,621	53,288	1,040,000
Economic Services				
Tourism and Area Promotion	0	110,802	110,802	0
Other Property and Services				
Unclassified	179,154	21,066	(158,087)	936,374

Rates

- Residential rates are higher than budget due to the recent completion of the properties at 63 Kishorn Road, Mount Pleasant which were not included in the original budget.

Other General Purpose Funding

- Reserve Interest earnings are over budget as delays in the commencement of major capital works projects have resulted in higher than anticipated reserve balances.

Animal Control

- Dog and Cat registration fees are higher than anticipated.

Sanitation - Other

- Fees and Charges income for Commercial refuse and recycling services is reduced due to customers either moving to alternative service providers or changes in the

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number of services required.

Town Planning and Regional Development

- Expense recoup income for the Carawatha Development project reflects expenditure to be recouped for the 2018-2019 and 2019-2020 financial years.
- Planning Fee income for Development Applications and Land Information Certificates higher due to higher activity levels than budgeted.

Parking Facilities

- Fees and Charges income from parking facilities at Canning Bridge and Fiona Stanley continues to be higher than budgeted.

Tourism and Area Promotion

- Expenditure recoup income for work undertaken on behalf of the Southern Metropolitan Regional Council. This largely offsets the expenditure variance recorded under the same sub-program in this report.

Unclassified

- Net variance to budget on proceeds from asset disposals

Operating Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Governance				
Other Governance	(1,379,634)	(1,281,805)	97,830	(5,468,633)
Law, Order, Public Safety				
Other Public Order, Fire & Safety	(1,372,929)	(1,312,389)	60,539	(3,938,763)
Community Amenities				
Sanitation - Other	(2,401,086)	(2,237,395)	163,692	(7,326,215)
Sanitation – Household Refuse	(4,919,808)	(4,784,279)	135,529	(11,160,582)
Protection of Environment	(830,338)	(715,699)	114,639	(3,301,581)
Recreation and Culture				
Libraries	(1,856,775)	(1,738,908)	117,866	(5,404,009)
Other Culture	(598,285)	(506,925)	91,360	(1,920,614)
Swimming Areas and Beaches	(2,297,298)	(2,213,351)	83,947	(6,603,877)
Other Recreation & Sport	(6,922,402)	(6,648,532)	273,870	(20,420,990)
Transport				
Streets, Roads, Bridges, Depot	(5,587,114)	(5,306,255)	280,858	(17,475,379)
Economic Services				
Tourism and Area Promotion	(68,202)	(180,024)	(111,821)	(228,407)
Other Property and Services				
Public Works Overheads	(587,444)	(473,152)	114,292	(1,128,604)
Business Unit Operations	(2,887,658)	(2,795,300)	92,357	(8,479,015)

Other Governance

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- Minor savings in materials and contracts across several areas.

Other Public Order, Fire & Safety

- Savings in employee costs, mainly in Community Security, due to temporary staff vacancies and positions not being filled while staff are on leave or acting in other roles.

Sanitation – Other

- Variances in employee costs due to staff vacancies, and reduced disposal costs due to lower tonnages of commercial refuse and recycling collected.

Sanitation – Household Refuse

- Materials and contracts variances due to reduced tonnages of waste and recyclables collected for disposal, and non material variances in relation to employee and fleet operating costs.

Protection of Environment

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

Libraries

- Timing variances relating to materials and contracts and utilities.

Other Culture

- Timing variances relating to materials and contracts in various Cultural Development programs and donations expenditure related to Community Partnership Funding.

Swimming Areas and Beaches

- Employee costs at LeisureFit Booragoon lower due to delays in the finalisation of Enterprise Bargaining Agreements and timing variances in materials and contracts and utilities expenditure.

Other Recreation & Sport

- Timing variances in materials and contracts in Natural Areas and Parks and City Buildings, and electricity costs across the organisation.

Streets, Roads, Bridges, Depot

- Materials and contracts non material timing variances in Engineering and Natural Areas and Parks across several maintenance programs and a positive variance for street lighting electricity costs.

Tourism and Area Promotion

- Expenditure relating to the South West Group. This is largely offset by the revenue variance recorded under the same sub-program in this report.

Public Works Overheads

- Employee Cost non material timing variances in Engineering and Natural Areas and Parks across several maintenance programs.

Business Unit Operations

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

Capital Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Proceeds from Disposal of Assets	139,800	84,033	(55,767)	914,700
Purchase of Furniture & Equipment	(438,229)	(304,751)	133,478	(2,381,441)
Purchase of Plant & Equipment	(976,419)	(689,836)	286,583	(3,516,811)
Purchase of Land & Buildings	(1,379,588)	(1,219,520)	160,068	(26,351,204)
Purchase of Infrastructure Assets	(3,635,913)	(3,298,009)	337,904	(29,715,354)

Proceeds from Disposal of Assets

- Timing variance in the disposal of heavy vehicles.

Purchase of Furniture & Equipment

- Timing variance arising from delays in the purchase of multi-function photocopiers.

Purchase of Plant and Equipment

- Timing variance in heavy plant purchases.
- Timing variance in light vehicle purchases.

Purchase of Land & Buildings

- Delays in the commencement of the Energy and Water sub metering project.
- Other minor variances across several projects

Purchase of Infrastructure Assets

- Parks Streetscapes and Structures
 - Due to delays in the consultation process, the Heathcote Vision signage project will not commence until March 2020.
- Roads
 - Minor variances across several road maintenance projects,