

9.3.4 Review of the Annual Budget 2014/2015

Ward:	Both	Date:	30 January 2015
Precinct:	All	File Ref:	FIN0025
Attachments:	001 – Budget Review Amendment Listing 002 – Statement of Budget Amendments for the period ending 31 December 2014		
Tabled Items:	Nil		
Reporting Officers:	B Tan, Manager Financial Services J Anthony, A/Director Corporate Services		
Responsible Officer:	J Paton, Director Corporate Services		

OFFICER RECOMMENDATION:

That Council:

- APPROVES BY AN ABSOLUTE MAJORITY** the adjustments to the 2014/2015 Annual Budget as reported in Attachment 001;
- ENDORSES** the Revised Budget 2014/2015 as reported in Attachment 002; and
- SUBMITS** a copy of the 2014/2015 mid-year Budget Review and Council decision to the Department of Local Government and Communities, in accordance with Regulation 33A of the Local Government (Financial Management) Regulations 1996.

PURPOSE OF REPORT:

The purpose of this report is to review the progress of the Annual Budget 2014/2015 and to recommend adjustments to account for any major variances, funding reallocations, additional requirements or reflect Council decisions as well as provide amended estimates for the annual budget.

BACKGROUND:

The Local Government Act 1995 requires that a Local Government undertake a review of its budget at least once a year, in the period between January and March within a financial year.

The budget review must then be submitted to the Department of Local Government and Communities (DLGC) within thirty (30) days after Council has made its determination.

No prescribed template has been requested by the DLGC as to the format of the budget review.

DETAILS:

A review has been undertaken as at 31 December 2014 to adjust the budget to account for any major variances, funding reallocation, additional items required and the inclusion of previous decisions of Council.

The amendments to the Budget are listed in Attachment 001 and fall into the following three categories:

- Items that have already been approved by Council since the adoption of the Budget:

These new items or adjustments have been approved by an Absolute Majority by the Council.

2. Permanent Differences:

Permanent differences occur when there is likely to be a difference between the current budget and the expected outcome to the 30 June 2015. On occasions, if these variances are certain, the budget may be amended to reflect the change, however this is not a requirement and the difference may remain to the end of the year. These variances will have an impact upon the expected budget surplus or deficit outcome and would be reported in the review if they are material.

3. Timing Differences:

A timing variance occurs when a project or budget allocation is likely to be delayed past the end of the financial year. These postponed projects will likely be re-budgeted in the next year and will require carryover funding.

Below are variance comments on the annual budget 2014/15 by nature and type for expenditure incurred to date:

Operating Expenditure:

	Budget 2014/15	YTD Budget 31/12/2014	YTD Actual 31/12/14	% Variance
Employee Costs	(18,997,330)	(11,676,756)	(11,548,898)	-1.1%
Materials & Contracts	(14,836,536)	(7,705,670)	(6,800,412)	-11.7%
Utility Charges	(1,914,770)	(941,455)	(919,870)	-2.3%
Interest Expenses	(1,096,580)	(553,105)	(553,106)	0.0%
Insurance Expenses	(915,330)	(457,152)	(446,021)	-2.4%
Depreciation	(8,566,790)	(4,283,448)	(5,611,767)	31%
Loss on Asset Disposal	0	0	(30,807)	0.0%
Other Expenditure	(5,006,685)	(613,516)	(42,261)	-93.1%
Total	(51,334,021)	(26,231,102)	(25,953,142)	-1.1%

As at 31 December 2014, the operating expenditure was 1.1% below the year to date operating budget.

Employee Costs

The employee costs are currently 1.1% under YTD budget, however it has been recognised that the City's financial reporting system lists the employee costs budget for all "project" costed staff to the category "other expenditure". To ensure consistent reporting of actual costs against the relevant budget it is proposed to amend the budget for the purpose of good financial housekeeping.

This will involve a contra budget adjustment between "employee costs" and "other expenditure" but will have no impact on the overall budget.

Materials and Contracts

This category is currently 11.7% under budget and can be accounted for as timing differences on operational expenditure in the following areas:

- Software and Parking Licence payments;
- Consumables, such as Printing and Stationery;
- Recycling collection costs, tipping costs; and
- Plant, Hire & Equipment Maintenance costs.

Utilities Charges

Utilities charges are currently 2.3% under budget, this can be attributed to December invoices not being accrued and the reversal of year end invoice accruals.

Interest Charges

Interest charges are in line with the budget and therefore no amendment is required.

Insurance Expenses

Insurance expenditure is 2.4% under budget, however a budget amendment of \$220,975 is required for the adjustment in workers compensation premiums for previous years, which is based on the calculation of the City's performance-based contribution.

Depreciation

The depreciation costs are currently 31% over budget. This is due to an increase of the Building revaluation following the revaluation of Land and Buildings in accordance with Fair Value Legislation.

Other Expenditure

This category is under budget by 93.1% and can be accounted for as timing differences on operational expenditure in the following areas:

- Equipment maintenance;
- Software Annual maintenance;
- Strategic planning programmes;
- Waste Management programmes;
- Management initiative; and
- Fine lodgements fees.

The full year budget is proposed to be reduced due to the contra budget adjustment for employee costs.

Operating Revenue:

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual 31/12/14	% Variance
Rates	26,909,021	26,739,424	27,319,228	2.2%
Operating Grants, Subsidies & Contributions	2,473,885	751,237	808,736	7.7%
Fees & Charges	20,437,630	10,394,811	10,159,733	-2.3%
Interest Earnings	854,120	558,385	577,806	3.5%
Profit on Asset Disposal	3,840,370	1,912,053	1,175,582	-38.5%
Other Revenue	163,975	645,947	774,507	19.9%
Total	54,679,001	41,001,857	40,815,592	-0.5%

The operating revenue is under budget as at 31 December 2014 but rates are 2.2% over budget.

Operating Grants, Subsidies and Contributions

Grants/Subsidies and Contributions are currently 7.7% above budget estimates due to the receipt from LGIS of higher than expected member experience bonus and recoverable works.

It was also noted that the original budget provided for revenue that is actually correctly allocated to "other revenue". To ensure consistent reporting of actual revenue against the relevant budget, it is proposed to amend the budget accordingly. This will involve a contra budget adjustment with "other revenue" but will have no impact on the overall budget.

Fees and Charges

Fees and Charges are 2.3% under budget at this stage, which can be attributed to a combination of the following:

- Lower than budgeted parking fees;
- Lower than budgeted Personal training fees due to difficulties in recruiting;
- Some of the reduction in fees and charges are offset against the increased Development Application income resulting from receipt of an increased number of applications;
- Increase in income from applications for building permits;
- Increase in Beatty Park Leisure Centre membership; and
- Increase in Work Zones licences and permits.

Interest Revenue

Revenue from interest on investments is 3.5% higher than budgeted expectations. This is a result of the budget review and tightening of expenditure which has resulted in a better cash flow with additional funds available for investment.

Profit on Asset Disposal

This category is currently 38.5% under budget due to the timing of the disposal of some assets.

A Budget amendment is included in Attachment 001 to reflect the anticipated increase in revenue from the disposal of 291 and 295 Vincent Street, Leederville.

