

AUGUST 2009 FINANCIALS – BRIEF NOTES

1	<u>Net Rates & Utility Charges</u>	YTD Actual \$160.433 m	YTD Budget \$157.969 m	Favourable \$2.465 m 1.56%	Original Budget Current Budget	\$353.353 m \$353.353 m
Variance is mainly associated with the treatment of prepaid rates.						
2	<u>Fees & Charges</u>	YTD Actual \$12.598 m	YTD Budget \$11.985 m	Favourable \$0.613 m 5.11%	Original Budget Current Budget	\$67.701 m \$67.701 m
Mainly higher than anticipated Application Fees \$287k, Recoverable Works \$268k, Plumbing Inspection & Design Fees \$205k, Water Service Connections \$333k and Licensing Fees \$127k, partially offset by lower than anticipated Material Change of Use Fees \$513k, Refuse Tip Fees \$295k and Airline Service Fees \$134k.						
3	<u>Interest Received from Investments</u>	YTD Actual \$1.686 m	YTD Budget \$2.074 m	Unfavourable (\$0.387) m (18.68%)	Original Budget Current Budget	\$13.487 m \$13.487 m
Lower than anticipated interest rates on Council's investment portfolio.						
4	<u>Employee Costs</u>	YTD Actual \$27.151 m	YTD Budget \$26.726 m	Unfavourable \$0.425 m 1.59%	Original Budget Current Budget	\$174.070 m \$174.122 m
Employee costs are currently \$425k over budget. A higher than anticipated level of employee costs is currently being utilised within operating. This trend should be addressed as the capital programme is rolled out.						
5	<u>Capitalised Employee Costs</u>	YTD Actual (\$2.393) m	YTD Budget (\$2.967) m	Unfavourable \$0.574 m (19.35%)	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.						

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6	<u>Materials & Services</u>	YTD Actual \$30.225 m	YTD Budget \$33.224 m	Favourable (\$2.999) m (9.03%)	Original Budget \$209.616 m	Current Budget \$209.565 m
<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 \$4.953m. The Community Services Department is also under budget by \$95k. These underruns are partially offset by over expenditures across the remaining departments with the main variances being Organisational Performance \$579k (final election payment of \$306k - funds held in reserves and changes in accounting treatments for T&C Project contract payments \$226k and IT purchases \$226k - purchase rather than leasing) and Sunshine Cost Water \$498 (timing of payments to budget profiling).</p>						
7	<u>Capitalised Materials & Services</u>	YTD Actual (\$2.930) m	YTD Budget (\$5.484) m	Unfavourable \$2.554 m (46.57%)	Original Budget (\$32.905) m	Current Budget (\$32.905) m
<p>The variance here is driven by the pace of the capital works programme, discussed further below.</p>						
8	<u>Capital Grants and Subsidies</u>	YTD Actual \$2.212 m	YTD Budget \$0.919 m	Favourable \$1.293 m 140.67%	Original Budget \$24.889 m	Current Budget \$24.889 m
<p>Mainly due to Hub of the Hinterland Project \$348k, Adaluma Ave Military Jetty Upgrade \$276k, Duck Holes Creek Culvert Upgrade \$206k and Bulcock Beach Boardwalk \$180k.</p>						
9	<u>Capital Contributions</u>	YTD Actual \$3.476 m	YTD Budget \$3.875 m	Unfavourable (\$0.399) m (10.31%)	Original Budget \$23.250 m	Current Budget \$23.250 m
<p>This line is very difficult to predict with strong links to development processes.</p>						
10	<u>Constructed Assets</u>	YTD Actual \$22.592 m	YTD Budget \$30.299 m	Unfavourable (\$7.707) m (25.44%)	Original Budget \$250.958 m	Current Budget \$250.958 m
<p>After two months of the new financial year the spend is 9.0% of the full year budget.</p>						

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CORPORATE SUMMARY

The operating position is dominated by a positive variance in Net Rates and Utility charges of \$2.5m which is mainly associated with prepaid rates and higher than anticipated employee costs of \$.0425m and lower than anticipated employee costs charged to capital \$0.574m. Materials and services net of capitalised costs are also \$0.445m under budget. The capital programme is showing an underspend for the first 2 months of the year. Capital trends will become more evident once 2008-09 carry-overs are approved by Council.