



Annual Budget Review

For the Period 1 July 2020 to 28 February 2022

March 2022

This page left intentionally blank.

Contents

Executive Summary	5
Statutory Obligations	10
Net Current Funding Position	12
Statement of Budget Review	14
Service Area Variance Reporting	20
Capital Expense Items	57
Significant Accounting Policies	67

This page left intentionally blank.



Executive Summary

Executive Summary

The 2021-2022 Annual Budget Review for the Town of Victoria Park commenced on Wednesday 12th January 2022 with a kick-off meeting for all responsible officers, and concluded with the distribution of the budget review agenda item on Friday 11 March 2022 to enable Council consideration at its ordinary meeting Tuesday 15 March 2022.

Key Principles

The review process was undertaken having regard for:

- Actual revenues and expenditures for the first six months of the financial year together with committed expenses;
- Necessary indicators to inform forecasts for the remainder of the year;
- Forecast revenue and expenditure levels for the remaining six months of the year;
- Anticipated capacity to complete works and deliver services by 30 June; and
- The more significant variances to the budget rather than the many minor variances which largely balance out.

Explanation of Forecast Variances

The 2021-2022 Annual Budget Review forecasts a \$nil year-end surplus position (the Adopted 2021-2022 Annual Budget had a year-end surplus of \$2,517).

The approach taken to identifying and quantifying forecast variations to the Town's Annual Budget has been to review each line item of budgeted revenue and expenditure, including commitments, as follows:

Adopted Budget Position
LESS Year-to-date actual and commitments
PLUS Estimated actuals to 30 June
EQUALS Forecast year-end variation to budget

In overview terms, the forecast year-end position consists of:

- Total Operating Revenue forecast to be more than the budget (i.e. favourable) by \$3,209,207.
- Total Operating Expense forecast to be less than the budget (i.e. favourable) by \$479,295.
- Total Capital Expense forecast to be more than the budget (i.e. unfavourable) by \$898,197.
- Total Non-Operating Revenue forecast to be less than the budget (i.e. unfavourable) by \$123,943. (Transfer to Reserve)
- Total Non-Operating Revenue forecast to be less than the budget (i.e. unfavourable) by \$2,200,000. (Loan proceeds)
- Total Non-Operating Revenue forecast to be less than the budget (i.e. unfavourable) by \$3,800,000. (Sale proceeds)
- Total Non-Operating Expense forecast to be less than the budget (i.e. favourable) by \$3,376,278.
- Non-Cash adjustments forecast to be less than budgeted (i.e. favourable) by \$0.
- Opening Surplus position is lower than revised budgeted (i.e. unfavourable) \$42,642.

Major Variances

The following table highlights the account groupings at the Town as well as the major variances (over \$25,000). Immediately following this table is an explanation of some of the variances. More detailed explanations can be found in the Service Area summaries from page 22 onwards.

Executive Summary (continued)

Account Groupings	Year-To-Date	Revised	KEY		Executive
			Forecast	Variance	
Particulars	Actual	Budget	Value		Summary
	\$	\$	\$	\$	Note
Expense	43,156,344	85,365,009	84,885,714	(479,295)	
Employment	14,334,919	24,465,551	24,395,919	(69,632)	1
Office	511,693	799,452	813,426	13,974	
Professional Services	926,280	5,173,644	5,217,812	44,168	2
Asset Operations	4,745,997	11,042,845	10,700,155	(342,690)	3
Programs	24,246,973	37,659,816	37,569,905	(89,911)	4
Interest Expense	164,180	280,823	245,619	(35,204)	5
Accounting Standards Expense	(1,773,697)	5,942,878	5,942,878	0	
Revenue	(59,677,017)	(77,677,714)	(80,886,921)	(3,209,207)	
Rates	(44,382,333)	(44,367,425)	(44,367,425)	0	
Operating Funding	(559,635)	(875,597)	(896,738)	(21,141)	
Capital Funding	(299,173)	(10,566,290)	(10,672,395)	(106,105)	6
Fees and Charges	(6,486,416)	(9,620,033)	(9,615,958)	4,075	
Earnings Interest	(205,758)	(343,523)	(351,023)	(7,500)	
Revenue Other	(917,151)	(560,426)	(1,017,753)	(457,327)	7
Service Charges	(6,826,550)	(9,750,303)	(12,371,512)	(2,621,209)	8
Accounting Standards Revenue	0	(1,594,117)	(1,594,117)	0	
Capital Expense	4,214,908	27,867,862	28,766,059	898,197	
Land	358	0	200,000	200,000	9
Buildings	242,584	2,775,685	2,775,685	0	
Plant	201,297	998,485	998,485	0	
Equipment	37,085	40,000	454,085	414,085	10
Information Technology	107,265	420,832	370,832	(50,000)	11
Roads	2,187,046	9,241,175	9,662,647	421,472	12
Drainage	27,371	300,000	270,000	(30,000)	13
Pathways	28,254	2,654,227	2,610,603	(43,624)	14
Parks	1,198,273	9,710,508	9,706,708	(3,800)	
Other Infrastructure	185,375	1,726,950	1,717,014	(9,936)	
Non-Operating Revenue	(10,631,322)	(43,686,930)	(37,562,991)	6,123,939	
From Reserve	(9,478,533)	(34,972,873)	(34,848,930)	123,943	15
Loan Proceeds	0	(3,689,228)	(1,489,228)	2,200,000	16
Sale Proceeds	(319,456)	(4,191,500)	(391,500)	3,800,000	17
Proceeds of sale of land TPRC	(833,333)	(833,333)	(833,333)	0	
Non-Operating Expense	2,795,155	16,940,952	13,564,674	(3,376,278)	
To Reserve	43,350	13,923,306	10,692,534	(3,230,772)	18
Principal-Loans	2,751,805	3,017,646	2,872,140	(145,506)	19
Adjustments	(73,098)	(8,809,177)	(8,766,535)	42,642	
Non-Cash Items	33,419	(7,982,037)	(7,982,037)	0	
Opening Position ((Surplus) / Deficit)	(106,517)	(827,140)	(784,498)	42,642	20
Total Account Groupings	(20,215,029)	0	(0)	(0)	

Executive Summary (continued)

1. Employment expense (favourable)

The \$69,632 decrease in Employment expenditure predominantly relates to savings in agency staff for Building Services of \$51,000, Environmental Health of \$30,000, Community Development \$39,284 and Urban Planning \$40,000. Increases in Agency staff include Finance \$14,500, Street Improvement \$25,000. Salaries increase Families & Youth \$16,000, Environmental Health \$15,274, rates \$17,000.

2. Professional Services Expense (unfavourable)

The \$44,168 increase predominantly relates to additional parking contract services \$196,100 offset by reduction in Parking - Consultancy General of \$132,400, reduction in legal services costs required Building saving \$35,000, Economic development \$45,000 saving and Strategic Town Planning \$30,000. Increase \$40,000 Place Planning - Business Case to investigate synthetic hockey turf Victoria Park Xavier Hockey Club.

3. Asset Operations expenses (favourable)

The \$342,690 decrease in Asset Operation expenses predominantly relates to increase in W176 Harold Rossiter excessive wear dogs and club use increase in W176 \$15,000, Burswood Peninsula Public Open Space Mtce \$287,000 savings Council decision not to take over mtce. Parking - Equipment Mtce saving \$32,490, Parking - vehicle operation savings \$21,000. W3175 Street Tree - Tree audits increase \$12,000 due to increase in number of audits tree condition.

4. Programs expense (favourable)

The \$89,911 decrease in programs expenses predominantly relates to a reduction in expenses by postponement of Vic Park Business Awards end of 2022 saving \$30,000, Savings Aust Day \$10,000, Corporate Development saving \$31,560, W4302 It softare saving \$50,000. Increases in programs Security Services Aqualife \$50,000, Leisurelife \$50,000, Library \$30,000, Customer Services \$20,000-COVID Concierges -Omicron outbreak. Increase budget for Bank Charges by \$40,000. Environment - Increase Climate Emergency Plan budget to implement some actions \$26,500, HR Corporate Memberships \$37,400 increase, OSH increase \$40,000, increase photocopier \$45,000. Reduction in Leisurelife Gym equipment leases \$17,400 savings. Increase GIS Services Licenses \$15,000. Digital Hub reduction \$20,000 COVID recovery program, information & donation reduction of \$48,564 savings. Safer neighbourhoods \$40,000 savings, reduction Parking write offs \$27,000 saving. Parking Infringement withdrawal reduction \$26,000, Reduction Rangers Pound Operation \$20,360 saving. Urban Planning saving \$20,000 Design Review group. Increase Waste - Tip Fees non processable waste Green Waste Disposal \$29,000 increased quantities and travel due to facility fire. Waste Savings Verge Collections \$30,000, Street Sweeping Albany Hwy W1578 \$30,000 savings. increase Street Sweeping W1579 Pathway cleaning & Sweeping \$29,000.