Other revenue

This category is currently 19.9% over budget due to the receipt of paid parental leave for staff who are on maternity leave, refund of defibrillators and reimbursement for 'eco carpet' tiles. No budget amendment is required.

The full year budget is proposed to be increased as a result of the contra budget adjustments from "operating grants, subsidies and contributions". The revenue budget has been amended to reflect the increased level of income received from rates.

Rates

The income from Rates is over the budget estimate by 2.2%. The positive variance is due to additional properties being reported and received after the budget rates model was run. This included new properties and revalued properties previously not included on the revaluation file, resulting in increased revenue.

Proceeds on Asset Disposals

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual	% Variance
Proceeds on Asset Disposal	5,605,000	1,989,333	1,267,452	-36.3%

This category is currently below budgeted expectations due to a timing difference in the trade-ins of the light vehicle fleet and disposal of properties.

Contributions/Grants for Development of Assets

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual	% Variance
Contributions/Grants for Development of Assets	3,048,092	420,438	174,813	-58.4%

The variance in this area can be attributed to the timing of the receipt of the grant.

Transfer from Reserves

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual	% Variance
Transfer from Reserves	5,758,752	5,564,843	3,760,736	-33.0%

The variance is attributed to the timing of commencement of some major capital works, which are funded by Reserves.

Capital Expenditure

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual	% Variance
Capital Expenditure Purchases	(13,291,534)	(8,639,321)	(4,517,066)	47.7%

The variances on the Capital Expenditure for each category are outlined below:

Buildings- 56.6% below budget:

The underrun is due in the main to the following:

- Timing of the installation of the automated toilet in Leederville; and
- Commencement of the Charles Veryard Reserve Clubrooms upgrade.

Infrastructure – 54.5% below budget:

This section is currently under budget due mainly to timing differences on the following projects:

Streetscape Enhancements

- Underground Power LEP – this project is on hold pending final costings from Western Power.

Black Spot

- Scarborough Beach Road – delivery of this project has been delayed due to the timing of detailed design and awaiting final approvals.

Road Works

- Flinders Street – Scarborough Beach Road to Anzac Road – project to commence in March 2015; and
- Scarborough Beach Road - Loftus to Oxford – project scheduled for May 2015 (forms part of on road bicycle lanes).

Parks Services

- Litis Stadium – Replace electrical cabinet and pumps – timing on commencement of the project; and
- Kyilla Park – Power upgrade to site – not proceeding.

Plant & Equipment – 69.6% over budget:

The overrun is due to the timing of the purchase of the EMV Compliant parking machines and the purchase of a Side Loading Automatic Bin Lifter Rubbish Truck. Both of these purchases were budgeted for in 2013/14, but delivered in 2014/15. Whilst carry forward budgets were not provided in the current financial year, both projects are fully reserve funded and therefore will not impact on municipal funding.

Furniture & Equipment – 93.9% below budget:

- The Administration Network upgrade is now anticipated to be completed later in the year;
- Delay in the purchase of notebooks and A3 Scanner for Records Section;
- Purchase of some Library items put on hold due to budget review; and
- Timing for the replacement of signs at the Loftus Recreation Centre.

Transfers to Reserves

	Budget 2014/15	YTD Budget 31/12/14	YTD Actual	% Variance
Transfer to Reserves	(4,248,453)	(1,567,561)	(2,339,133)	49.2%

This category is 49.2% above budget. Whilst there is no amendment required, transfer to reserves will be reviewed as we progress through the financial year.

ANNUAL BUDGET ADJUSTMENTS DETAILED BELOW:

Capital Expenditure:

	Annual Budget 2014/2015	Year to Date Budget as at 31/12/2014	Revised Budget 2014/15	Budget Amendment
Furniture and Equipment	(153,625)	(150,825)	(209,075)	(55,450)
Plant and Equipment	(1,065,167)	(530,340)	(1,229,057) (1,724,775)	(163,890) (659,608)
Land and Buildings	(1,038,275)	(573,275)	(1,070,555)	(32,280)
Infrastructure	(11,034,467)	(7,384,881)	(11,168,041)	(133,574)
TOTAL:	(13,291,534)	(8,639,321)	(13,676,728) (14,172,446)	(385,194) (880,912)

Furniture and Equipment - \$(55,450):

The budget has been amended to reflect the additional cost required for the San for Server Environment i.e. Network upgrade which is funded from Reserve and the reallocation of some costs from the Library.

Plant and Equipment - \$(163,890):

~~The budget adjustments reflect the additional cost for the EMV Compliant parking machines funded from Parking Reserve and project on the investigation of a red light camera at Beaufort and Walcott Street not proceeding.~~

Plant and Equipment - \$(659,608):

The budget adjustments reflect the additional funds required for:

- Capital purchases committed in 2013/14 but delivered in 2014/15 (fully reserve funded); and
- Increase to the statutory budget for light fleet replacement incorrectly budgeted nett of trade-in.

The Council at its meeting of 20 January 2015, Item 9.1.4, resolved to withdraw from the Community Energy Efficiency Programme (CEEP) project. Due to this decision, the funds that had been set aside for the CEEP project (\$241, 000) are no longer required, although a proportion (\$112,000) may be required to repay the grant the City received for the project from the Commonwealth for the CEEP project.

This notionally provides for additional savings for the City's budget which could be used to offset any potential end of 2014/2015 financial year deficit. These notional savings have not been reflected in the mid-year review figures or proposed budget adjustments.

Land and Buildings - \$(32,280):

This budget has been amended for reallocation of costs for the North Perth, Beatty Park and Leederville Town Centre Artworks, and to fund the installation of ten (10) power points for Axford Park.

Infrastructure - \$(133,574):

This budget has been amended for reallocation of costs of the following budgets:

- Capital Initiatives;
- Additional expenditure for the installation of Bus shelters;
- Adopt a Verge;
- Additional parking bays; and
- Leederville Oval building repairs.

The Leederville Town Centre Streetscape and Park Enhancement project included a major upgrade of the Oxford Street Reserve, the construction of a new Nature Based Play area and a number of streetscape improvements along Oxford Street. The project was staged over two (2) financial years with funds carried forward from 2013/2014 and supplemented in 2014/2015. The project has now been completed and overall there is an under expenditure of \$485,522.00.

The under expenditure has resulted from the project being funded over two financial years with accounts outstanding and works in progress at the end of June 2014, with the estimated carry forward amount at the time being greater than required.

Options for the future allocation and use of these under expended funds could include being:

- Used to offset any potential 2014/2015 financial year deficit;
- Reallocated within the current financial year to fund other works should time and resources allow;
- Preserved as a carry forward surplus to fund 2014/2015 projects.

This under expenditure has not been reflected as savings or as a proposed budget adjustment in this mid-year review report.

A separate report on the matter will be prepared and presented to Council by April 2015.

Detailed comments on Capital Expenditure Budget items are listed below:

The numbering below corresponds to the numbering allocated to Capital Expenditure items listed in Attachment 001.

1. Reduce Capital Expenditure Budget for North Perth Public Artwork - \$(100,000).

Comment:

This item was adopted at the Ordinary Meeting of Council held on 21 October 2014 (Item 9.4.2). The project will now be run over two (2) financial years and the remaining required funds will be listed on the 2015/16 Budget.

