

JULY 2009 FINANCIALS – BRIEF NOTES

1	<u>Net Rates & Utility Charges</u>	YTD Actual \$169.402 m	YTD Budget \$172.750 m	Unfavourable (\$3.347) m (1.94%)	Original Budget Current Budget	\$353.353 m \$353.353 m
Variance is mainly associated with prepaid rates and the profiling of the budget. This issue will be addressed in August 2009.						
2	<u>Fees & Charges</u>	YTD Actual \$7.094 m	YTD Budget \$5.751 m	Favourable \$1.343 m 23.35%	Original Budget Current Budget	\$67.701 m \$67.701 m
Mainly higher than anticipated Miscellaneous Fees (particularly within Environmental Health) \$583k, Application Fees \$320k and Water Service and Sewerage Connection Fees \$374k.						
3	<u>Interest Received from Investments</u>	YTD Actual \$0.836 m	YTD Budget \$1.124 m	Unfavourable (\$0.287) m (25.58%)	Original Budget Current Budget	\$13.487 m \$13.487 m
Lower than anticipated interest rates on Council's investment portfolio.						
4	<u>Other Revenue</u>	YTD Actual \$0.907 m	YTD Budget \$0.763 m	Favourable \$0.144 m 18.93%	Original Budget Current Budget	\$8.229 m \$8.229 m
Mainly higher than anticipated fees from the Property Management Unit \$102k.						
5	<u>Employee Costs</u>	YTD Actual \$13.196 m	YTD Budget \$13.327 m	Favourable (\$0.131) m (0.98%)	Original Budget Current Budget	\$174.070 m \$174.070 m
Employee costs are currently \$131k under budget indicating that the employee efficiency target for this line item is being achieved. However, a higher than anticipated level of employee costs are currently being utilised within operating. This trend should be addressed as the capital programme is rolled out.						

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6	<u>Capitalised Employee Costs</u>	YTD Actual (\$1.005) m	YTD Budget (\$1.484) m	Unfavourable \$0.479 m (32.27%)	Original Budget Current Budget	(\$19.286) m (\$19.286) m
The variance here is driven by the pace of the capital works programme, discussed further below.						
7	<u>Materials & Services</u>	YTD Actual \$12.116 m	YTD Budget \$16.946 m	Favourable (\$4.830) m (28.50%)	Original Budget Current Budget	\$209.616 m \$209.616 m
This variance has been mainly impacted by the pace of the capital works programme, with the bulk of the variance arising in the main works delivery departments of Infrastructure Services and Sunshine Coast Water. The favourable variance for materials and services indicates that the efficiency target for this line item is being achieved.						
8	<u>Capitalised Materials & Services</u>	YTD Actual (\$1.495) m	YTD Budget (\$2.742) m	Unfavourable \$1.247 m (45.48%)	Original Budget Current Budget	(\$32.905) m (\$32.905) m
The variance here is driven by the pace of the capital works programme, discussed further below.						
9	<u>Other Expenses</u>	YTD Actual \$0.722 m	YTD Budget \$1.026 m	Favourable (\$0.304) m (29.59%)	Current Budget	\$14.083 m \$14.083 m
The variance in this area is overwhelmingly for Contributions & Donations, and is purely timing-related.						
10	<u>Capital Grants and Subsidies</u>	YTD Actual \$0.471 m	YTD Budget \$2.074 m	Unfavourable (\$1.603) m (77.28%)	Original Budget Current Budget	\$24.889 m \$24.889 m
This variance is mainly due to the timing of the capital works programme.						
11	<u>Capital Contributions</u>	YTD Actual \$2.488 m	YTD Budget \$1.938 m	Favourable \$0.550 m 28.41%	Original Budget Current Budget	\$23.250 m \$23.250 m
This area has had a strong start to the year. It is very difficult to predict and it is too early to determine any trend to higher levels of income.						

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<u>Constructed Assets</u>	YTD Actual \$6.978 m	YTD Budget \$20.913 m	Unfavourable (\$13.935) m (66.63%)	Original Budget \$250.958 m	Current Budget \$250.958 m
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After the first month of the new financial year the spend is 2.8% of the full year budget. There have been slow starts with Strategic Land & Planning, Water Supply & Sewerage and Waste, offset by greater spends particularly on Transportation and Stormwater.

CORPORATE SUMMARY

The adverse variance for operating expenses is dominated by the rates line, which will be reviewed. Offsetting this are savings on operating expenses. \$840k has been utilised against the efficiencies target, but even after this, the total spend is \$3.8m under budget. The capital programme is showing an underspend for the first few weeks of the year.