

## SEPTEMBER 2009 FINANCIALS – BRIEF NOTES

1	<b><u>Net Rates &amp; Utility Charges</u></b>	<b>YTD Actual</b> \$164.608 m	<b>YTD Budget</b> \$165.731 m	<b>Unfavourable</b> (\$1.123) m (0.68%)	<b>Original Budget</b> <b>Current Budget</b>	<b>\$353.353 m</b> <b>\$353.353 m</b>
<p>Net rates and utility charges are under budget \$1m. General and pre-paid rates are under budget, partially offset by increased water utility revenue. The variance in general and pre-paid rates should reduce as the year progresses, with no change to the budget forecast required at this point in time.</p>						
2	<b><u>Fees &amp; Charges</u></b>	<b>YTD Actual</b> \$18.628 m	<b>YTD Budget</b> \$17.859 m	<b>Favourable</b> \$0.769 m 4.31%	<b>Original Budget</b> <b>Current Budget</b>	<b>\$67.701 m</b> <b>\$67.701 m</b>
<p>Higher than anticipated revenue from water and sewerage connection fees. Also Community Services fees and charges are ahead of budget. Development relates fees and charges are tracking slightly below budget.</p>						
3	<b><u>Interest Received from Investments</u></b>	<b>YTD Actual</b> \$2.813 m	<b>YTD Budget</b> \$3.222 m	<b>Unfavourable</b> (\$0.409) m (12.70%)	<b>Original Budget</b> <b>Current Budget</b>	<b>\$13.487 m</b> <b>\$13.487 m</b>
<p>Continued lower than anticipated interest rates on Council's investment portfolio. No budget adjustment is required at this stage of the year.</p>						
4	<b><u>Employee Costs</u></b>	<b>YTD Actual</b> \$41.260 m	<b>YTD Budget</b> \$40.301 m	<b>Unfavourable</b> \$0.958 m 2.38%	<b>Original Budget</b> <b>Current Budget</b>	<b>\$174.070 m</b> <b>\$174.508 m</b>
<p>Employee costs are currently over budget. A higher than anticipated level of employee costs is currently being incurred within operating. This trend should be addressed as the capital programme intensifies.</p>						
5	<b><u>Capitalised Employee Costs</u></b>	<b>YTD Actual</b> (\$3.358) m	<b>YTD Budget</b> (\$4.451) m	<b>Unfavourable</b> \$1.093 m (24.55%)	<b>Original Budget</b> <b>Current Budget</b>	<b>(\$19.286) m</b> <b>(\$19.286) m</b>
<p>The variance here is largely a result of being in the implementation stages of the capital works programme (\$303m) to be undertaken. The combination of employee costs being over budget and the lower than expected amounts being spent on capital works is of concern and being closely monitored.</p>						
6	<b><u>Materials &amp; Services</u></b>	<b>YTD Actual</b> \$45.121 m	<b>YTD Budget</b> \$50.092 m	<b>Favourable</b> (\$4.971) m (9.92%)	<b>Original Budget</b> <b>Current Budget</b>	<b>\$209.616 m</b> <b>\$216.832 m</b>
<p>This variance has been mainly impacted by the pace of the capital works programme, with the bulk of the variance arising in Infrastructure Services Department \$6.6m, off-set by \$4m in under-capitalisation.</p>						

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7	<b>Capitalised Materials &amp; Services</b>	<b>YTD Actual</b> (\$4.619) m	<b>YTD Budget</b> (\$8.226) m	<b>Unfavourable</b> \$3.608 m (43.86%)	<b>Original Budget</b> (\$32.905) m	<b>Current Budget</b> (\$32.905) m
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The variance here is driven by the pace of the capital works programme.

8	<b>Capital Grants and Subsidies</b>	<b>YTD Actual</b> \$3.087 m	<b>YTD Budget</b> \$2.635 m	<b>Favourable</b> \$0.452 m 17.16%	<b>Original Budget</b> \$24.889 m	<b>Current Budget</b> \$27.597 m
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Slightly ahead of budget, mainly due to timing variances and therefore no budget adjustment needed.

9	<b>Capital Contributions</b>	<b>YTD Actual</b> \$3.308 m	<b>YTD Budget</b> \$6.050 m	<b>Unfavourable</b> (\$2.742) m (45.33%)	<b>Original Budget</b> \$23.250 m	<b>Current Budget</b> \$23.674 m
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Currently below budget, however very difficult to forecast due to strong linkage with development processes.

10	<b>Constructed Assets</b>	<b>YTD Actual</b> \$38.223 m	<b>YTD Budget</b> \$51.208 m	<b>Unfavourable</b> (\$12.985) m (25.36%)	<b>Original Budget</b> \$250.958 m	<b>Current Budget</b> \$303.580 m
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After the first quarter, total expenditure is 12.6% of the full year budget.

### **CORPORATE SUMMARY**

The overall operating position is only below budget (\$0.8m). Total revenue is in line with budget, with employee costs tracking ahead of budget, but currently off-set by an underspend in materials and services. The capital programme is showing an underspend for the first 3 months of the year. Carry-overs from the previous financial year of \$52m have now been incorporated into the capital program budget. Work is continuing in profiling the remaining body of work to be undertaken.