2. Include Capital Expenditure Budget for Beatty Park Public Artwork - \$130,000

Comment:

This item was adopted at the Ordinary Meeting of Council held on 12 August 2014 (Item 9.4.1).

3. Reduce Capital Expenditure Budget for Leederville Town Centre Public Artwork - \$(11,720).

Comment:

This item was adopted at the Ordinary Meeting of Council held on 16 December 2014 (Item 9.4.2). The project will run over two (2) financial years with only \$57,500 to be expended this financial year. The remaining required budget will be listed on the 2015/16 Budget.

4. Reduce Capital Expenditure Budget for Water Corporation Laneway upgrade- \$(7,750).

Comment:

This project is now complete and has come in under the anticipated budget.

5. **Reduce Capital Expenditure Budget for Capital Miscellaneous Initiatives - \$(33,676).**

Comment:

This item was adopted at the Ordinary Meeting of Council held on 26 August 2014 (Item 9.4.2). The project is not going ahead as matched funding was not received from the Department of Sport and Recreation.

6. **Include Capital Expenditure Budget for power point installations at Axford Park - \$14,000.**

Comment:

This item was adopted at the Ordinary Meeting of Council held on 2 December 2014 (Item 9.4.3) to list for consideration on the 2015/16 Draft Budget. The power points are required in Axford Park this financial year to assist with the Mt Hawthorn Markets and to improve adaptability and use of the park.

7. **Increase Capital Expenditure Budget for Storage Area Network (SAN) for Server Environment - \$60,000.**

Comment:

Total cost for the network upgrade is approximately \$90,000 of which \$30,000 is in the current year budget. The additional \$60,000 from 2013/2014 budget which was not brought forward is funded from Reserve.

8. **Increase Capital Expenditure Budget for installation of bus shelters - \$30,000.**

Comment:

The Public Transport Authority has instructed that in accordance with Human Rights and Equal Opportunity Commission's guidelines for infrastructure compliance, 'where substantial refurbishment of a bus stop (including associated infrastructure) occurs, the entire bus stop must be upgraded'. This extends to the new Adshel shelters currently being installed and includes specified kerb heights and expanded boarding areas, which fall outside the scope of works defined in the terms of the contract with Adshel Street Furniture. As a consequence, both the City and Adshel are faced with additional costs over and above what was originally budgeted for in 2014/2015 to comply.

The City was not aware of the new PTA requirements when the contract was developed. The PTA requirements were only brought to the City's attention after the contract was entered into when officers met Adshel and PTA representatives on site to confirm the new bus shelter locations.

Therefore, the PTA requirements did not form part of the contract. Notwithstanding both Adshel and the City have contributed towards the cost of ensuring the shelters that have been installed comply as best as possible to the PTA disability access requirements and additional contributory funding is required to enable the installation program to be completed.

9. Increase Capital Expenditure Budget for Greening Plan - \$5,000.

Comment:

An additional \$5,000 is required due to an increase in the initial tree purchasing cost estimate, as larger trees had to be sourced and planted as part of the Vincent Street works.

10. Increase Capital Expenditure Budget for Adopt a Verge - \$30,000.

Comment:

At the Ordinary Meeting of Council held on 16 December 2014 (Item 9.2.3), Council resolved to list for consideration an amount of \$30,000 in either the mid-year budget review or in the 2015/16 draft budget to undertake the additional Adopt a Verge round approved by Council at its Ordinary meeting held on 10 June 2014.

11. Include Capital Expenditure Budget for additional bays in Fitzgerald Street carpark - \$30,000:

Comment:

At a recent meeting with representatives of the Bocce Club it was considered that additional parking in the Fitzgerald Street carpark could be accommodated by a minor reconfiguration of the carpark to convert a portion of the 45 degree parking to 90 degree angle parking. This proposal would increase the parking by 16 bays.

12. Include Capital Expenditure Budget for Leederville Oval Building Repairs - \$60,000.

Comment:

A structural assessment of the western wall of Medibank Stadium Building was undertaken in November 2014 and the wall was found to be structurally unsound. A suggested improvement solution was subsequently developed and quotations to undertake the repair works obtained. Due to the unsound nature of the wall the repair works have commenced, as the area was deemed to be unsafe.

13. Increase Capital Expenditure Budget for Beaufort Street Enhancement - \$20,000.

Comment:

At the Ordinary Meeting of Council held on 22 April 2014, Council approved: "the installation of an 'artistic light structure' in the laneway between Lot 2 (485) Beaufort Street and Lot 1 (483) Beaufort Street; and Light boxes being affixed to the building on Lot 1 (483) Beaufort Street, facing onto the abutting laneway".

The proposed amount of \$20,000 will cover the completion of these works.

14. ~~Reduce Capital Expenditure Budget for investigation of Red Light Camera at Beaufort/Walcott intersection – \$(30,000). Transferred to Operating Expenditure Item 42 - Consultants~~

Comment:

~~This allocation was made to enable officers to engage a consultant to assess the intersection and provide a report to the WA Police to enable the City to pay for the installation (if approved) of a red light camera at this intersection. The WA Police advised that all revenue raised from red light camera infringements must be paid directly to the Road Trauma Trust Account in accordance with the Road Safety Council Act 2002. Therefore the WA Police should fund any works associated with the installation of a camera at this location.~~

15. **Include Capital Expenditure Budget for EMV compliant parking machines - \$193,890.**

Comment:

At the Ordinary Meeting of Council held 11 March 2014, Council accepted the tender for twenty-five (25) Europay, Mastercard and Visa Card (EMV) Compliant Ticket Issuing Machines at a cost of up to \$186,750 excluding GST, in accordance with the specifications as detailed in Tender 480/13.

At the Ordinary Meeting of Council held 27 August 2014, Council approved the purchase of eleven (11) Europay, Mastercard and Visa (EMV) upgrade kits at a cost of up to \$40,000 excluding GST, to enable eleven (11) non compliant parking ticket machines to be upgraded for EMV compliance.

In April 2014, the City purchased 23 EMV Compliant Ticket Machines totalling \$155,940. In August 2014, the City purchased 11 EMV upgrade kits for parking machines totalling \$37,950.

This equipment was received by the City in the current financial year and therefore appropriately costed to 2014/15, however carry forward funding of \$193,890 to cover the expenditure was not provided during the budget process. This acquisition is fully reserve funded.

16. **Reduce Capital Expenditure Budget for Junior Area activity tables and chairs - \$(750).**

Comment:

This project is not proceeding and can be rescheduled for the 2015-2016 financial year.

17. **Reduce Capital Expenditure for RFID mobile circulation device - \$(1,800).**

Comment:

This project is not proceeding as the product does not work with the library management system.

18. Reduce Capital Expenditure Budget for Library shelving signage - \$(1,000).

Comment:

This project is not proceeding and has been rescheduled for the 2015-2016 financial year.

19. Reduce Capital Expenditure Budget for Library Junior area additional book storage - \$(1,000).

Comment:

This project is not proceeding due to a decision to review the Junior area layout and accommodate stock within the space that is already available.