5. Interest Expense (unfavourable)

The \$35,204 decrease in interest expenses predominantly relates to the NRUPP and McMillan Loans being raised later than budgeted with reduced interest cost now expected.

6. Capital Funding Revenue (favourable)

The \$106,105 increase in Cap Funding Rutland Ave \$68,500 (moved from operating Funding) Footpath Turner Ave \$21,560, Archer and Orrong intersection decrease \$39,000.

7. Revenue Other Revenue (favourable)

The \$457,327 increase in Revenue Other is attributable to Tamala Park Revenue up by \$374,612, Workers Comp recovered up \$22,000 (NB: Offset by increased Exp of \$22K net nil affect under WC insurance)

8. Revenue Service Charges (favourable)

Increase of \$2,621,209 in Underground Power Service Charges levied for SUPP 6 YTD Actuals higher than budget. Offset by increased cash received for UGP Service charges transfer to quarantine to the Underground Power Reserve of \$3,029,875.

10. Capital Expense - Land (unfavourable)

The \$200,000 increase for Capital Expenses-Land predominately relates to new funds for detailed Design of Old Spaces, New Places Project No. 3 - Western Gateway (Total project cost \$200k)

10. Capital Expense - Equipment (unfavourable)

The \$414,085 increase in Capital Expenses - Equipment predominately relates to Waste - Purchase of new bins for three bin Garden Organic system rollout (Total project cost \$417k)

11. Capital Expense - Information Technology (favourable)

The \$50,000 decrease W4594 TDS Fleet replacement \$50,000 decrease in Information Technology Infrastructure costs.

12. Capital Expense - Roads (unfavourable)

The \$421,327 increase in Roads Infrastructure costs attributable to W4602 Marchamley St - Roberts to Gemini \$82,430 additional funds required, W4603 Carnarvon St - Lakeview to Dane \$13,060 saving, W4608 Satellite Pl -Roberts to End additional fund \$21,475, W4609 Galaxy Way - Mercury to Orrong saving \$41,990, W4611 Vamberwell St - Berwick to Devenish saving \$31,808, W4614 Howick St East -Rutland to Gallipoli additional \$28,445, W4618 Teague St - Harvey to Harper additional \$38,570, W4619 Herrison Way - Kerb replacement saving \$25,000, W4623 Leonard St -Gloucester to Berwick \$saving \$3,397, W4624 Emily St -Berwick to Boundary additional \$21,594, W4626 Temple St -Wahington to Berwick saving \$22,500, W 4607 Welshpool Rd - Albany Hwy to Sevenoaks saving \$5,656, W4660 B List Projects -crash barrier additional \$35,000, W 4597 Kent St -Gloucester to Berwick MRRG additional \$59,128, W4598 Briggs St -Rutland to Downing MRRG additional \$69,348, W 4610 Harris St -Briggs to Kew Additional \$78,343, W4622 Albany Hwy - Mint St intersection additional \$48,550, Seal Renewal Holden St Marchamley to Weston additional \$82,000. Please refer to Capital Expenses section later in this report for further details.

13. Capital Expense - Drains (favourable)

The \$30,000 reduction relates to WO1092 renewal drainage sumps reduced by \$80,000, WO 1459 Drainage works General increased \$50,000.

14. Capital Expense - Pathways (favourable)

The \$43,624 decrease in Pathways Infrastructure costs attributable to W4628 Kitchner Ave-Egham Rd and Howick St (west) \$10,404 saving and W4634 Twickenham Rd - Shepperton Rd and Burswood Rd (both sides) \$19,395 saving, W4639 Manning Rd Kent St and South Entrance saving \$13,825. Please refer to Capital Expenses section later in this report for further details.

15. Non-Operating Revenue - Transfers from Reserve (unfavourable)

The \$123,943 relates to YTD Actual less than Budget-reduction in transfers from Future Fund Reserve of \$121,028 Savings from Budget to payout RRFA exit fee, nil impact overall. Saving of \$2,915 on purchase of Gym equipment not required to be reimbursed from Furniture & Equipment Reserve, nil impact \$2,915 saving in capex from budget.

16. Non-Operating Revenue - Loans Proceeds (unfavourable)

The \$2,200,000 predominately relates to the raising of Loan for Ed Millen \$2,200,000 postponed to 2022/23 financial year

17. Non-Operating Revenue - Sale Proceeds (unfavourable)

The \$3,800,000 predominately relates to sale proceeds from Fabcot land postponed until 2022/23 off set by reduction in transfer to LAOS Reserve of \$3,800,000.

18. Non-Operating Expense - To Reserves (favourable)

Relates to \$3,270,772 decrease in Transfers to Reserve Funds, changes consists of delay in settlement of Fabcot land \$3,800,000 in 2021/22 postponed to 2022/23, LAOS reserve also reduction in interest of \$11,103, Ed Millen Loan funds postponed to 2022/23 and \$2,200,000 loan funds postponed to be placed into Ed Millen Reserve in 2021/22 now in 2022/23. Increase in transfer to Underground Power Reserve cash received from Underground Power Service charges YTD actual more than Budget \$2,779,875, offset by \$2,621,201 increase in UGP Service Charges revenue levied.

19. Non-Operating Expense - Principal Loans (favourable)

Saving of \$145,506 on raising of NRUPP loan later in year no loan repayments due in 2021/22 saving of \$102,421. Loan for Ed Millen postponed to 2022/23 saving of loan principal repayments of \$43,085

20. Opening Position ((Surplus) / Deficit) (unfavourable)

The variance between the 1st July budgeted estimated surplus and 1st July Actual audited surplus is \$42,642. The variance predominantly relates to changes in Net Current Assets and end of year Audit adjustments (Refer to Net Current Funding note below for further details).

Conclusion and Recommendation

The 2021-2022 Annual Budget Review has had input from all management levels at the Town, with the Senior Management Team acknowledging the values as included in this Review.

C-Suite have reviewed and had input on the Annual Budget Review during February 2022. Comments and suggestions made during this time have, where appropriate and possible been incorporated into the Review. Accordingly, it is therefore recommended that the Budget Review be accepted and the associated budgetary changes be approved.

S D Billingham
Finance Manager



Statutory Obligations

Statutory Obligations

During each financial year Council is required to assess its financial performance.

This requirement is in accordance with -

- Council's Financial Management Practices; and
- Regulation 33A of the *Local Government (Financial Management) Regulations 1996* (Review of Budget)

Regulation 33A states -

- 1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year

- 2A) The review of an annual budget for a financial year must -
 - i) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - ii) consider the local government's financial position as at the date of the review; and
 - iii) review the outcomes for the end of that financial year that are forecast in the budget.

- 2) Within 30 days after a review of the annual budget of a local government is carried out it is to be submitted to the Council.

- 3) A council is to consider a review submitted to it and is to determine (absolute majority required) whether or not to adopt the review, any parts of the review or any recommendations made in the review.

- 4) Within 30 days after a council has made a determination, a copy of the review is to be provided to the department.



