

**Statement of Variances in Excess of \$50,000 by Program and Sub
Program Financial Year-To-Date Ending 30 September 2019**

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

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	88,968,456	89,296,126	327,670	89,200,956
Community Amenities				
Sanitation - Other	1,311,803	1,252,177	(59,627)	2,053,542
Town Planning and Regional Development	582,750	693,621	110,871	1,414,000
Transport				
Parking Facilities	260,000	333,691	73,691	1,040,000
Economic Services				
Building Control	637,769	707,000	69,231	1,123,269
Tourism and Area Promotion	0	62,780	62,780	0
Public Utility Services incl. Underground Power	3,273,117	3,351,931	78,814	3,378,117
Other Property and Services				
Unclassified	78,718	9,277	(69,440)	936,374

Rates

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

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 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 expected.

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Parking Facilities

- Fees and Charges income from parking facilities at Canning Bridge and Fiona Stanley continues to be high due to greater than anticipated patronage of parking facilities in these areas, combined with higher than expected parking fines due to increased monitoring of parking compliance by the City.

Building Control

- Building licence fee income is higher due to increased levels of building activity in the City.

Tourism and Area Promotion

- Expenditure recoup income for work undertaken on behalf of the Southern Metropolitan Regional Council. This largely offsets the expenditure at Note 18 in attachment 6002C.

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.

Unclassified

- Net variance to budget on proceeds from asset disposals

Operating Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Health				
Preventive Services – Admin/Inspection	(218,120)	(161,510)	56,611	(959,703)
Community Amenities				
Sanitation - Other	(1,955,379)	(1,829,773)	125,606	(7,326,215)
Sanitation – Household Refuse	(3,631,637)	(3,377,449)	254,188	(11,160,582)
Protection of Environment	(612,595)	(493,319)	119,277	(3,301,581)
Recreation and Culture				
Libraries	(1,297,644)	(1,214,535)	83,109	(5,404,009)
Other Culture	(428,094)	(319,404)	108,690	(1,920,614)
Swimming Areas and Beaches	(1,745,560)	(1,506,743)	238,817	(6,603,877)
Other Recreation & Sport	(4,900,295)	(4,626,745)	273,550	(20,420,990)
Transport				
Streets, Roads, Bridges, Depot	(4,079,004)	(3,719,065)	359,939	(17,475,379)
Economic Services				
Tourism and Area Promotion	(65,110)	(148,765)	(83,654)	(228,407)

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Preventative Services – Admin/Inspection

- Savings in employee costs, 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.
- Timing variances relating to the bulk waste and whitegoods verge collections.

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 the 2019-2020 budget.

Other Recreation & Sport

- Timing variances in materials and contracts in Natural Areas and Parks and City Buildings and utility 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, largely recouped as shown at Note 6 in attachment 6002C and in the Operating Revenue section of this report.

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Capital Expenditure

	Ytd Revised Budget \$	Ytd Actual \$	Ytd Budget Variance \$	Annual Revised Budget \$
Purchase of Plant & Equipment	(783,859)	(541,234)	242,625	(3,516,811)
Purchase of Infrastructure Assets	(2,218,450)	(1,978,543)	239,907	(32,215,354)

Purchase of Plant and Equipment

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

Purchase of Infrastructure Assets

- Foreshore Facilities
 - Timing variance relating to the Riverwall Renewal projects, with project commencement expected in November 2019.
- Parks Streetscapes and Structures
 - Due to delays in the consultation process, the Heathcote Vision signage project will not commence until March 2020.
- Roads
 - Timing variances across several road maintenance projects, with a delay in the commencement of the Moolyean Road/Leach Highway State Black Spot project.