20. Increase Capital Expenditure Budget for purchase of Light Fleet - \$113,000.

Comment:

The original budget listed an amount of \$1,205,117 under Capital Expenditure for the purchase of Plant and Equipment. The detailed schedule on page 5.11 and 5.12 demonstrates that this total only provides for the changeover cost for the light fleet (nett of trade-in). Given the full trade-in value (\$113,000) has been listed under Capital Revenue, the Capital Expenditure budget needs to be increased by \$113,000 to provide for the full purchase cost of the light fleet.

21. Increase Capital Expenditure Budget for purchase of Heavy Plant - \$352,718.

Comment:

The 2013/14 Capital Budget listed the replacement of a side loader rubbish compactor in the major plant programme. This item was received in the current financial year and therefore correctly costed to 2014/15, however carry forward funding was not provided. This acquisition is fully reserve funded.

Detailed comments on Operating Budget items are listed below:

The numbering below corresponds to the numbering allocated to Operating Expenditure and Operating Revenue items listed in Attachment 001.

Operating Expenditure

1. Increase Operating Expenditure Budget for Beatty Park Leisure Centre (BPLC) Administration - \$231,670.

Comment:

Increase is due to additional costs associated with the lease payments for LED light installation from the CEEP grant and Variable Speed Drives for ongoing power savings. Also due to higher than budgeted amount of gas used due to ongoing issues encountered with the Geothermal heating system.

2. Increase Operating Expenditure Budget for BPLC Swim School - \$38,850.

Comment:

This is due to increased enrolments requiring more classes and more staff to be employed to run the classes.

3. Reduce Operating Expenditure Budget for BPLC Café - \$(1,950).

Comment:

A number of minor expenditure accounts have been reduced where they were deemed to not have an impact on ongoing service level.

4. Reduce Operating Expenditure Budget for BPLC Retail - \$(3,500).

Comment:

The operation of the Retail shop from Reception has allowed for savings in the Retail salary budget.

5. Increase Operating Expenditure Budget for BPLC Health and Fitness - \$17,500.

Comment:

This is due to the reallocation of the internet account for cardio equipment to Beatty Park from COV IT department which was not originally budgeted for by Beatty Park. Also wear and tear on equipment due to high use has required higher levels of maintenance than expected.

6. Increase Operating Expenditure Budget for BPLC Group Fitness - \$10,000.

Comment:

This is due to increased class attendances requiring more classes and more staff to be employed to run the classes.

7. Reduce Operating Expenditure Budget for BPLC Cycling Fitness - \$(6,000).

Comment:

Decrease due to less classes running in this area requiring less staff.

8. Reduce Operating Expenditure Budget for BPLC Aqua Fitness - \$(13,450).

Comment:

Decrease due to less classes running in this area requiring less staff.

9. Increase Operating Expenditure Budget for BPLC Creche - \$30,000.

Comment:

Increase due to additional staff hours required for safely operating weekend Creche and higher than expected baby numbers (higher ratio of carers to children required).

10. Reduce Operating Expenditure Budget for Seniors Study - \$(5,000).

Comment:

This budget line item was adopted at the Ordinary Meeting of Council held on 1 July 2014. The project will not be going ahead this financial year.

11. Reduce Operating Expenditure Budget for Youth Events - \$(10,000).

Comment:

This budget line item was adopted at the Ordinary Meeting of Council held on 1 July 2014. The full budget will not be expended this financial year.

The 2014/15 Youth Events budget was listed for a total expenditure amount of \$25,000. To date, the City has expended \$7,214.12 to deliver monthly VLounge youth events. These events have come in significantly under the projected budget due to the number of attendees at these events being lower than anticipated. The end of financial year expenditure is projected to be \$15,000.

The City's Officers are working in consultation with the local high schools to develop a program better suited to the needs of those aged 12 to 17, and the Draft Budget 2015/16 will reflect this.

12. Reduce Operating Expenditure Budget for Establishment of Youth Advisory Council - \$(2,000).

Comment:

This budget line item was adopted at the Ordinary Meeting of Council held on 1 July 2014. The full budget will not be expended this financial year.

13. Reduce Operating Expenditure Budgets for Spirit of Christmas Banners - \$(2,000).

Comment:

This project is complete and has come in under anticipated budget.

14. Reduce Operating Expenditure Budgets for Programme Funding - \$(1,000).

Comment:

This budget line item was adopted at the Ordinary Meeting of Council held on 1 July 2014. The project will not be going ahead this financial year.

15. Reduce Operating Expenditure Budget for Concerts in the Park - \$(20,000).

Comment:

The reduction in balance of this account was discussed in September 2014 as part of the 2014/15 Budget adjustments. It is now proposed to re-allocate the \$20,000 to the Form Art Festival budget line item.

16. Increase Operating Expenditure Budget for Form Art Festival - \$20,000.

Comment:

A proposal has been received by the City from FORM to fund its PUBLIC 2015 art festival to the amount of \$35,000. There is currently \$15,000 allocated to the FORM Art Festival in the 2014/15 Budget. The increase of \$20,000 is subject to a separate report to the Council Meeting to be held on 10 February 2014.

17. Reduce Operating Expenditure Budget for Men's Shed Expenditure - \$(18,000).

Comment:

In consultation with the Vincent Men's Shed operating expenses for the remainder of 2014/15 have been identified and will come in under expected budget.

18. Include Operating Expenditure Budget to replace blown globes at Leederville Oval - \$9,000.

Comment:

The Leederville Oval/Medibank Stadium sports lights were installed 10 years and are reaching the end of their life. Over the past year 9 lights have blown and require replacement, without which the lighting levels will not comply with the relevant standards. Administration is reviewing existing Stadium leases to determine if these expenses are partly or wholly recoverable.

19. Include Operating Expenditure Budget to repair bore at Menzies Park - \$15,500.

Comment:

An additional amount of \$15,000 was required due to the structural integrity of the bore casing being compromised and sand entering into the bore, rendering the reticulation system unusable prior to the Christmas / New Year break. This therefore required some remediation works which included removal of the pumping unit, sleeving the existing bore and reinstallation and testing of the pumping unit.

- 20. Include Operating Expenditure Budget for maintenance of Cricket Pitch at Charles Veryard - \$12,500.**

Comment:

Following meetings in March/April 2014 regarding the co-existence of Modernians, Cardinals and Tuart Hill Cricket Club at Charles Veryard Reserve and concerns raised regarding damage to the turf pitch, an amount of \$12,500 was calculated as a possible contribution from the City towards the annual maintenance cost of the turf wicket. This was not included in the 2014/15 budget at this time.

- 21. Increase Expenditure Budget for Plant Operating Allocated outwards**

DELETED. This adjustment to plant charge out rates is budget neutral and therefore the proposed budget adjustment has been deleted.

- 22. Reduce Operating Expenditure Budget for Public Health Plan - \$(5,000).**

Comment:

This item was adopted at the Ordinary Meeting of Council held 26 November 2014, Item 9.4.2. Savings will be realised due to implementation commencing in the second half of the 2014/15 financial year.