Net Current Funding Position

Net Current Funding Position

For the period 1 July 2021 to 28 February 2022

Particulars	1 July As Budgeted \$	1 July Revised Budget \$	1 July Actual \$	28 February Actual \$	30 June Forecast \$
Current Assets	68,594,480	68,180,578	61,766,669	146,218,959	80,216,370
Cash - Unrestricted	7,913,381	10,905,801	40,128,544	29,864,933	6,864,933
Cash - Restricted	24,227,490	0	0	53,222,742	51,222,742
Financial Assets - restricted reserves	31,988,890	53,222,744	17,000,000	43,787,560	19,784,971
Receivables and Accruals	3,816,650	4,039,277	4,433,868	19,318,211	2,318,211
Contract Assets	142,796	0	0	0	0
Inventories	505,273	12,756	204,257	25,513	25,513
Current Liabilities	(17,069,292)	(14,130,694)	(17,440,068)	(28,993,628)	(28,993,628)
Payables	(6,723,827)	(3,785,229)	(6,527,295)	(18,080,855)	(18,080,855)
Contract Liabilities	(2,939,407)	(2,939,407)	(3,335,696)	(3,335,696)	(3,335,696)
Lease Liabilities	(64,155)	(64,155)	(73,678)	(73,678)	(73,678)
Long Term Borrowings	(2,798,462)	(2,798,462)	(2,798,462)	(2,798,462)	(2,798,462)
Provisions	(4,543,441)	(4,543,441)	(4,704,937)	(4,704,937)	(4,704,937)
Net Current Asset Position	51,525,188	54,049,884	44,326,601	117,225,331	51,222,742
Adjustments					
Unspent Loans	0	0	0	0	0
Total adjustments to net current assets	(50,360,127)	(53,222,744)	(43,542,103)	(97,010,302)	(51,222,742)
Net Current Funding Position	1,165,061	827,140	784,498	20,215,029	0
Surplus / (Deficit) Variation between 1 July (As Budgeted) and 1 July (As Audited)			(380,563)		
Surplus / (Deficit) Variation between 1 July (Sept 21 1/4 Budget Review) and 1 July (Audited)			(42,642)		

The Net Current Funding Position (1 July - As Budgeted) represents the estimate that was made, for budgeting purposes, for the closing balance for the previous year prior to the actual audited closing position being known.

The Net Current Funding Position 1 July represents the actual audited closing position for the previous year after all required end-of-year and audit adjustments have been completed.

The Net Current Funding position (31 December - Actual) represents the closing balance for the period under review after all required end-of-month adjustments have been completed.

The Net Current Funding Position (30 June - Forecast) represents the estimated closing balance for the financial year taking into regard all input by individual Managers and Service Area Leaders within the organisation.

Variation Explanation between 1 July (As Budgeted) and 1 July

An explanation of the variance between 1 July (As Budgeted) and 1 July can be found in the Executive Summary.



Statement of Budget Review

Statement of Budget Review

For the period 1 July 2021 to 28 February 2022

Revenue	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value		Variance
	\$	\$	\$	\$	Movement
Chief Executive Office	(717)	0	0	0	
Chief Executive Office	(637)	0	0	0	
Communications and Engagement	0	0	0	0	
Customer Relations	0	0	0	0	
People and Culture	0	0	0	0	
Governance and Strategy	(80)	0	0	0	
Community Planning	(845,220)	(1,212,071)	(1,278,093)	(66,022)	
Building Services	(203,243)	(378,500)	(377,500)	1,000	
Community Development	(23,275)	(31,100)	(31,100)	0	
Community Planning Office	(677)	0	0	0	
Environmental Health	(256,254)	(175,800)	(263,800)	(88,000)	Favourable
Events, Arts and Funding	(107,278)	(189,771)	(176,261)	13,510	
General Compliance	(7,369)	(21,500)	(21,500)	0	
Library Services	(16,252)	(46,400)	(44,211)	2,189	
Place Planning	(11,539)	0	0	0	
Urban Planning	(219,333)	(369,000)	(363,721)	5,279	
Finance	(50,603,064)	(54,697,051)	(55,107,246)	(410,195)	
Aqualife	(1,726,697)	(2,586,194)	(2,596,918)	(10,724)	
Budgeting	0	(1,594,117)	(1,594,117)	0	
Corporate Funds	(45,395,390)	(45,347,945)	(45,810,133)	(462,188)	Favourable
Finance Office	0	0	0	0	
Financial Services	(407,788)	(401,835)	(452,300)	(50,465)	Favourable
Technology and Digital Strategy	(270)	(1,500)	(1,500)	0	
Leisurelife	(1,119,829)	(2,048,647)	(1,964,924)	83,723	Unfavourable
Parking	(1,869,466)	(2,569,813)	(2,582,854)	(13,041)	
Ranger Services	(83,625)	(147,000)	(104,500)	42,500	Unfavourable
Operations	(8,228,016)	(21,768,592)	(24,501,582)	(2,732,990)	
Asset Planning	(6,978,703)	(11,598,104)	(14,219,313)	(2,621,209)	Favourable
Environment	0	0	0	0	
Fleet Services	(9,662)	(10,000)	(10,000)	0	
Operations Office	0	(1,100)	(1,100)	0	
Parks and Reserves	(66,177)	(3,519,447)	(3,511,347)	8,100	
Project Management	(548)	(1,000)	(1,000)	0	
Property Development and Leasing	0	0	0	0	
Street Improvement	(677)	(98,000)	(98,000)	0	
Street Operations	(465,760)	(5,767,422)	(5,887,303)	(119,881)	Favourable
Waste Services	(706,489)	(773,519)	(773,519)	0	
Total Revenue	(59,677,017)	(77,677,714)	(80,886,921)	(3,209,207)	Favourable

Statement of Budget Review (continued)

For the period 1 July 2021 to 28 February 2022

Expense	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value		Variance
	\$	\$	\$	\$	Movement
Chief Executive Office	2,906,897	5,432,877	5,498,877	66,000	
Chief Executive Office	703,172	1,211,890	1,211,890	0	
Communications and Engagement	395,381	1,013,767	1,013,767	0	
Customer Relations	456,110	834,095	854,095	20,000	
People and Culture	673,208	1,266,138	1,306,138	40,000	Unfavourable
Governance and Strategy	679,026	1,106,987	1,112,987	6,000	
Community Planning	5,590,486	10,880,485	10,578,376	(302,109)	
Building Services	346,302	654,508	581,208	(73,300)	Favourable
Community Development	759,029	1,366,830	1,274,544	(92,286)	Favourable
Community Planning Office	572,847	954,072	954,072	0	
Environmental Health	410,989	777,682	756,956	(20,726)	
Events, Arts and Funding	955,693	1,536,344	1,491,187	(45,157)	Favourable
General Compliance	73,978	135,205	135,205	0	
Library Services	841,630	1,509,068	1,507,483	(1,585)	
Place Planning	1,029,855	2,807,209	2,802,209	(5,000)	
Urban Planning	600,162	1,139,567	1,075,512	(64,055)	Favourable
Finance	7,910,631	24,021,082	23,930,936	(90,146)	
Aqualife	1,877,796	3,038,698	3,062,660	23,962	
Budgeting	(33,419)	9,186,154	9,186,154	0	
Corporate Funds	403,734	1,047,350	1,022,521	(24,829)	
Finance Office	516,308	909,064	916,264	7,200	
Financial Services	744,234	1,317,388	1,334,298	16,910	
Technology and Digital Strategy	1,787,149	3,553,921	3,548,921	(5,000)	
Leisurelife	1,190,203	2,046,112	2,071,377	25,265	Unfavourable
Parking	1,020,359	2,098,390	1,996,100	(102,290)	Favourable
Ranger Services	404,266	824,005	792,641	(31,364)	Favourable
Operations	26,748,330	45,030,567	44,877,525	(153,042)	
Asset Planning	11,485,351	17,341,689	17,338,189	(3,500)	
Environment	120,628	319,853	293,353	(26,500)	Favourable
Fleet Services	11,335	(16,270)	(16,270)	0	
Operations Office	660,045	912,350	912,350	0	
Parks and Reserves	1,901,520	5,209,722	4,939,522	(270,200)	Favourable
Project Management	696,262	2,751,541	2,896,999	145,458	Unfavourable
Property Development and Leasing	281,826	890,058	890,058	0	
Street Improvement	495,414	1,318,389	1,318,589	200	
Street Operations	1,204,600	2,588,965	2,588,965	0	
Waste Services	9,891,348	13,714,270	13,715,770	1,500	
Total Expense	43,156,344	85,365,011	84,885,714	(479,297)	Favourable

Statement of Budget Review (continued)

