

**Statement of Variances in Excess of \$50,000 by Program and Sub
Program Financial Year-To-Date Ending 31 May 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 31 May 2021.

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

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	1,136,745	1,480,057	343,312	1,137,578
Recreation and Culture				
Heritage	102,576	168,498	65,923	107,392
Other Recreation & Sport	1,916,760	2,104,740	187,981	2,073,603
Swimming Areas & Beaches	4,380,513	4,483,205	102,693	4,569,831
Transport				
Parking Facilities	605,833	683,438	77,605	640,500
Economic Services				
Building Control	1,099,955	1,528,992	429,037	1,099,955
Tourism & Area Promotion	Nil	424,739	424,739	Nil
Public Utility Services incl. Underground Power	Nil	(123,376)	(123,376)	Nil
Other Property and Services				
General Administration Overheads	398,373	503,341	104,969	402,674
Unclassified	438,691	(50,017)	(488,708)	775,890

Town Planning and Regional Development

- Development Applications - Fees and charges income is over budget by \$211,833 due to higher activity levels than expected.
- Land Information Certificate - Fees and charges income is over budget by \$115,933 due to higher activity levels than expected.
- Other minor positive and negative amounts, making up a net positive variance of \$15,546.

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

Heritage

- Fees and charges income is \$53,165 ahead of budget, due mainly to positive variances in Room/Hall hire.
- Other minor positive and negative amounts, making up a net positive variance of \$12,757.

Other Recreation and Sport

- Fees and charges income is \$103,737 ahead of budget, due mainly to a positive variance in Reserve ground hire of \$58,836, with the balance of \$44,901 made up of various positive and negative minor variances.
- Other Revenue is \$89,755 ahead of budget, due mainly to a net positive variance in recoup income of \$85,172.

Swimming Areas and Beaches

- Fees and charges income is \$106,316 over budget, this amount is made up of positive variances in Term/Season Fees of \$257,965, offset by negative variances in Casual fees of (\$61,143), Membership Fees of (\$103,796) and other minor positive variances amounting to \$13,289.

Parking Facilities

- Parking Fine income is over budget by \$55,845 due to a higher than expected number of parking patrons in breach of the City's parking local laws.
- Parking Fee income is over budget by \$21,760 due to higher levels of activity than anticipated.

Building Control

- Building License Fee income is over budget by \$420,649 due to higher activity levels than expected.

Tourism & Area Promotion

- Recoup income received to the end of May was \$424,739 and relates to the expenditure incurred on behalf of the South West Group as indicated in the Operating Expenditure section of this report.

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.

General Administration Overheads

- Positive variance of \$104,969 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 May was (\$488,708).

**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	(1,409,892)	(1,155,774)	254,117	(1,634,906)
Other Governance	(4,049,827)	(3,571,256)	478,571	(5,289,316)
General Purpose Funding				
Rates	(1,054,844)	(1,125,968)	(71,124)	(1,103,887)
Law, Order, Public Safety				
Other Public Order, Fire & Safety	(3,462,179)	(3,390,537)	71,642	(3,820,660)
Health				
Preventive Services – Admin/Inspection	(884,086)	(812,251)	71,835	(973,054)
Education and Welfare				
Aged & Disabled	(179,425)	(115,503)	63,922	(237,728)
Community Amenities				
Sanitation – Household Refuse	(15,157,059)	(14,004,828)	1,152,231	(16,742,629)
Urban Stormwater Drainage	(1,276,791)	(1,121,460)	155,330	(1,468,830)
Town Planning & Regional Development	(3,762,294)	(3,661,696)	100,598	(4,565,569)
Protection of Environment	(2,305,970)	(2,151,176)	154,793	(2,813,355)
Recreation and Culture				
Heritage	(619,664)	(671,705)	(52,041)	(677,882)
Libraries	(4,966,783)	(4,910,015)	56,768	(5,454,548)
Other Culture	(1,557,500)	(1,441,780)	115,721	(1,944,890)
Public Halls, Civic Centres	(812,872)	(743,580)	69,292	(885,281)
Other Recreation & Sport	(18,658,178)	(17,939,854)	718,324	(20,777,960)
Transport				
Streets, Roads, Bridges, Depot	(16,707,614)	(16,360,185)	347,429	(18,814,049)
Economic Services				
Tourism & Area Promotion	(138,398)	(510,168)	(371,769)	(141,708)
Public Utility Services incl. Underground Power	(655,423)	(525,926)	129,497	(655,673)
Other Property and Services				
Public Works Overheads	(1,118,436)	(940,358)	178,078	(1,378,524)
General Administration Overheads	(3,083,230)	(3,391,612)	(308,382)	(3,734,101)
Business Unit Operations	(7,375,276)	(7,226,730)	148,546	(8,159,398)