- 23. Reduce Operating Expenditure Budget for Feral Pigeon Control Programme - \$(25,000).**

Comment:

Administration is not intending to proceed with this programme due to only limited complaints regarding nuisance pigeons from businesses in the Oxford Street precinct over the past twelve (12) months and also due to the questionable impact of the programme.

Should this item be retained in the budget, the listing in Attachment 001 will need to be deleted and the mid year revised Budget closing balance will need to be adjusted accordingly.

- 24. Reduce Operating Expenditure Budget for Menuwise - \$(4,050).**

Comment:

Savings will be realised due to implementation commencing in the second half of the 2014/15 financial year.

- 25. Reduce Operating Revenue Budget for Vaccine Purchase - \$(2,000).**

Comment:

Savings will be realised due to the staff Hepatitis B programme having captured the majority of employees in previous financial years.

26. Reduce Operating Expenditure Budget for Vincent Accord - \$(2,000).

Comment:

Savings will be realised due to a reduced number of projects identified by the Vincent Accord in 2014/15.

27. Reduce Operating Expenditure Budget for Sample Analyses-Health Food Control - \$(2,000).

Comment:

Savings will be realised due to a reduced number of food samples being required for the Department of Health's statewide 'coordinated food sampling projects'.

28. Increase Operating Expenditure Budget for recruitment - \$20,000.

Comment:

Unforeseen recruitment expenses relating to the employment of two (2) Environmental Health Officers through Hays Employment consultants.

29. Reduce Operating Expenditure Budget for Legal Costs - \$(5,000).

Comment:

Savings will be realised due to a reduced number of prosecutions expected to commence prior to June 2015.

30. Reduce Operating Expenditure Budget for Training - \$(3,000).

Comment:

Savings realised due to vacant health positions during the main conference period.

31. Increase Operating Expenditure Budget for Subscriptions/Publications - \$4,500.

Comment:

This is due to an increase in the use of the City's Employee Assistance Provider (EAP) and in the annual retainer fees for this service has tripled.

32. Reduce Operating Expenditure Budget for Occupational Health Safety Initiatives - \$(4,500).

Comment:

Given the current range of initiatives that will require consideration by the City's Occupational Health and Safety committee and a number of actions already underway, a reduction in the budget can be accommodated.

33. Reduce Operating Expenditure Budget for Constable Care - \$(1,000).

Comment:

The actual cost for the Constable Care program was \$10,000.

34. Reduce Operating Expenditure Budget for Noongar Patrol - \$(7,000).

Comment:

The service is provided to the City for an annual cost of \$50,000.

35. Reduce Operating Expenditure Budget for Business Beat - \$(2,000).

Comment:

The funds allocated are not required.

36. Reduce Operating Expenditure Budget for Cat Impounding Costs- \$(3,000).

Comment:

The budget for this item can be reduced due as the requirement for the service is not in demand.

37. Increase Operating Expenditure Budget for Inspectorial Control Printing and Photocopying - \$7,000.

Comment:

There are two (2) line items for Printing and Photocopying. One (1) under Ranger Administration Services, the other under Inspectorial Control. Ranger Administration Services has a budget of \$17,800, whereas Inspectorial Control has a budget of \$0.00. Inspectorial Control requires a budget to purchase tickets etc for parking machines. \$7,000 will be allocated to Inspectorial Control from Ranger Administration Services.

38. Reduce Operating Expenditure Budget for Rangers Administration Printing and Photocopying - \$(7,000).

Comment:

There are two (2) line items for Printing and Photocopying. One (1) under Ranger Administration Services, the other under Inspectorial Control. Ranger Administration Services has a budget of \$17,800, whereas Inspectorial Control has a budget of \$0.00. Inspectorial Control requires a budget to purchase tickets etc for parking machines. \$7,000 will be allocated to Inspectorial Control from Ranger Administration Services.

39. Increase Operating Expenditure Budget for leasing of EMV kits - \$138,920.

Comment:

Parking machines with credit card facilities are required to be EMV compliant. The City leases the EMV kits to maintain compliance. This was reported to Council on 10 September 2013 Item 9.4.1, whereby Council would lease these EMV kits over a 5 year period.

40. Increase Operating Expenditure Budget for postage, courier & freight - \$1,000.

Comment:

These additional funds are required to pay for archive searches for office use and delivery of these to the office.

41. Increase Operating Expenditure Budget for sundry expenses - \$1,000.

Comment:

Additional expenses were incurred as a result of afterhours call monitoring, the cost of which is proportionately allocated to the number of enquiries received for each section.

42. Increase Operating Expenditure Budget for Consultants - ~~\$40,000~~ 10,000.

Comment:

Legal Fees - \$40,000

Early in the 2014/2015 financial year, payments for a total of \$54,000 needed to be made in relation to SAT matters that were completed by June 2014. A further \$18,000 was required to be paid for SAT matters started in 2013/14 and finalised in the past 6 months. It is estimated that a further \$18,000 is likely to be required for matters that are still in progress.

Red Light Camera Investigation - \$(30,000)

A \$30,000 allocation was made to enable officers to engage a consultant to assess the intersection of Walcott and Beaufort Street and provide a report to the WA Police to enable the City to pay for the installation (if approved) of a red light camera at this intersection. The WA Police advised that all revenue raised from red light camera infringements must be paid directly to the Road Trauma Trust Account in accordance with the Road Safety Council Act 2002. Therefore the WA Police should fund any works associated with the installation of a camera at this location.

43. Include Operating Expenditure Budget for Leederville Structure Plan - \$20,000.

Comment:

\$60,000 for the Leederville Structure Plan had been allocated in the draft 13/14 budget, but not carried forward into the current financial year. As it has been possible to complete some of the work internally and there are only 6 months of this budget period left, it is estimated that \$20,000 is required for this project until the end of June 2015.

44. Reduce Operating Expenditure Budget for Sustainability Education Programs - \$(10,000).

Comment:

Due to the changes to the CEEP project, the need for public education relating to the CEEP project no longer exists and accordingly not all funds budgeted will be required.

45. Increase Operating Expenditure Budget for Worker's Compensation premiums - \$220,975.

Comment:

The City pays the worker compensation insurance each year based on the estimated salary for the year. However each year LGIS Work Care will recalculate the workers compensation insurance adjustment based on performance based contribution. This is based on the claims paid less contribution previously paid. There were a few claims in 2008, 2010 and 2012 that increased the worker compensation premiums.

46. Increase Operating Expenditure Budget for Depreciation - \$2,656,700.

Comment:

The City had undertaken valuation on its Land and Buildings for 2013/2014 in accordance with Fair Value Legislation. The budget for the depreciation was prepared before the revaluation exercise was done. The increased in the fair value of the buildings had resulted in increased depreciation.

Operating Revenue

1. Increase Operating Revenue Budget for BPLC Administration - \$(28,000)

Comment:

This increased revenue is based on the current membership numbers for the Centre.

2. Increase Operating Revenue Budget for BPLC Swimming Pools - \$(28,500)

Comment:

This increased revenue is based on the current pool attendance numbers for the Centre.

3. Increase Operating Revenue Budget for BPLC Swim School - \$(144,000)

Comment:

This increased revenue is based on the current enrolment numbers for the Beatty Park Swim School.