For the period 1 July 2021 to 28 February 2022

Capital	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value	\$	Variance
	\$	\$	\$	\$	Movement
Community Planning	4,000	2,500	202,500	200,000	
Events, Arts and Funding	4,000	2,500	2,500	0	
Place Planning	0	0	200,000	200,000	
Finance	144,350	480,830	427,915	(52,915)	
Aqualife	37,085	40,000	37,085	(2,915)	
Technology and Digital Strategy	107,265	420,832	370,832	(50,000)	Favourable
Parking	0	19,998	19,998	0	
Operations	4,066,558	27,384,532	28,135,644	751,112	
Asset Planning	242,584	2,775,685	2,775,685	0	
Fleet Services	201,297	998,485	998,485	0	
Parks and Reserves	1,198,273	9,710,508	9,706,708	(3,800)	
Project Management	589,867	1,150,000	1,150,000	0	
Property Development and Leasing	358	0	0	0	
Street Operations	1,834,180	12,749,854	13,087,766	337,912	Unfavourable
Waste Services	0	0	417,000	417,000	Unfavourable
Total Capital	4,214,908	27,867,862	28,766,059	898,197	Unfavourable

Statement of Budget Review (continued)

For the period 1 July 2021 to 28 February 2022

<u>Non-Operating Revenue</u>	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value	\$	Variance
	\$	\$	\$	\$	Movement
Finance	(10,606,107)	(43,295,434)	(37,171,491)	6,123,943	
Corporate Funds	(10,606,107)	(43,295,434)	(37,171,491)	6,123,943	Unfavourable
Operations	(25,215)	(391,500)	(391,500)	0	
Fleet Services	(25,215)	(391,500)	(391,500)	0	
Total Non-Operating Revenue	(10,631,322)	(43,686,934)	(37,562,991)	6,123,943	Unfavourable

<u>Non-Operating Expense</u>	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value	\$	Variance
	\$	\$	\$	\$	Movement
Finance	2,795,155	16,940,952	13,564,674	(3,376,278)	
Corporate Funds	2,795,155	16,940,952	13,564,674	(3,376,278)	Favourable
Total Non-Operating Expense	2,795,155	16,940,952	13,564,674	(3,376,278)	Favourable

<u>Non-Cash Adjustments</u>	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value	\$	Variance
	\$	\$	\$	\$	Movement
Non-Cash Items	33,419	(7,982,037)	(7,982,037)	0	
Profit and Loss	0	1,486,163	1,486,163	0	
Depreciation	33,419	(9,468,200)	(9,468,200)	0	
Total Non-Cash Adjustments	33,419	(7,982,037)	(7,982,037)	0	

<u>(Surplus) / Deficit Position</u>	Year-To-Date	Revised	Forecast	Variance	Material
Particulars	Actual	Budget	Value	\$	Variance
	\$	\$	\$	\$	Movement
(Surplus) / Deficit Position	(106,517)	(827,140)	(784,498)	42,642	
Opening (Surplus) / Deficit	(784,498)	(827,140)	(784,498)	42,642	Unfavourable
Suspense items	677,981	0	0	0	
Total (Surplus) / Deficit Position	(106,517)	(827,140)	(784,498)	42,642	Unfavourable
Closing (Surplus) / Deficit Position	(20,215,029)	0	(0)	(0)	

This page left intentionally blank.



Service Area Variance Reporting

Service Area Variance Reporting

For the purposes of reporting the budgeted material variance movements in the Statement of Budget Review (which has been prepared by each individual Service Area), the following indicators have been applied -

Revenues (Operating and Non-Operating)

Service Area material variances will be identified where, for the period being reviewed, the year-end forecast varies to the current revised budget estimate by an amount (+) or (-) \$25,000 and, in those instances, an explanatory comment will be provided.

Expenses (Operating, Capital and Non-Operating)

Service Area material variances will be identified where, for the period being reviewed, the year-end forecast varies to the current revised budget estimate by an amount (+) or (-) \$25,000 and, in those instances, an explanatory comment will be provided.

Service Area Variance Reporting (continued)

Chief Executive Office - Chief Executive Office

Service Statement

The Chief Executive Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Chief Executive Office functional area.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material
		Actual	Budget	Value	\$	Variance
		\$	\$	\$	\$	Movement
Expense		703,172	1,211,890	1,211,890	0	
Employment		679,445	1,049,351	1,049,351		
Office		5,529	8,345	8,345		
Professional Services		0	6,000	6,000		
Asset Operations		1,012	11,000	11,000		
Programs		17,187	137,194	137,194		
Revenue		(637)	0	0	0	
Revenue Other		(637)	0	0		
Total		702,535	1,211,890	1,211,890	0	

Financial Position and Material Variance Movement Explanation(s)

The Chief Executive Office service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Chief Executive Office - Communications and Engagement

Service Statement

Communications and Engagement manages the brand and reputation of the Town. This is achieved through developing clear and accessible messaging, consulting with the community, delivering key messages through various channels and working to reach the appropriate audiences through strategically executed marketing, engagement and communication planning.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		395,381	1,013,767	1,013,767	0	
Employment		323,636	603,718	603,718		
Office		13,962	107,547	107,547		
Professional Services		19,700	52,000	52,000		
Asset Operations		0	2,002	2,002		
Programs		38,084	248,500	248,500		
Revenue		0	0	0	0	
Revenue Other		0	0	0		
Total		395,381	1,013,767	1,013,767	0	

Financial Position and Material Variance Movement Explanation(s)

The Communications and Engagement service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Chief Executive Office - Customer Relations

Service Statement

Customer Relations manages the Customer Service Contact Centre, which is the first point of contact for the organisation, and monitors performance against the Town's Customer Service Charter.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material
		Actual	Budget	Value		Variance
		\$	\$	\$	\$	Movement
Expense		456,110	834,095	854,095	20,000	
Employment		414,969	728,538	728,538		
Office		38,038	48,057	48,057		
Professional Services		1,640	50,000	50,000		
Programs		1,463	7,500	27,500		
Total		456,110	834,095	854,095	20,000	

Financial Position and Material Variance Movement Explanation(s)

The Customer Relations service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Chief Executive Office - Governance and Strategy

Service Statement

The Governance and Strategy Service Area is committed to responsibly managing the Town on behalf of the residents and ratepayers of the District through collaboration, knowledge-sharing and good governance.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	679,026	1,106,987	1,112,987	6,000	
Employment		279,790	435,781	435,781		
Office		15,852	16,344	22,344		
Professional Services		27,234	86,000	86,000		
Asset Operations		0	0	0		
Programs		356,150	568,862	568,862		
Revenue		(80)	0	0	0	
Revenue Other		(80)	0	0		
Total		678,946	1,106,987	1,112,987	6,000	

Financial Position and Material Variance Movement Explanation(s)

The Governance and Strategy service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Chief Executive Office - People and Culture

Service Statement

People and Culture is responsible for the development and implementation of occupational health and safety compliance, staff development, employee relations, recruitment and payroll services of the Town.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	673,208	1,266,138	1,306,138	40,000	Unfavourable
Employment		410,533	726,705	726,705		
Office		7,603	14,683	14,683		
Professional Services		9,481	50,000	44,160		
Asset Operations		0	0	0		
Programs		245,592	474,750	520,590		
Revenue		0	0	0	0	
Revenue Other		0	0	0		
Total		673,208	1,266,138	1,306,138	40,000	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating expenditure within Human Resources has an unfavourable variance of \$40,000. The unfavourable variance is predominantly due to Programs OSH \$40,000 increased costs.