Members of Council

- Elected member conference attendance expenses are \$145,742 underspent. Other various elected member expenses show a net positive variance of \$108,375.

Other Governance

- Budget amendments have been made to reflect expected budget savings of \$240,000 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 \$238,571 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 \$69,493. Other minor positive and negative amounts have contributed to a remaining net negative variance of \$1,631.

Other Public Order, Fire & Safety

- Community Security is underspent by \$69,103 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 \$71,835 under budget, mainly in employee costs due to a staff vacancy.

Aged & Disabled

- Net positive variance of \$63,922 made up mainly of underspends in Donations/Contributions/Sponsorships \$48,206 and a net positive variance of \$15,717 made up of minor positive and negative amounts.

Sanitation – Household Refuse

- The FOGO program is underspent by \$621,906. Waste Disposal Costs are underspent by 278,530, Employee costs show a positive variance of \$122,478, Stores and Materials are underspent by \$78,082 and Fleet running costs are underspent by \$77,175. The balance of \$65,642 is made up of various minor amounts.
- Recycling Collection Domestic is underspent by \$246,229, made up mainly of underspends of \$250,675 in Waste Disposal Costs, and the balance is represented by various minor positive and negative amounts.
- Refuse Collection Domestic is underspent by \$188,173, made up mainly of underspends of \$150,979 in Waste Disposal Costs, and the balance is represented by various minor positive and negative amounts.
- Bulk Verge Collection is underspent by \$94,153. Fleet running costs are underspent by \$105,094 and the balance of the variance is made up of various minor amounts.

Urban Stormwater Drainage

- Positive variance of \$155,330 made up mainly of underspends in Contractors – Ad Hoc of \$84,998, and a net positive variance of \$70,333 made up of various minor positive and negative amounts.

Town Planning & Regional Development

- Positive variance of \$100,598 represented mainly by underspends in Employee Costs of \$103,302, offset by various other minor positive and negative amounts.

Protection of Environment

- Positive variance of \$154,793 represented mainly by;
- Refuse Collection Litter – positive variance of \$58,998
- Sustainability Initiatives – positive variance of \$48,846
- Piney Lakes Education programs – positive variance of \$19,123
- NRM Strategy – Negative variance of \$70,498
- Other net positive variances totaling \$98,326 made up of minor positive and negative amounts.

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

Heritage

- Positive variance of \$52,041 made up of various minor positive and negative amounts across the City's heritage sites.

Libraries

- Positive variance of \$56,768 made up of various minor positive and negative amounts across the City's libraries.

Other Culture

- Positive variance of \$115,721. Donations/Contributions/Sponsorships are underspent by \$41,293 and materials and contracts are underspent by \$92,698 (mainly performance/artist fees of \$50,200).

Public Halls, Civic Centres

- Positive variance of \$69,292 represented by minor under and overspends across the City's various public facilities.

Other Recreation & Sport

- Positive variance of \$718,324.
 - Natural Areas and Parks (\$422,122) - positive variance in materials and contracts of \$440,797, a net positive variance of \$242,539 made up of internally allocated expenditure items, a negative variance in employee costs of \$154,713, a negative balance of \$98,868 in utilities expenditure, and a net negative balance of \$7,632 made up of minor amounts.
 - Healthy Melville (\$101,080) - materials and contracts under budget by \$106,623, partially offset by various minor variances contributing to a net negative variance of \$5,543.
 - 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 \$79,448.

Streets, Roads, Bridges, Depot

- Positive variance of \$369,928 is made up mainly of underspends in materials and contracts expenditure.

Tourism & Area Promotion

- Negative variance of \$371,769 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 \$129,497 relating mainly to the receipt of surplus funds from Western Power for the Bicton North and Melville South underground power projects.

