

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

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

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.

Operating Revenue

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
General Purpose Funding				
Rates	88,942,622	89,196,946	254,324	89,200,956
Recreation and Culture				
Other Recreation and Sport	694,684	745,732	51,049	2,763,968
Swimming Areas and Beaches	744,832	961,178	216,346	5,324,742
Transport				
Parking Facilities	173,333	228,529	55,195	1,040,000
Economic Services				
Public Utility Services incl. Underground Power	3,261,450	3,348,908	87,458	3,378,117
Other Property and Services				
General Administrative Overheads	8,500	61,508	53,008	139,880

Rates

- Residential rates higher than budget due to the recent completion of the properties at 63 Kishorn Road, Mount Pleasant.

Other Recreation and Sport

- Fees and Charges income at LeisureFit Melville higher due to timing variances in the 2019-2020 budget.

Swimming Areas and Beaches

- Fees and Charges income at LeisureFit Booragoon higher due to timing variances in the 2019-2020 budget.

Parking Facilities

- Fees and Charges income from parking facilities at Canning Bridge and Fiona Stanley higher due to greater than anticipated patronage of parking facilities in these areas, combined with higher than expected parking fines due to increased

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monitoring of parking compliance by the City.

Public Utility Services including Underground Power

- Service Charges for the Alfred Cove East and Melville North Underground Power projects 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.

General Administrative Overheads

- Other Revenue is greater than expected due to the receipt of an insurance scheme membership contribution credit for the first instalment in 2019-2020. This will be transferred to the City's Risk Management Reserve.

Operating Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Governance				
Other Governance	(723,906)	(632,717)	91,190	(5,130,868)
Community Amenities				
Sanitation - Other	(917,481)	(829,247)	88,234	(7,326,215)
Sanitation – Household Refuse	(2,377,530)	(2,219,732)	157,798	(11,160,582)
Protection of Environment	(411,508)	(329,450)	82,058	(3,290,389)
Recreation and Culture				
Other Culture	(268,305)	(185,335)	82,969	(1,920,614)
Other Recreation & Sport	(3,289,133)	(3,354,964)	(65,830)	(20,420,990)
Transport				
Streets, Roads, Bridges, Depot	(2,689,535)	(2,476,405)	213,130	(17,475,379)

Other Governance

- Timing variances in materials and contracts and employee costs, particularly in communications related projects.

Sanitation – Other

- Variances in employee costs in relation to Commercial refuse and recycling collections.

Sanitation – Household Refuse

- Materials and contracts variances due to reduced tonnages of waste disposals, 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.

Other Culture

- Timing variances relating to materials and contracts in various Cultural Development programs.

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Other Recreation & Sport

- Timing variances in materials and contracts in Natural Areas and Parks and City Buildings.
- LeisureFit direct debit membership income was reflected, in error, in an expenditure account. A revised process for the capture of this information will be utilised from September 2019 onwards.

Streets, Roads, Bridges, Depot

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

Capital Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Purchase of Plant & Equipment	(238,374)	(177,890)	60,484	(3,485,867)
Purchase of Infrastructure Assets	(1,872,066)	(782,243)	1,089,823	(32,215,354)

Purchase of Plant and Equipment

- Timing variance in heavy vehicle purchases. The timing of Fleet Capital acquisitions is currently under review to ensure that the budget more accurately reflects the outcome of the program.

Purchase of Infrastructure Assets

- Drainage
 - Under budget due to timing variances in the Bicton Baths and Haig Road Environmental drainage projects due commence in February 2020 and the Cunningham Street carpark Stormwater drainage project expected to commence in October 2019.
- Environmental
 - Non material variances relating to the 2017-2018 and 2018-2019 Foreshore Restoration Programs.
 - Jetty Renewal program expected to commence in October 2019.
 - Willagee Community Centre Carpark Wall works expected to commence in October 2019.
- Foreshore Facilities
 - Timing variance relating to the 2018-2019 Jetty Renewal project, with project commencement expected in October 2019.
- Parks Streetscapes and Structures
 - Due to delays in the consultation process, the Heathcote Vision signage project will not commence until March 2020.
- Playgrounds
 - Timing variance relating to the Deep Water Point playspace project which is due to commence in November 2019.
- Roads
 - Timing variances across several road maintenance projects