Service Area Variance Reporting (continued)

Community Planning - Building Services

Service Statement

Building Services provide services to ensure buildings are safe, liveable, accessible and sustainable, and meet statutory requirements.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	346,302	654,508	581,208	(73,300)	Favourable
Employment		306,918	528,706	483,706		
Office		8,419	12,192	9,892		
Professional Services		25,015	85,000	59,000		
Asset Operations		5,945	28,510	28,510		
Programs		5	100	100		
Revenue		(203,243)	(378,500)	(377,500)	1,000	
Fees and Charges		(198,239)	(374,500)	(368,500)		
Revenue Other		(5,005)	(4,000)	(9,000)		
Total		143,059	276,008	203,708	(72,300)	Favourable

Financial Position and Material Variance Movement Explanation(s)

- Operating Expenses Employment decreased \$45,000 savings Agency staff , Professional Services decreased \$26,000 -legal services \$21,000 saving
- The Building Services service area Operating Revenue budget is on track. No material variances are expected at end of financial year

Service Area Variance Reporting (continued)

Community Planning - Community Development

Service Statement

The Community Development team's vision is an empowered Victoria Park, which will be achieved through the mission of community capacity building and applying the principles of Asset Based Community Development.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	759,029	1,366,828	1,274,544	(92,284)	Favourable
Employment		548,834	817,779	794,495		
Office		13,447	20,646	20,646		
Professional Services		50,890	80,000	80,000		
Asset Operations		14	0	0		
Programs		145,843	448,403	379,403		
Revenue		(23,275)	(31,100)	(31,100)	0	
Operating Funding		0	0	0		
Fees and Charges		(19,759)	(27,500)	(27,500)		
Revenue Other		(3,516)	(3,600)	(3,600)		
Capital Expense		0	0	0	0	
Other Infrastructure		0	0	0		
Total		735,754	1,335,728	1,243,444	(92,284)	Favourable

1. Operating Expenses Community Development service area has a favourable budget variances of \$92,284, which predominately relates savings in Employment of \$23,284 and Programs of \$69,000 (Youth Action Plans saving \$32,000 transferred within Community Development, Outreach Initiative \$40,00 saving due to contract 6 months instead of 12 months)

Service Area Variance Reporting (continued)

Community Planning - Community Planning Office

Service Statement

The Community Planning Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Community Planning functional area which includes the Place Planning, Development Services and Community Development service areas.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	572,847	954,072	954,072	0	
Employment		556,618	898,130	898,130		
Office		5,201	9,442	9,442		
Professional Services		1,500	4,000	4,000		
Asset Operations		3,186	15,000	15,000		
Programs		6,343	27,500	27,500		
Revenue		(677)	0	0	0	
Revenue Other		(677)	0	0		
Total		572,170	954,072	954,072	0	

Financial Position and Material Variance Movement Explanation(s)

The Community Planning Office service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Community Planning - Economic Development - Now sitting under Place Planning

Service Statement

Economic Development seeks to increase the economic growth of the district through fostering business attraction and retention, tourism, marketing, community initiatives and creating robust relationships.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		0	0	0	0	
Employment		0	0	0		
Office		0	0	0		
Professional Services		0	0	0		
Programs		0	0	0		
Total		0	0	0	0	

Financial Position and Material Variance Movement Explanation(s)

The Economic Development service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Community Planning - Environmental Health

Service Statement

Environmental Health seeks to protect and promote healthy natural and built environments in our community.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material
		Actual	Budget	Value	\$	Variance
		\$	\$	\$	\$	Movement
Expense		410,989	777,682	756,956	(20,726)	
Employment		372,509	657,671	643,945		
Office		7,042	13,161	14,161		
Professional Services		12,101	33,000	24,000		
Asset Operations		6,347	40,000	40,000		
Programs		12,990	33,850	34,850		
Revenue	1	(256,254)	(175,800)	(263,800)	(88,000)	Favourable
Operating Funding		0	(1,000)	(1,000)		
Fees and Charges		(252,576)	(164,600)	(252,600)		
Revenue Other		(3,677)	(10,200)	(10,200)		
Total		154,735	601,882	493,156	(108,726)	Favourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating revenues in the Environmental Health service area budget has a favourable variance of \$88,000, this is predominately a increase in Fees & Charges , Food Business fees increase of \$90,000

Service Area Variance Reporting (continued)

Community Planning - General Compliance

Service Statement

The General Compliance Area liaise with and direct property owners and developers to ensure built-form building and planning requirements are adhered to at all times.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	73,978	135,205	135,205	0	
Employment		68,321	112,050	112,050		
Office		2,875	3,321	3,321		
Professional Services		0	10,000	10,000		
Asset Operations Programs		2,783 0	9,834 0	9,834 0		
Revenue		(7,369)	(21,500)	(21,500)	0	
Revenue Other		(7,369)	(21,500)	(21,500)		
Total		66,609	113,705	113,705	0	

Financial Position and Material Variance Movement Explanation(s)

The General Compliance service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Community Planning - Library Services

Service Statement

Library Services plays a pivotal role in providing our community with access to resources, knowledge and technology in a safe, nurturing environment.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material
		Actual	Budget	Value	\$	Variance
		\$	\$	\$	\$	Movement
Expense		840,564	1,507,568	1,505,983	(1,585)	
Employment		707,946	1,222,638	1,222,638		
Office		28,910	53,893	48,808		
Asset Operations		4,367	17,830	17,830		
Programs		99,341	213,207	216,707		
Revenue		(16,252)	(46,400)	(44,211)	2,189	
Operating Funding		(2,480)	(21,000)	(21,000)		
Fees and Charges		(13,095)	(24,800)	(22,593)		
Revenue Other		(677)	(600)	(618)		
Total		824,312	1,461,168	1,461,772	604	

Financial Position and Material Variance Movement Explanation(s)

The Library Services service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Community Planning - Place Planning

Service Statement

The Place Planning Service Area implements programs, that are suitable for the particular targeted section of the community, to improve places within the District or, where the community is satisfied with the standard of operation, to maintain the already attained standard.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	1,029,855	2,807,209	2,802,209	(5,000)	
Employment		469,353	910,411	910,411		
Office		32,473	22,784	22,784		
Professional Services		188,192	721,744	701,744		
Asset Operations		0	0	0		
Programs		339,837	1,152,270	1,167,270		
Total		1,029,855	2,807,209	2,802,209	(5,000)	

Financial Position and Material Variance Movement Explanation(s)

The Place Planning Services area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Community Planning - Urban Planning

Service Statement

Urban Planning assesses applications for development approval and subdivision, provides advice to the community and ensures land is appropriately used and developed.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	600,162	1,139,567	1,075,512	(64,055)	Favourable
Employment		528,088	912,438	872,438		
Office		37,725	34,129	40,049		
Professional Services		2,500	85,000	75,000		
Asset Operations		2,881	19,000	19,000		
Programs		28,969	89,000	69,025		
Revenue	2	(219,333)	(369,000)	(363,721)	5,279	
Fees and Charges		(217,885)	(366,500)	(361,000)		
Revenue Other		(1,448)	(2,500)	(2,721)		
Total		380,829	770,567	711,791	(58,776)	Favourable

Financial Position and Material Variance Movement Explanation(s)

- Operating expenditure within Urban Planning area has a favourable budget forecast variance of \$64,055. The favourable variance predominately relates to a expected reduction in Employment \$40,000, Professional Services-Consultancy General of \$10,000, Program \$19,975.
- Operating Revenue within Urban Planning service area budget is on track. No material variances are expected at the end of financial year.

Service Area Variance Reporting (continued)

Finance - Aqualife

Service Statement

The Aqualife Centre aims to improve community health and wellbeing; and to provide a safe and welcoming environment for the community to meet and socialise, primarily through aquatic recreation.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	1,877,796	3,038,698	3,062,660	23,962	
Employment		1,597,946	2,588,993	2,589,830		
Office		47,882	57,244	53,744		
Asset Operations		77,303	139,606	131,106		
Programs		154,665	252,855	287,980		
Revenue	2	(1,726,697)	(2,586,194)	(2,596,918)	(10,724)	
Fees and Charges		(1,725,911)	(2,585,194)	(2,595,918)		
Revenue Other		(786)	(1,000)	(1,000)		
Capital Expense		37,085	40,000	37,085	(2,915)	
Furniture and Equipment		37,085	40,000	37,085		
Total		188,185	492,504	502,827	10,323	

Financial Position and Material Variance Movement Explanation(s)

The Aqualife service area budget is on track. No material variances are expected at end of financial year

Service Area Variance Reporting (continued)

Finance - Budgeting

Service Statement

The Budgeting Area includes the administration of non-cash expenditure and revenue associated with local government accounting requirements, including profit and loss and depreciation.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	(33,419)	9,186,154	9,186,154	0	
Accounting Standards Expense		(33,419)	9,186,154	9,186,154		
Revenue		0	(1,594,117)	(1,594,117)	0	
Accounting Standards Revenue		0	(1,594,117)	(1,594,117)		
Total		(33,419)	7,592,037	7,592,037	0	