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

Public Works Overheads

- Engineering shows a positive variance of \$238,670 made up mainly of underspends in professional consultancies.
- Natural Areas & Parks shows a positive variance of \$92,126 made up mainly of underspends in employee costs.
- City Buildings shows a negative variance of \$152,717 relating mostly to the recovery of internally charged expenditure.

General Administration Overheads

- City Buildings shows a positive variance of \$122,734 made up mainly of \$67,248 relating to Contractors Ad-Hoc.
- Chief Executive Officer shows a positive variance of \$65,517 relating mostly to special training projects.
- Organisational Development shows a negative variance of \$58,869 relating mainly to overspends in employee costs.
- Information Technology shows a negative variance of \$154,122, relating mostly to software licensing.
- Natural Areas & Parks shows a negative variance of \$214,496 relating mostly to the recovery of internally charged expenditure.
- Various positive and negative minor variances amounting to a net negative variance of \$69,147.

Business Unit Operations

- Neighbourhood Development shows a positive variance of \$99,852, mainly relating to employee costs and minor variances in materials and contracts.
- Director Corporate Services is underspent by \$75,221, mostly due to a staff vacancy.
- City Buildings shows a negative variance of \$89,826, mainly relating to the recovery of internally charged expenditure.
- Various positive and negative minor variances amounting to a net positive variance of \$63,300.

Capital Income

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Proceeds from Disposal of Assets	431,186	373,646	(57,540)	1,546,435

Proceeds from Disposal of Assets

- Negative variance of \$57,540, relating to timing variances in the sale of plant and equipment.

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

	YTD Revised Budget \$	YTD Actual \$	YTD Budget Variance \$	Annual Revised Budget \$
Purchase of Furniture & Equipment	(1,608,876)	(1,340,606)	268,270	(3,020,479)
Purchase of Land & Buildings	(8,373,296)	(7,770,580)	602,716	(21,011,547)
Purchase of Infrastructure Assets	(17,118,901)	(15,089,210)	2,029,691	(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 \$93,302 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 \$23,000.

Purchase of Land & Buildings

- LeisureFit Booragoon Spa plant – \$60,000 positive variance due to delays in the commencement of the project.
- Bert Jeffery - Amenities Building - \$51,867 positive variance 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 \$390,849.

Purchase of Infrastructure Assets

- Drainage
 - Pipe Relining Projects - positive variance of \$58,850 due to delays in the commencement of the projects.
 - Queens Road Drainage works – positive variance of \$57,926 due to delays in the commencement of the project.
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$121,141.
- Environmental
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$13,541.
- Foreshore Facilities
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$62,219, mostly relating to the Jetty Renewal program.

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

- Irrigation
 - Irrigation Bore Renewal projects - positive variance of \$95,000 due to delays in the commencement of the project.
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$63,048.
- Lighting
 - Various minor positive and negative variances across several projects amounting to a net positive variance of \$50,954.
- Parks Streetscapes Structures
 - Shirley Strickland Reserve upgrade – positive variance of \$71,880 due to a minor contractor delay.
 - John Creaney Reserve releveled project - positive variance of \$87,524 due to project commencement being delayed until May 2021.
 - Various Landscape Improvement projects - positive variance of \$86,259 due to project delays.
 - Goolugatup Heathcote Vision – Signage - positive variance of \$85,125 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.
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$172,264.
- 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 \$134,563.
- Playgrounds
 - Minor positive and negative variances across several projects amounting to a net positive variance of \$52,017.
- Roads
 - Farrington Road (Murdoch Dr-Freeway) – positive variance of \$179,058.
 - 2020-2021 Engineering Design WIP – positive variance of \$149,289 due to timing variances.
 - Ardross Street (Kintail Road- Macdonald) – positive variance of \$119,429.
 - Benningfield Road Median Widening – positive variance of \$76,964.
 - Norma Road/Canning Highway Black Spot project - positive variance of \$66,395.
 - Glenelg St/Kintail Rd Traffic Island – positive variance of \$58,728.
 - Farrington Road Speed Cushions – positive variance of \$55,997.
 - Stock Road (Canning Hwy-Leach Hwy) – negative variance of \$99,582.
 - Other minor positive and negative variances across several other projects amounting to a net positive variance of \$288,784.