

**Statement of Variances in Excess of \$50,000 by Program and Sub
Program Financial Year-To-Date Ending 30 April 2021**

This report provides commentary on the year to date variances identified in attachment 6002C – Rate Setting Statement by Program and Sub-Program, for the period ended 30 April 2021.

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

Variances are based on 'Actual' income raised and expenditure incurred, compared to the Year to Date Revised Budget and are shown in the Year to Date Budget Variance column in the tables below. The main reasons for the variances are outlined in this report.

In the tables below, positive variances are shown in black coloured font, and negative variances are shown in both parentheses and in red coloured font, i.e. (XXX.XX). These tables refer to the applicable sub-program variance.

Operating Revenue

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Community Amenities				
Town Planning and Regional Development	1,135,078	1,366,423	230,511	1,137,578
Recreation and Culture				
Heritage	95,493	156,491	60,999	107,392
Other Recreation & Sport	1,777,668	1,957,505	179,837	2,073,603
Swimming Areas & Beaches	4,060,978	4,182,117	121,139	4,569,831
Economic Services				
Building Control	1,099,955	1,457,274	357,319	1,099,955
Tourism & Area Promotion	Nil	393,249	393,249	Nil
Economic Development	1,377,161	1,320,457	(56,705)	1,597,605
Public Utility Services incl. Underground Power	Nil	(130,298)	(130,298)	Nil
Other Property and Services				
Plant Operations	76,542	126,730	50,188	93,344
General Administration Overheads	389,630	487,380	97,750	396,043
Unclassified	407,585	(50,952)	(458,537)	775,890

Town Planning and Regional Development

- Development Applications - Fees and charges income is over budget by \$135,225 due to higher activity levels than expected.
- Land Information Certificate - Fees and charges income is over budget by \$81,185 due to higher activity levels than expected.

Heritage

- Fees and charges income is \$46,092 ahead of budget, due mainly to positive variances in Room/Hall hire.
- Other Revenue is \$15,253 ahead of budget, made up of minor positive and negative variances.

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Operating Revenue (continued)

Other Recreation and Sport

- Fees and charges income is \$93,601 ahead of budget, due mainly to a positive variance in Reserve ground hire \$66,813, with the balance of \$26,788 made up of various positive and negative minor variances.
- Other Revenue is \$89,895 ahead of budget, due mainly to a net positive variance in recoup income of \$57,182.

Swimming Areas and Beaches

- Fees and charges income is \$122,412 over budget, this amount made up of positive variances in Term/Season Fees of \$233,667, offset by negative variances in Casual fees of (\$77,856) and other positive and negative variances amounting to a net negative variance of \$33,399.

Building Control

- Building License Fee income is over budget by \$353,045 due to higher activity levels than expected.

Tourism & Area Promotion

- Recoup income received to the end of April was \$393,249 and relates to the expenditure incurred on behalf of the South West Group as indicated in the Operating Expenditure section of this report.

Economic Development

- Commercial lease income for the City's leasehold properties received to the end of April was (\$43,130) under budget, due mainly to the City's stimulus concessions.
- Expenditure recoup income relating to the City's leasehold properties received to the end of April was (\$13,575) under budget.

Public Utility Services incl. Underground Power

- Negative variance due to the refund of underground power charges previously received for the Bicton North and Melville South underground power projects.

Plant Operations

- Positive variance of \$50,188 made up of various minor positive amounts.

General Administration Overheads

- Positive variance of \$97,750 made up of various minor positive and negative amounts.

Unclassified

- A negative timing variance on the net book value of assets disposed to the end of April was (\$458,537).

**Statement of Variances in Excess of \$50,000 by Program and Sub
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Operating Expenditure

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Governance				
Members of Council	(1,284,693)	(1,053,337)	231,356	(1,634,906)
Other Governance	(3,614,240)	(3,261,112)	353,127	(5,289,316)
General Purpose Funding				
Rates	(1,015,425)	(1,070,858)	(55,433)	(1,103,887)
Law, Order, Public Safety				
Other Public Order, Fire & Safety	(3,164,959)	(3,098,621)	66,338	(3,820,660)
Health				
Preventive Services – Admin/Inspection	(808,472)	(738,288)	70,185	(973,054)
Education and Welfare				
Aged & Disabled	(171,097)	(104,490)	66,607	(237,728)
Community Amenities				
Sanitation – Household Refuse	(13,667,517)	(13,090,618)	576,899	(16,742,629)
Urban Stormwater Drainage	(1,121,221)	(1,055,921)	65,300	(1,468,830)
Town Planning & Regional Development	(3,390,968)	(3,338,051)	52,916	(4,565,569)
Protection of Environment	(2,028,947)	(1,922,701)	106,246	(2,713,355)
Recreation and Culture				
Libraries	(4,538,686)	(4,437,202)	101,485	(5,454,548)
Other Culture	(1,469,674)	(1,322,452)	147,223	(1,949,890)
Public Halls, Civic Centres	(748,439)	(684,994)	63,445	(885,281)
Other Recreation & Sport	(17,003,830)	(16,337,421)	666,409	(20,777,960)
Transport				
Streets, Roads, Bridges, Depot	(15,009,166)	(14,639,238)	369,928	(18,814,049)
Economic Services				
Tourism & Area Promotion	(135,090)	(461,589)	(326,499)	(141,708)
Public Utility Services incl. Underground Power	(105,173)	24,074	129,247	(655,673)
Other Property and Services				
Public Works Overheads	(778,146)	(927,967)	(149,821)	(1,378,524)
General Administration Overheads	(2,915,567)	(2,827,040)	88,527	(3,611,084)
Business Unit Operations	(6,718,843)	(6,581,829)	137,014	(8,159,398)