Financial Position and Material Variance Movement Explanation(s)

The Budgeting service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Finance - Corporate Funds

Service Statement

The Corporate Funds are includes the management of loans, reserve fund transfers, restricted and trust funds, rate revenue and corporate grants funding.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	403,734	968,895	944,066	(24,829)	
Programs		239,554	688,072	698,447		
Interest Expense		164,180	280,823	245,619		
Revenue	2	(45,395,390)	(45,347,945)	(45,810,133)	(462,188)	Favourable
Rates		(44,382,333)	(44,367,425)	(44,367,425)		
Operating Funding		(310,665)	(621,330)	(621,330)		
Earnings Interest		(51,300)	(178,890)	(178,890)		
Revenue Other		(651,092)	(180,300)	(642,488)		
Non-Operating Revenue	3	(9,772,774)	(42,462,101)	(36,338,158)	6,123,943	Unfavourable
From Reserve		(9,478,533)	(34,972,873)	(34,848,930)		
Loan Proceeds		0	(3,689,228)	(1,489,228)		
Sale Proceeds		(294,241)	(3,800,000)	0		
Non-Operating Expense	4	2,795,155	16,940,952	13,564,674	(3,376,278)	Favourable
To Reserve		43,350	13,923,306	10,692,534		
Principal		2,751,805	3,017,646	2,872,140		
Total		(51,969,275)	(69,900,199)	(67,639,551)	2,260,648	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

- Operating Expenses - Finance Corporate Funds area budget is on track. No material variances are expected at end of financial year.
- Operating Revenue within Corporate Fund area has a favourable budget forecast variance of \$462,188. The favourable variance relates to a increased Revenue Other Workers Comp recovered increased by \$22,000 (NB: offset by Workers Compensation expenses above) and Tamala Park Income \$374,612 increase, LSL received form othr Councils increase \$55,000.
- Non-Operating Revenue within Corporate Fund area has favourable budget forecast \$6,123,943. The favourable varainace predominately relates to , reduction in Transfers from Reserve \$123,943 (reduced figure for RRFA saving from budget expectations \$121,028 required from Future Fund), reduction in Loan Proceeds of \$2,200,000 for Ed Millen Project postponed to 2022/23, reduction in Sale proceeds from sale of Fabcot land \$3,800,000 postponed to 2022/23 settlement conditions to fulfilled.
- Non-Operating Expense within Corporate Fund area has an unfavourable budget forecast variance of \$3,416,278 more funds in cash received for SUPP 6 than Budget Expections (offset by increase in UGP Service charges). The unfavourable variance predominantly relates to increased transfer to reserve of \$3,270,772, predominately made up of increase to Underground power reserve \$2,779,875, reduction in transfer to Reserve of Ed Millen Loan proceeds \$2,200,000, reduction due to delay in Sale of Fabcot Land reduced transfer to LAOS reserve \$3,800,000.

Service Area Variance Reporting (continued)

Finance - Finance Office

Service Statement

The Finance Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Finance functional area.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	516,308	909,064	916,264	7,200	
Employment		496,605	852,822	867,622		
Office		5,011	10,342	7,242		
Professional Services		4,200	13,000	13,000		
Asset Operations		0	4,500	0		
Programs		10,492	28,400	28,400		
Revenue		0	0	0	0	
Revenue Other		0	0	0		
Total		516,308	909,064	916,264	7,200	

Financial Position and Material Variance Movement Explanation(s)

The Finance Office service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Finance - Financial Services

Service Statement

The key role of Financial Services is to manage and control the Town's finances in a sound and prudent manner.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material Variance Movement
		Actual \$	Budget \$	Value \$	\$	
Expense		744,234	1,317,388	1,334,298	16,910	
Employment		534,309	914,839	924,399		
Office		38,636	56,549	53,549		
Professional Services		13,940	79,000	79,350		
Asset Operations		14	0	0		
Programs		157,334	267,000	277,000		
Revenue	1	(407,788)	(401,835)	(452,300)	(50,465)	Favourable
Operating Funding		(43,825)	(35,835)	(43,800)		
Fees and Charges		(213,583)	(211,500)	(246,500)		
Earnings Interest		(150,247)	(154,500)	(162,000)		
Revenue Other		(133)	0	0		
Total		336,447	915,553	881,998	(33,555)	Favourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating revenue within Financial Services area has a favourable budget forecast variance of \$50,465. The favourable variance is due to expected increases in fees & charges of \$35,000 - Property Enquiry Fees.

Service Area Variance Reporting (continued)

Service Statement

Technology and Digital Strategy assists the Town in operating efficiently with the smooth running of essential business computer programs and systems.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		1,787,149	3,553,921	3,548,921	(5,000)	
Employment		585,935	1,019,977	1,019,977		
Office		11,682	19,944	19,944		
Professional Services		6,495	259,000	259,000		
Asset Operations		893	30,000	30,000		
Programs		1,182,145	2,225,000	2,220,000		
Revenue		(270)	(1,500)	(1,500)	0	
Operating Funding		0	0	0		
Fees and Charges		(270)	(1,000)	(1,000)		
Revenue Other		0	(500)	(500)		
Capital Expense	1	107,265	420,832	370,832	(50,000)	Favourable
Information Technology		107,265	420,832	370,832		
Total		1,894,144	3,973,253	3,918,253	(55,000)	Favourable

Financial Position and Material Variance Movement Explanation(s)

1. Capital Expense within Technology and Digital Strategy service area has a favourable budget forecast variance of \$50,000. The favourable variance relates to decreased expected costs for TDS mobile fleet replacement of \$50,000, supply chain issues due to COVID 19.

Service Area Variance Reporting (continued)

Finance - Leisurelife

Service Statement

The Leisurelife Centre aims to improve community health and wellbeing, and to provide a safe and welcoming environment for the community to meet and socialise, primarily through active recreation.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	1,190,203	2,046,112	2,071,377	25,265	Unfavourable
Employment		932,857	1,467,120	1,466,065		
Office		27,576	48,039	45,539		
Asset Operations		1,191	13,000	13,000		
Programs		228,579	517,953	546,773		
Revenue	2	(1,119,829)	(2,048,647)	(1,964,924)	83,723	Unfavourable
Fees and Charges		(1,119,152)	(2,026,321)	(1,942,598)		
Revenue Other		(677)	(22,326)	(22,326)		
Total		70,374	(2,535)	106,453	108,988	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating expenditure within Leisurelife service area has an unfavourable budget forecast variance of \$25,265. The unfavourable variance relates to increased programs costs.

2. Operating revenue within Leisurelife service area has an unfavourable budget forecast variance of \$83,723. The unfavourable variance relates to decreased Fees & Charges being lower than anticipated. Dryside direct debit memberships reduced \$67,706, Dryside term memberships reduced \$20,075.

Service Area Variance Reporting (continued)

Finance - Parking Management

Service Statement

The Parking Management section guides future parking initiatives within the Town, ensuring equitable access for everyone, whilst also monitoring existing parking areas and ensuring a safer community.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	1,020,359	2,098,390	1,996,100	(102,290)	Favourable
Employment		563,654	1,099,442	1,097,442		
Office		24,587	54,138	53,638		
Professional Services		152,657	254,900	267,600		
Asset Operations		42,028	124,490	71,000		
Programs		237,432	565,420	506,420		
Revenue		(1,869,466)	(2,569,813)	(2,582,854)	(13,041)	
Operating Funding		(101,636)	(65,000)	(75,000)		
Fees and Charges		(1,660,368)	(2,315,075)	(2,318,116)		
Revenue Other		(107,462)	(189,738)	(189,738)		
Capital Expense		0	19,998	19,998	0	
Furniture and Equipment		0	0	0		
Other Infrastructure		0	19,998	19,998		
Total		(849,108)	(451,425)	(566,756)	(115,331)	Favourable

1. Operating expenditure within Parking Management service area has a favourable budget forecast variance of \$102,290. The favourable variance is predominantly due to decreased Asset Operations \$53,490 (vehicle operation saving \$21,000 and Equipment mtce \$32,490 saving) and Programs related

Service Area Variance Reporting (continued)

Finance - Rangers

Service Statement

Ranger Services offer a 24 hours-a-day / 7 days-a-week service to help ensure community safety in the areas of Dog and Cat management and other Local Law enforcement.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	404,266	824,005	792,641	(31,364)	Favourable
Employment		317,905	561,278	567,014		
Office		15,495	37,297	36,997		
Professional Services		2,045	11,000	8,500		
Asset Operations		14,537	65,030	65,030		
Programs		54,284	149,400	115,100		
Revenue	2	(83,625)	(147,000)	(104,500)	42,500	Unfavourable
Operating Funding		(3,922)	(7,500)	(8,500)		
Fees and Charges		(75,947)	(131,500)	(90,000)		
Revenue Other		(3,756)	(8,000)	(6,000)		
Total		320,642	677,005	688,141	11,136	

1. Operating expenditure within Ranger Services area has a favourable budget forecast variance of \$31,364. The favourable variance is predominantly due to decreases in programs costs \$34,300, Pound Cost saving \$20,360.