4. Reduce Operating Revenue Budget for BPLC Café - \$1,950

Comment:

This decreased revenue is based on current birthday party bookings for the Beatty Park Café.

5. Increase Operating Revenue Budget for BPLC Retail - \$(5,000)

Comment:

This increased revenue is based on the current sales reports and projected income for the Beatty Park Retail shop.

6. Reduce Operating Revenue Budget for BPLC Health and Fitness - \$61,500

Comment:

This decreased revenue is based on a reduction in massage and personal training sessions due to lack of suitable staff being available at this time.

7. Increase Operating Revenue Budget for BPLC Group Fitness - \$(10,000)

Comment:

This increased revenue is based on the current membership numbers and attendance numbers for the redeveloped centre, as reported in the updated five (5) year financial forecast for the Centre.

8. Reduce Operating Revenue Budget for BPLC Cycling Fitness - \$4,500

Comment:

This increased revenue is based on the current membership numbers and attendance numbers for the redeveloped centre, as reported in the updated five (5) year financial forecast for the Centre.

9. Reduce Operating Revenue Budget for Health Act Fines - \$2,000.

Comment:

Lower revenue due to the reduced number of prosecutions expected to commence prior to June 2015.

10. Increase Operating Revenue Budget for Food Hygiene Fines - \$(3,000).

Comment:

Increased revenue due to payment of fines incurred in 2013/14 (referred to Fines Enforcement Registry hence the delay).

11. Reduce Operating Revenue Budget for Sundry Income - \$5,000.

Comment:

Lower anticipated revenue from liquor permits to date has been realised.

12. Increase Operating Revenue Budget for Temporary Food Licences - \$(7,000).

Comment:

Increased revenue due to the increased number of food stalls being approved for new markets and existing festivals attracting greater numbers during the 2014/15 financial year.

13. Increase Operating Revenue Budget for Public Building Licences - \$(3,000).

Comment:

Increased revenue due to the increased number of temporary public buildings being approved for existing festivals attracting greater numbers during the 2014/15 financial year.

14. Increase Operating Revenue Budget for Cat Registration Fees - \$(2,460).

Comment:

Revenue was forecast at \$4,000 for the financial year, however revenue has exceeded the forecast.

15. **Increase Operating Revenue Budget for work zone licences and permits - \$(40,000).**

Comment:

The revenue for this item was forecast at \$60,000, however revenue has exceeded expectations.

16. **Increase Operating Revenue Budget for Planning Approvals - \$(20,000).**

Comment:

The City has received more applications for planning approvals than was previously expected which accounts for this increase in revenue from planning approvals.

17. **Increase Operating Revenue Budget for Cash in Lieu contributions - \$(50,000).**

Comment:

Due to an increase in development activity in the City the amount of cash in lieu that is expected to be collected over the year will be higher than was previously predicted.

18. **Increase Operating Revenue Budget for Building Licences - \$(50,000).**

Comment:

The City has received more applications to process for Building permits than was previously expected which accounts for this increase in revenue for the building section.

19. **Increase Operating Revenue Budget for Demolition Licences - \$(4,000).**

Comment:

The City has received more applications for demolition licences than was previously expected which accounts for this increase in revenue in this regard.

20. **Reduce Operating Revenue Budget for Archive Searches - \$10,000.**

Comment:

The City has received fewer enquiries from the public for archive searches of building licences in the past 6 months and based on this trend it is therefore expected that the income from this activity will be significantly lower than had been budgeted previously.

21. Increase Operating Revenue Budget for Rates Revenue - ~~\$(280,000)~~ 393,000.

Comment:

Rates had a positive variance due to additional properties being reported and received after the budget rates model was run. This included new properties and revalued properties not included on the revaluation file, resulting in increased revenue.

The budget has been reviewed to bring it in line with the actual revenue received to date.

Capital Revenue:

The numbering below corresponds to the numbering allocated to Capital Revenue items in Attachment 001.

~~1. Include Capital Revenue for Light Fleet vehicles trade in - \$113,000.~~

Comment:

~~The trade in value of the Light Fleet vehicles was approved and included in the 2014/2015 Budget but was not adjusted in the Statement of Comprehensive Income. The amount is offset against the Plant Operating Cost outward budget review.~~

2.1. Include Capital Revenue for Sale of 291 and 295 Vincent Street - \$(700,000).

Comment:

The sales value was originally budgeted for \$1,200,000. We anticipate an increase in revenue due to the new valuation undertaken for both the properties.

Reserve Funds – Transfers from:

The numbering below corresponds to the numbering allocated to Reserve Funds Transfers listed in Attachment 001.

1. Electronic Equipment Reserve - \$(60,000).

Comment:

These Reserve Funds are used to purchase the Storage Area Network (SAN) for Server Environment.

2. Cash in Lieu for Parking Reserve Fund - \$(30,000).

Comment:

These Reserve Funds will be used to fund the additional bays for the Fitzgerald Street car park.

3. Leederville Oval Reserve Fund - \$(60,000).

Comment:

These Reserve Funds will be used to finance the building repairs required at Leederville Oval.

4. Leederville Oval Reserve - \$(9,000).

Comment:

These Reserve Funds will be used to fund the lighting maintenance required at Leederville Oval.

5. Parking Reserve - \$(193,890).

Comment:

These Reserve Funds are used to purchase 23 EMV Compliant Ticket Machines totalling \$155,940 and 11 EMV upgrade kits for parking machines totalling \$37,950.

6. Waste Management Plant Reserve - \$(352,718).

Comment:

These Reserve Funds are used to purchase the side loading automatic bin lifter rubbish truck.

A summary table of the complete Budget Review transactions are included in Attachment 001.

CONSULTATION/ADVERTISING:

Not Applicable.

LEGAL/POLICY:

The Local Government Act 1995 requires that a budget review be undertaken each financial year, in the period between January and March of a financial year.

RISK MANAGEMENT:

High: Failure to undertake a Budget review in the period between January and March in any financial year would be a breach of the Local Government Act (1995).

STRATEGIC IMPLICATIONS:

Plan for the Future Strategic Plan 2011-2021 - Key Result Area 4 – Leadership, Governance and Management:

“4.1 Provide Good Strategic Decision-Making, Governance, Leadership and Professional Management:

4.1.2(a) Adopt “best practice” to manage the financial resources and assets of the City.”

SUSTAINABILITY IMPLICATIONS:

Not applicable.

FINANCIAL/BUDGET IMPLICATIONS:

A commentary on the variances in the Statement of Budget Amendments report as at 31 December 2014 has been provided earlier in this report.

A number of amendments recommended in this budget review have been approved by Council for the current financial year or foreshadowed for consideration in 2015/16.

The opening balance for the Revised Budget was reported as a deficit of \$3,199,779 (Attachment 002). However, as previously reported to Council, the actual opening balance deficit for the mid-year revised Budget is \$4,758,710, which accurately records the adjusted deficit figure as a result of the review process. The mid-year revised Budget closing balance reports a deficit of \$974,190, which is a significant reduction achieved through a rigorous exercise of scrutinising the various operating and capital budget items.