Members of Council

- Elected member conference attendance expenses are \$121,799 underspent. Other various elected member expenses show a net positive variance of \$109,557.

Other Governance

- Budget amendments have been made to reflect expected budget savings of \$120,000 in employee costs identified for the current financial year. For clarity, these budget adjustments were consolidated under "Other Governance" in order to reflect the total impact of these amendments.
- A further positive variance of \$233,127 comprising mainly of Materials and Contracts.

**Statement of Variances in Excess of \$50,000 by Program and Sub
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Operating Expenditure (continued)

Rates

- Various minor materials and contracts amounts contributing to a net negative variance of \$53,213. Other minor positive and negative amounts have contributed to a remaining net negative variance of \$2,221.

Other Public Order, Fire & Safety

- Community Security is underspent by \$52,289 due mainly to savings in employee costs as a result of a staff vacancy and an employee on leave without pay.

Preventive Services – Admin/Inspection

- Inspection and administrative costs are \$70,185 under budget, mainly in employee costs due to a staff vacancy.

Aged & Disabled

- Net positive variance of \$66,607 made up mainly of underspends in Donations/Contributions/Sponsorships \$52,010 and a net positive variance of \$14,597 made up of minor positive and negative amounts.

Sanitation – Household Refuse

- The FOGO program is underspent by \$271,060. Employee costs show a positive variance of \$113,372 and Fleet running costs are underspent by \$72,964. The balance of \$84,724 is made up of various minor amounts.
- Recycling Collection Domestic is underspent by \$163,256, made up mainly of underspends in waste recyclable processing fees of \$152,922.
- Bulk Verge Collection is underspent by \$85,536. Fleet running costs are underspent by \$95,871 and the balance of the variance is made up of various minor amounts.
- Refuse Collection Domestic is underspent by \$55,263, made up of various minor positive and negative amounts.

Urban Stormwater Drainage

- Positive variance of \$65,300 made up of various minor positive and negative amounts.

Town Planning & Regional Development

- Positive variance of \$52,916 represented mainly by underspends in Employee Costs of \$114,599, offset by various other minor positive and negative amounts.

Protection of Environment

- Positive variance of \$106,246 represented mainly by underspends of \$98,745 in Contractors – Adhoc, overspends of \$72,72,641 in Professional Consultancies, and other net positive variances totaling \$56,845 made up of minor positive and negative amounts.

Libraries

- Positive variance of \$101,485 represented mainly by underspends of \$70,248 in materials and contracts, and other net positive minor variances totaling \$31,237 across the City's libraries.

Other Culture

- Positive variance of \$147,223. Donations/Contributions/Sponsorships are underspent by \$58,817 and materials and contracts are underspent by \$98,153 (mainly performance/artist fees of \$50,864).

**Statement of Variances in Excess of \$50,000 by Program and Sub
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Operating Expenditure (continued)

Public Halls, Civic Centres

- Positive variance of \$63,445 represented by minor under and overspends across the City's various public facilities.

Other Recreation & Sport

- Positive variance of \$666,409.
 - Natural Areas and Parks (\$392,276) - positive variance in materials and contracts of 365,183, a net positive variance of \$245,434 made up of internally allocated expenditure items, a negative variance in employee costs of \$143,586, a negative balance of \$74,101 in utilities expenditure, and a net negative balance of \$653 made up of minor amounts.
 - Healthy Melville (\$119,107) - materials and contracts under budget by \$97,297, partially offset by various minor variances contributing to a net negative variance of \$21,810.
 - Chief Executive Officer (\$115,673) - positive variance in donations/contributions and sponsorships.
 - Various positive and negative minor variances amounting to a net positive variance of \$39,352.

Streets, Roads, Bridges, Depot

- Positive variance of \$369,928 is made up mainly of underspends in materials and contracts expenditure of \$208,249, and other minor amounts with a net positive variance of \$161,679.

Tourism & Area Promotion

- Negative variance of \$326,499 relates to employee costs and other expenditure incurred in relation to the South West Group. This amount is offset by the positive variance shown in the Operating Revenue section of this report.