2. Operating revenue within Ranger Services area has a UNfavourable budget forecast variance of \$42,500. The unfavourable variance is predominantly due to lower than anticipated fees & charges of \$41,500 related to Dog infringements \$22,000 reducing and Bush Fire Non compliance fees \$22,000.

Service Area Variance Reporting (continued)

Operations - Asset Planning

Service Statement

Asset Planning provides services to manage and maintain Council facilities and their related assets.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		11,485,351	17,341,689	17,338,189	(3,500)	
Employment		403,564	749,037	749,037		
Office		11,751	15,989	15,989		
Professional Services		12,634	286,000	273,500		
Asset Operations		1,460,168	2,433,450	2,427,450		
Programs		9,597,235	13,857,213	13,872,213		
Revenue	1	(6,978,703)	(11,598,104)	(14,219,313)	(2,621,209)	Favourable
Operating Funding		0	0	0		
Capital Funding		0	(1,550,000)	(1,550,000)		
Fees and Charges		(86,587)	(221,001)	(221,001)		
Earnings Interest		(3,049)	(9,000)	(9,000)		
Revenue Other		(62,517)	(67,800)	(67,800)		
Service Charges		(6,826,550)	(9,750,303)	(12,371,512)		
Capital Expense		242,584	2,775,685	2,775,685	0	
Buildings		242,584	2,775,685	2,775,685		
Furniture and Equipment		0	0	0		
Total		4,749,233	8,519,270	5,894,561	(2,624,709)	Favourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating revenue within Asset Planning area has a favourable budget forecast variance of \$2,621,209. The favourable variance relates to a increase in revenue expected from Underground Power Service charges for SUPP6, offset by increase transfer to UGP Reserve of Cash funds received that are to be quarantined into UGP reserve to repay Loan for SUPP 6 in coming 6 years.

Service Area Variance Reporting (continued)

Operations - Environment

Service Statement

The Environment Area is committed to sustainable natural resource use, preserving and enhancing natural areas and recognises not only the ecological benefits of protecting natural assets, but also the social and recreational benefits as well.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	120,628	319,853	293,353	(26,500)	Favourable
Employment		73,664	155,837	155,837		
Office		1,957	3,516	3,516		
Professional Services		0	20,500	20,500		
Programs		45,007	140,000	113,500		
Total		120,628	319,853	293,353	(26,500)	Favourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating Expenses in the Environment service area budget has a favourable variance of \$26,500 relates to Programs reducing by \$26,500. Some actions within the Climate Emergency Plan have been able to be progressed without the need for initial anticipated budget

Service Area Variance Reporting (continued)

Operations - Fleet Services

Service Statement

Fleet Services oversees the various items of light fleet, heavy fleet and plant and equipment.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material
		Actual	Budget	Value	\$	Variance
		\$	\$	\$	\$	Movement
Expense		11,335	(16,270)	(16,270)	0	
Employment		91,203	152,461	152,461		
Office		14,085	12,021	12,021		
Professional Services		2,592	45,000	45,000		
Asset Operations		10,971	30,000	30,000		
Programs		431,135	755,699	755,699		
Accounting Standards Expense		(538,651)	(1,011,451)	(1,011,451)		
Revenue		(9,662)	(10,000)	(10,000)	0	
Revenue Other		(9,662)	(10,000)	(10,000)		
Capital Expense		201,297	998,485	998,485	0	
Plant and Machinery		201,297	998,485	998,485		
Non-Operating Revenue		(25,215)	(391,500)	(391,500)	0	
Sale Proceeds		(25,215)	(391,500)	(391,500)		
Total		177,755	580,715	580,715	0	

Financial Position and Material Variance Movement Explanation(s)

The Operations Fleet Services - service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Operations - Operations Office

Service Statement

The Operations Office leads and supports the transformation of the organisation into a customer-focused, culturally constructive, legislatively compliant, sector-leading entity, with a primary focus on the Service Areas within the Operations functional area.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		660,045	912,350	912,350	0	
Employment		499,665	871,998	871,998		
Office		8,301	9,942	9,942		
Professional Services		0	6,500	6,500		
Asset Operations		0	14,800	14,800		
Programs		152,078	9,110	9,110		
Revenue		0	(1,100)	(1,100)	0	
Operating Funding		0	0	0		
Revenue Other		0	(1,100)	(1,100)		
Total		660,045	911,250	911,250	0	

Financial Position and Material Variance Movement Explanation(s)

The Operations Office service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Operations - Parks and Reserves

Service Statement

The Parks and Reserves Section delivers high quality horticultural works to parks, reserves and streetscapes.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	1,901,520	5,209,722	4,939,522	(270,200)	Favourable
Employment		561,155	892,835	892,835		
Office		12,191	20,842	20,842		
Professional Services		3,991	10,000	10,000		
Asset Operations		1,906,174	5,418,145	5,147,945		
Programs		1,089	1,800	1,800		
Accounting Standards Expense		(583,080)	(1,133,900)	(1,133,900)		
Revenue		(66,177)	(3,519,447)	(3,511,347)	8,100	
Capital Funding		0	(3,450,000)	(3,450,000)		
Fees and Charges		(17,156)	(55,000)	(55,000)		
Revenue Other		(49,021)	(14,447)	(6,347)		
Capital Expense		1,198,273	9,710,508	9,706,708	(3,800)	
Parks		1,198,273	9,710,508	9,706,708		
Total		3,033,616	11,400,783	11,134,883	(265,900)	Favourable

Financial Position and Material Variance Movement Explanation(s)

- Operating expenditure within Parks and Reserves area has a favourable budget forecast variance of \$520,200. The variance predominantly relates to the decrease in Asset Operations \$270,200. Predominantly due to increase in UFS Street Tree audits increasing number of audit due to condition of street trees by \$12,000. Burswood Peninsula POS mtce reduced \$287,000 from budget Council decision not to take over POS responsibility from developer.

Service Area Variance Reporting (continued)

Operations - Project Management

Service Statement

Project Management assists in improving the standards of project management and project delivery, and delivers nominated strategic projects on behalf of the Town.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	696,262	2,751,541	2,896,999	145,458	Unfavourable
Employment		484,347	784,134	784,134		
Office		5,715	10,407	10,407		
Professional Services		203,609	1,950,000	2,095,458		
Assets		2,591	7,000	7,000		
Programs		0	0	0		
Revenue		(548)	(1,000)	(1,000)	0	
Operating Funding		0	0	0		
Fees and Charges		0	0	0		
Revenue Other		(548)	(1,000)	(1,000)		
Capital Expense		0	0	0	0	
Land		0	0	0		
Total		695,714	2,750,541	2,895,999	145,458	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating expenditure within Project Management area has a unfavourable budget forecast variance of \$145,458. The unfavourable variance relates to costs increasing for professional services of \$145,458

Professional Services operating expenses increased \$145,458 based on increases in Lathlain Zone 2 \$3,458, Koolbardi Park -basketball court issues \$10,000, Koolbardi Park Noise issues \$30,000, Ed Millen Project Lead \$40,000, Koolbardi Park Interpretive signage \$12,000, Bird Waterers fabrication and installation \$50,000.