In order for the mid-year Budget to achieve a zero balance, the following options could be considered:

- Transferring funds from reserves, e.g. Tamala Park Land Sales Reserve;
- Disposal of assets/land subject to availability which will involve further scrutiny of current assets and land with a view to sell; and/or
- Applying further cutbacks and savings on operating and capital items on the budget which could result in an impact on service delivery.

These measures are not considered necessary to achieve a year-end zero balance, for several reasons, namely - additional funds are expected from the sale of 81 Angove Street, North Perth. Whilst this City asset is listed on the Budget to be sold at \$1.7 million, it is expected to be sold for in excess of \$2 million. Budget savings are also anticipated from reduced fuel costs and improved controls of overtime and salary budgets.

As stated earlier in the report, given the potential savings with funds that had been set aside for the CEEP project that is no longer required, as well as under expenditure for the Leederville Town Centre Streetscape and Park Enhancement project, these additional funds could be used to offset any potential deficit at the end of the 2014/2015 financial year.

The predicted year-end results for 2014/15 as outlined in the Statement of Budget Amendments in Attachment 002 has been posted based on assumptions and predictions of expenditure and revenue, taking into account the amended budgetary items listed in this report.

Whilst a deficit of \$974,190 has been reported as a closing balance for the mid year revised budget, it is anticipated that with the current systemic improvement in the monitoring and control of divisional budgets, the City will achieve a zero balance by the end of this financial year.

COMMENTS:

The City is required, under the Local Government Act 1995 to conduct a mid-year review of its Budget between January and March each financial year. The City is able to carry out further budget reviews and if required, may conduct a further review at the end of March 2015.

**BUDGET REVIEW 2014-2015
AS AT 31-12-2014**

Details	Original Budget	Budget Amendment	Revised Budget
Capital Expenditure			
1 North Perth Public Artwork	150,000	-100,000	50,000
2 Beatty Park Public Artwork	0	130,000	130,000
3 Leederville Town Centre - Public Artwork	69,220	-11,720	57,500
4 Leederville Town Centre - Water Corporation Laneway upgrade	50,000	-7,750	42,250
5 Capital Miscellaneous Initiatives	33,676	-33,676	0
6 Powerpoint installation (10) at Axford Park	0	14,000	14,000
7 San for Server Environment - upgrade of network storage	30,000	60,000	90,000
8 Installation of Bus Shelters	20,000	30,000	50,000
9 Greening Plan	300,000	5,000	305,000
10 Adopt a Verge next round	30,000	30,000	60,000
11 Fitzgerald Street car park additional bays	0	30,000	30,000
12 Leederville Oval building repairs	0	60,000	60,000
13 Beaufort Street Enhancement	219,000	20,000	239,000
14 Investigate Red Light camera at Beaufort/Walcott (Transfer to Op Exp)	0	0	0
15 EMV compliant parking machines purchase (Parking Reserve)	0	193,890	193,890
16 Junior Area activity tables and chairs	750	-750	0
17 RFID mobile circulation device	1,800	-1,800	0
18 Library shelving signage	1,000	-1,000	0
19 Library Junior area additional book storage	1,000	-1,000	0
20 Purchase of Light fleet vehicles	0	113,000	113,000
21 Purchase of Side Loading Rubbish Truck	0	352,718	352,718
	906,446	880,912	1,787,358
Operating Expenditure			
1 BPLC Administration	762,250	231,670	993,920
2 BPLC Swim School	671,650	38,850	710,500
3 BPLC Café	7,750	-1,950	5,800
4 BPLC Retail	54,240	-3,500	50,740
5 BPLC Health & Fitness	37,000	17,500	54,500
6 BPLC Group Fitness	173,930	10,000	183,930
7 BPLC Cycling Fitness	46,240	-6,000	40,240
8 BPLC Aqua Fitness	61,900	-13,450	48,450
9 BPLC Crèche	142,670	30,000	172,670
10 Seniors Study Expenditure	5,000	-5,000	0
11 Youth Events Expenditure	25,000	-10,000	15,000
12 Establishment of Youth Advisory Council	2,000	-2,000	0
13 Spirit of Christmas Banners Expenditure	8,000	-2,000	6,000
14 Programme Funding	1,000	-1,000	0
15 Concerts in the Park	40,000	-20,000	20,000
16 Form Art Festival	15,000	20,000	35,000
17 Men's Shed Expenditure	28,000	-18,000	10,000
18 Leederville Oval - Replace blown globes	0	9,000	9,000
19 Menzies Park bore failure	0	15,500	15,500
20 Charles Veryard - Cricket Pitch maintenance contribution	0	12,500	12,500
21 Plant Operating Allocated outwards (Removed)	-1,174,420	0	-1,174,420
22 Public Health Plan - Health	17,000	-5,000	12,000
23 Feral Pigeon Control Programme - Health	25,000	-25,000	0
24 Menuwise - Food programme - Health	12,050	-4,050	8,000
25 Vaccine Purchase - Health	12,000	-2,000	10,000
26 Vincent Accord - Health	10,000	-2,000	8,000
27 Samples Analyses - Health Food Control	13,000	-2,000	11,000
28 External Recruitment - Health	500	20,000	20,500
29 Legal costs - Health	25,000	-5,000	20,000
30 Training - Health	8,000	-3,000	5,000
31 Subscription/Publications	7,500	4,500	12,000
32 Occupational Health & Safety initiatives	30,000	-4,500	25,500
33 Constable Care	11,000	-1,000	10,000
34 Noongar Patrol	57,000	-7,000	50,000
35 Business Beat	2,000	-2,000	0
36 Cat Impounding Costs	6,000	-3,000	3,000
37 Inspectorial Control Printing and Photocopying	0	7,000	7,000
38 Rangers Admin Printing and Photocopying	17,800	-7,000	10,800
39 Leases for EMV machines	462,810	138,920	601,730
40 Postage Courier & Freight	1,000	1,000	2,000
41 Sundry Expenses	1,000	1,000	2,000
42 Consultants	80,000	10,000	90,000
43 Leederville Structure Plan(New Project)	0	20,000	20,000
44 Sustainability Education Programs	16,000	-10,000	6,000
45 Workers Compensation premium	285,980	220,975	506,955
46 Depreciation	8,566,790	2,656,700	11,223,490
	10,574,640	3,299,665	13,874,305