Public Utility Services inc. Underground Power

- Positive variance of \$129,247 relating mainly to the receipt of surplus funds from Western Power for the Bicton North and Melville South underground power projects.

Public Works Overheads

- City Buildings shows a negative variance of \$199,192 relating mostly to the recovery of internally charged expenditure.
- Natural Areas & Parks shows a positive variance of \$63,921 made up of various minor positive and negative amounts.
- Engineering shows a negative variance of \$14,550 made up of various minor positive and negative amounts.

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Operating Expenditure (continued)

General Administration Overheads

- Information Technology is underspent by \$169,001, relating mostly to software licencing.
- City Buildings shows a positive variance of \$79,305 made up mainly of \$53,288 relating to Ad-Hoc Contractors.
- Chief Executive Officer shows a positive variance of \$66,917 relating mostly to special training projects.
- Natural Areas & Parks shows a negative variance of \$137,428 relating mostly to the recovery of internally charged expenditure.
- Engineering shows a negative variance of \$52,178 made up of various minor positive and negative amounts.
- Various positive and negative minor variances amounting to a net negative variance of \$37,090.

Business Unit Operations

- Neighbourhood Development shows a positive variance of \$125,301, mainly relating to employee costs and minor variances in materials and contracts.
- Director Corporate Services is underspent by \$84,182, mostly due to a staff vacancy.
- City Buildings shows a negative variance of \$87,795, mainly relating to the recovery of internally charged expenditure.
- Fleet Services shows a negative variance of \$56,360, made up of various minor positive and negative amounts.
- Various positive and negative minor variances amounting to a net positive variance of \$122,539.

Capital Expenditure

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Purchase of Furniture & Equipment	(1,492,326)	(1,213,843)	278,483	(3,020,479)
Purchase of Land & Buildings	(7,508,936)	(6,885,269)	623,667	(21,020,759)
Purchase of Infrastructure Assets	(13,790,570)	(12,400,549)	1,390,021	(38,331,872)

Purchase of Furniture and Equipment

- Positive variance of \$151,968 relating to the replacement of Photocopiers and Multi-Function devices.
- Positive variance of \$98,278 made up of minor positive and negative variances relating to various information technology software and hardware projects.
- Minor positive and negative variances across several projects amounting to a net positive variance of \$28,237.

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Capital Expenditure (continued)

Purchase of Land & Buildings

- Bert Jeffery - Amenities Building - \$82,373 positive variance due to project delays.
- LeisureFit Booragoon Spa plant – \$60,000 positive variance due to delays in the commencement of the project.
- DAIP Upgrade Program 2020-2021 - positive variance of \$53,064 due to project delays.
- LeisureFit Melville Voltage Optimisation project – \$50,000 positive variance due to delays in the commencement of the project.
- Pop Up Library - \$50,000 positive variance due to delays in the commencement of the project.
- Other minor positive and negative variances across several projects resulting in a net positive variance of \$337,858.

Purchase of Infrastructure Assets

- Drainage
 - Pipe Relining Project - positive variance of \$63,355 due to delays in the commencement of the project.
 - Queens Road Drainage works – positive variance of \$62,618 due to delays in the commencement of the project.
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$55,552.
- Environmental
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$12,604.
- Foreshore Facilities
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$120,942, mostly relating to the Jetty Renewal program.
- Irrigation
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$37,041.
- Lighting
 - Minor positive and negative variance across several projects amounting to a net negative variance of \$26,667.

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Capital Expenditure (continued)

- Parks Streetscapes Structures
 - Various Landscape Improvement projects - positive variance of \$130,631 due to project delays.
 - Point Walter Mini Golf capital contribution - \$100,000 negative variance as the remaining project budget was not carried forward to 2020-2021.
 - John Creaney Reserve releveling project - positive variance of \$87,504 due to project commencement being delayed until May 2021.
 - Shirley Strickland Reserve upgrade – positive variance of \$86,310 due to a minor contractor delay.
 - Goolugatup Heathcote Vision – Signage - positive variance of \$56,750 due to project delays.
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$183,941.

- Paths
 - Engineering Design WIP projects – positive variance of \$49,400 due to delays in the commencement of these projects.
 - Minor positive and negative variances across several other projects amounting to a net positive variance of \$62,325.

- Playgrounds
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$17,831.

- Roads
 - Norma Road/Canning Highway Black Spot project - positive variance of \$68,377.
 - Farrington Road (Murdoch Dr-Freeway) – positive variance of \$180,438.
 - Stock Road (Canning Hwy-Leach Hwy) – positive variance of \$90,214.
 - 2020-2021 Engineering Design WIP – positive variance of \$136,789 due to timing variances.
 - Intermediate Road Remediation - positive variance of \$70,688.
 - Other minor positive and negative variances across several other projects amounting to a net positive variance of \$95,680.