<u>Operating Revenue</u>			
1 BPLC Administration	-2,818,000	-28,000	-2,846,000
2 BPLC Swimming Pools	-244,000	-28,500	-272,500
3 BPLC Swim School	-1,303,850	-144,000	-1,447,850
4 BPLC Café	-59,750	1,950	-57,800
5 BPLC Retail	-558,000	-5,000	-563,000
6 BPLC Health & Fitness	-547,550	61,500	-486,050
7 BPLC Group Fitness	-165,500	-10,000	-175,500
8 BPLC Cycling Fitness	-36,150	4,500	-31,650
9 Health Act fines	-5,000	2,000	-3,000
10 Food Hygiene Fines - Health	-5,000	-3,000	-8,000
11 Sundry Income - Health	-20,000	5,000	-15,000
12 Temporary Food Licenses - Health	-15,000	-7,000	-22,000
13 Public Building Licenses	-12,000	-3,000	-15,000
14 Cat Registration Fees Revenue	-4,000	-2,460	-6,460
15 Work zone licenses and permits Revenue	-60,000	-40,000	-100,000
16 Planning Approval	-780,000	-20,000	-800,000
17 Cash in Lieu Contributions	-200,000	-50,000	-250,000
18 Building Licences	-300,000	-50,000	-350,000
19 Demolition licences	-5,000	-4,000	-9,000
20 Archive searches	-30,000	10,000	-20,000
21 Rates Revenue	-25,826,761	-393,000	-26,219,761
	-32,995,561	-703,010	-33,698,571
<u>Capital Revenue</u>			
1 Additional Sale value of 291 & 295 Vincent Street	0	-700,000	-700,000
	0	-700,000	-700,000
<u>Transfer From Reserves</u>			
1 San for Server Environment (Electronic Equipment Reserve)	0	-60,000	-60,000
2 Fitzgerald Street car park (Cash in Lieu for Parking Reserve)	0	-30,000	-30,000
3 Leederville Oval building repairs (Leederville Oval Reserve)	0	-60,000	-60,000
4 Leederville Oval Lighting maintenance (Leederville Oval Reserves)	0	-9,000	-9,000
5 EMV compliant parking machines purchase (Parking Reserve)	0	-193,890	-193,890
5 Purchase of Rubbish Truck (Waste Management Plant Reserve)	0	-352,718	-352,718
	0	-705,608	-705,608
<u>Total Budget Amendments</u>	-21,514,475	2,071,959	-19,442,516

STATEMENT OF BUDGET AMENDMENTS for the Period ended 31 st December 2014									
	Revised Budget 2014/15	Corrected Budget 2014/15	Dec YTD Budget 2014/15	Dec YTD Actual 2014/15	Variance %	Predicted Year end results 2014/15	Variance Permanent	Variance Timing Difference	Mid year Revised Budget 2014/15
OPERATING REVENUE									
Rates	26,909,021	26,909,021	26,739,424	27,319,228	2.2%	27,599,228	393,000		27,302,021
Operating Grants, Subsidies and Contributions	2,473,885	1,493,840	751,237	808,736	7.7%	1,617,472	(980,045)		1,493,840
Fees and Charges	20,437,630	20,437,630	10,394,811	10,159,733	-2.3%	20,629,476	309,010	1,000	20,747,640
Interest Earnings	854,120	854,120	558,385	577,806	3.5%	879,744			854,120
Profit on Asset Disposal	3,840,370	3,840,370	1,912,053	1,175,582	-38.5%	4,540,370	700,000		4,540,370
Other Revenue	163,975	1,144,020	645,947	774,507	19.9%	1,161,761	980,045		1,144,020
	54,679,001	54,679,001	41,001,857	40,815,592	-0.5%	56,428,050	1,402,010	1,000	56,082,011
OPERATING EXPENDITURE									
Employee costs	(18,997,330)	(23,323,805)	(11,676,756)	(11,548,898)	-1.1%	(23,097,796)	(4,100,466)		(23,097,796)
Materials and Contracts	(14,836,536)	(14,785,126)	(7,705,670)	(6,800,412)	-11.7%	(14,097,056)	(406,990)	(15,000)	(15,258,526)
Utility Charges	(1,914,770)	(1,914,770)	(941,455)	(919,870)	-2.3%	(2,069,708)			(1,914,770)
Depreciation on Non-Current Assets	(8,566,790)	(8,566,790)	(4,283,448)	(5,611,767)	31.0%	(11,223,534)	(2,656,700)		(11,223,490)
Interest Expenses	(1,096,580)	(1,096,580)	(553,105)	(553,106)	0.0%	(1,106,212)			(1,096,580)
Insurance Expenses	(915,330)	(915,330)	(457,152)	(446,021)	-2.4%	(1,113,017)	(220,975)		(1,136,305)
Loss on Asset Disposal	0	0	0	(30,807)	0.0%	(30,807)			0
Other Expenditure	(5,006,685)	(731,620)	(613,516)	(42,261)	-93.1%	(731,620)	4,100,466		(906,219)
	(51,334,021)	(51,334,021)	(26,231,102)	(25,953,142)	-1.1%	(53,469,750)	(3,284,665)	(15,000)	(54,633,686)
FUNDING BALANCE ADJUSTMENT									
Adjust (Profit)/Loss on Asset Disposals	(3,840,370)	(3,840,370)	(1,912,053)	(816,177)	-57.3%	(4,571,177)	(700,000)		(4,540,370)
Add back Depreciation	8,566,790	8,566,790	4,283,448	5,611,767	31.0%	11,223,534	2,656,700		11,223,490
	8,071,400	8,071,400	17,142,150	19,658,040	14.7%	9,610,657	74,045	(14,000)	8,131,445
CAPITAL REVENUE									
Proceeds from Disposal of Assets	5,605,000	5,605,000	1,989,333	1,267,452	-36.3%	6,305,000	700,000		6,305,000
Contributions/Grants for Development of Assets	3,048,092	3,048,092	420,438	174,813	-58.4%	3,048,092			3,048,092
Transfer from Reserves	5,758,752	5,758,752	5,564,843	3,730,736	-33.0%	6,464,360	99,000	606,608	6,464,360
	14,411,844	14,411,844	7,974,614	5,173,001	-35.1%	15,817,452	799,000	606,608	15,817,452
CAPITAL EXPENDITURE									
Purchase Land and Buildings	(1,038,275)	(1,038,275)	(573,275)	(248,541)	-56.6%	(1,070,555)	(14,000)	(18,280)	(1,070,555)
Purchase Infrastructure Assets	(11,034,467)	(11,034,467)	(7,384,881)	(3,360,012)	-54.5%	(11,168,041)	(133,574)		(11,168,041)
Purchase Plant and Equipment	(1,065,167)	(1,065,167)	(530,340)	(899,262)	69.6%	(1,694,775)	(113,000)	(546,608)	(1,724,775)
Purchase Furniture and Equipment	(153,625)	(153,625)	(150,825)	(9,251)	-93.9%	(209,075)	2,750	(58,200)	(209,075)
Repayment of Debentures	(1,743,478)	(1,743,478)	(424,705)	(424,705)	0.0%	(1,743,478)			(1,743,478)
Transfers to Reserves	(4,248,453)	(4,248,453)	(1,567,561)	(2,339,133)	49.2%	(4,248,453)			(4,248,453)
	(19,283,465)	(19,283,465)	(10,631,587)	(7,280,904)	-31.5%	(20,134,377)	(257,824)	(623,088)	(20,164,377)
NET CAPITAL	(4,871,621)	(4,871,621)	(2,656,973)	(2,107,903)	-66.6%	(4,316,925)	541,176	(16,480)	(4,346,925)
NET RESULT	3,199,779	3,199,779	14,485,177	17,550,137	-52.0%	5,293,732	615,221	(30,480)	3,784,520
Opening Funding Surplus/(Deficit)	(3,199,779)	(3,199,779)	(3,199,779)	(4,758,710)		(4,758,710)	(1,558,931)		(4,758,710)
CLOSING FUNDING SURPLUS/(DEFICIT)	0	0	11,285,398	12,791,427	-52.0%	535,022	(943,710)	(30,480)	(974,190)