Service Area Variance Reporting (continued)

Operations - Property Development and Leasing

Service Statement

The newly formed Property Development and Leasing service area assists in strategic projects property development and property leasing arrangements on behalf of the Town.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense	1	281,826	890,058	890,058	0	
Employment		161,517	333,548	333,548		
Office		4,986	6,510	6,510		
Professional Services		115,324	550,000	550,000		
Assets		0	0	0		
Programs		0	0	0		
Revenue		0	0	0	0	
Operating Funding		0	0	0		
Fees and Charges		0	0	0		
Revenue Other		0	0	0		
Capital Expense		358	0	0	0	
Land		358	0	0		
Total		282,184	890,058	890,058	0	

Financial Position and Material Variance Movement Explanation(s)

The Operations Property Development & Leasing service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Operations - Street Improvement

Service Statement

Street Improvement provides engineering advice, design, planning, and road safety initiatives.

Particulars	Note	Year-To-Date	Revised	Forecast	Variance	Material Variance Movement
		Actual \$	Budget \$	Value \$	\$	
Expense	1	495,414	1,318,389	1,318,589	200	
Employment		417,544	957,891	982,891		
Office		12,899	13,498	17,198		
Professional Services		59,410	327,000	298,500		
Asset Operations		3,226	10,000	10,000		
Programs		2,335	10,000	10,000		
Revenue		(677)	(98,000)	(98,000)	0	
Operating Funding		0	0	0		
Fees and Charges		0	(90,000)	(90,000)		
Revenue Other		(677)	(8,000)	(8,000)		
Total		494,737	1,220,389	1,220,589	200	

Financial Position and Material Variance Movement Explanation(s)

The Operations Street Improvement service area budget is on track. No material variances are expected at end of financial year.

Service Area Variance Reporting (continued)

Operations - Street Operations

Service Statement

Street Operations ensure the maintenance and renewal of roads, pathways, drainage and associated assets.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		1,204,600	2,588,965	2,588,965	0	
Employment		402,330	609,292	609,292		
Office		10,261	15,192	15,192		
Professional Services		3,500	40,000	40,000		
Asset Operations		1,188,016	2,539,500	2,539,500		
Programs		29,709	129,000	129,000		
Accounting Standards Expense		(429,216)	(744,019)	(744,019)		
Revenue	1	(465,760)	(5,767,422)	(5,887,303)	(119,881)	Favourable
Operating Funding		(97,108)	(112,332)	(126,108)		
Capital Funding		(299,173)	(5,566,290)	(5,672,395)		
Fees and Charges		(66,847)	(83,100)	(83,100)		
Revenue Other		(2,632)	(5,700)	(5,700)		
Capital Expense	2	1,834,180	12,749,854	13,087,766	337,912	Unfavourable
Roads		1,597,179	8,091,175	8,512,647		
Drainage		27,371	300,000	270,000		
Pathways		28,254	2,654,227	2,610,603		
Other Infrastructure		181,375	1,704,452	1,694,516		
Total		2,573,020	9,571,397	9,789,428	218,031	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

1. Operating revenue within Street Operations area has a favourable budget forecast variance of \$119,881. The favourable variance relates to Capital Funding increase MRRG projects for Kent St \$39,419, Briggs St \$46,232 and Albany Hwy \$20,454.

2. Capital expenditure within Street Operations area has an unfavourable budget forecast variance of \$337,912. The unfavourable variance relates to Roads increase \$421,472, Drainage \$30,000 decrease, Pathways reduction of \$43,624, Other Infrastructure decrease \$9936.

See Capital Expenses section below for further details

Service Area Variance Reporting (continued)

Operations - Waste Services

Service Statement

Waste Management implements waste collection, minimisation and disposal in a sustainable manner.

Particulars	Note	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$	Material Variance Movement
Expense		9,891,348	13,714,270	13,715,770	1,500	
Employment		238,353	268,475	267,975		
Office		12,559	30,981	30,981		
Professional Services		4,900	35,500	35,500		
Asset Operations		9,335	50,148	50,148		
Programs		9,815,533	13,683,072	13,685,072		
Accounting Standards Expense		(189,332)	(353,906)	(353,906)		
Revenue		(706,489)	(773,519)	(773,519)	0	
Fees and Charges		(717,228)	(770,271)	(770,271)		
Earnings Interest		(1,162)	(1,133)	(1,133)		
Revenue Other		11,901	(2,115)	(2,115)		
Capital Expense	1	0	0	417,000	417,000	Unfavourable
Furniture and Equipment		0	0	417,000		
Total		9,184,859	12,940,751	13,359,251	418,500	Unfavourable

Financial Position and Material Variance Movement Explanation(s)

1. Capital Expenses within Waste Services area has an unfavourable budget forecast variance of \$417,000. The unfavourable variance relates to the capital purchase of the third bin for the rollout of the Garden Organics system.



Capital Expense Items

Summary of New Capital Expense Items

As per new work orders raised	Forecast value \$	Description of project
Old Spaces, New Places Project No. 3 - Western Gateway	200,000	Detailed design for 'Western Gateway' at the intersection of Albany Highway with Rushton St and Mackie St, Victoria Park (total project cost \$200k).
Purchase of new bins for garden organic system	417,000	Supply and install new bins and bin lids to cater for the introduction of the approved three bin GO system (total project cost \$417k).
Seal Renewal Holden Street (Marchamley to Weston)	82,000	Reallocate funds from Colombo St resurfacing approved resurfacing program due to significant tree issue. Holden St is the next priority for resurfacing.
Total	<u>699,000</u>	

Capital Expense Items

Buildings

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
Upgrade	4,950	80,000	80,000	0
Library -Disability Access/Toilet upgrades	4,950	80,000	80,000	0
Renewal	237,544	2,645,685	2,645,685	0
Unplanned Reactive Works	0	75,000	75,000	0
10 Kent Street - Interior Refurbishment (Disability Access)	157,192	182,497	182,497	0
Aqualife - BMS Renewal	541	18,938	18,938	0
Aqualife - Auto Doors (Disability and family accessible compliance)	18,292	50,000	50,000	0
Aqualife - Pool Plant Renewal	16,156	55,356	55,356	0
Aqualife - Gym Change room refurb (F/M & disability access)	0	150,000	150,000	0
Library - Fitout and Layout changes (RFID) stage 1 - External Doors	7,510	23,894	23,894	0
Airconditioning Replacement Program (Leisurelife)	0	100,000	100,000	0
Lighting Replacement (LED's) - Vic Park Bowling Club and Club Room	0	30,000	30,000	0
Administration - Basement End of trip facilities refurbishment	0	80,000	80,000	0
Administration - Painting - External	0	120,000	120,000	0
Club room painting - Raphael Park	0	15,000	15,000	0
Club room painting - Carlisle Reserve	0	15,000	15,000	0
Higgins Park Clubroom Wall (internal wall)	0	10,000	10,000	0
Security Screens (Harold, Fraser, JA Lee and Raphael)	37,854	40,000	40,000	0
Indoor creche softfall replacement	0	30,000	30,000	0
Harold Rossiter change room upgrades (Storage, Changeroom, toile	0	100,000	100,000	0
Lathlain Redevelopment Zone 1	0	1,550,000	1,550,000	0
Total Buildings	242,494	2,725,685	2,725,685	0

Capital Expense Items (continued)

Plant and Machinery

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
Renewal	195,075	998,485	998,485	0
1GLD024 - Mazda CX-5 Maxx Sport 110VPK	0	35,000	35,000	0
Vehicle Purchase -Rangers (122VPK)	0	44,000	44,000	0
164 VPK - Holden Cruze Sedan	0	26,000	26,000	0
171 VPK Subaru Impreza	0	26,000	26,000	0
179 VPK - Holden Cruze Sedan	0	26,000	26,000	0
180 VPK Subaru Impreza 2.0i Hatch	0	26,000	26,000	0
1GKI948 - Toyota Corolla	0	26,000	26,000	0
1GFU524 Subaru Impreza Hatch	0	26,000	26,000	0
1GIR083 - Subaru Impreza Hatch	0	26,000	26,000	0
1GJM311 - Subaru Impreza Hatch	0	26,000	26,000	0
117 VPK Mitsubishi Triton	0	33,000	33,000	0
Vehicle Purchase - Parking Area (178VPK)	22,634	25,000	25,000	0
139 VPKHino Pro Ranger Tipper with crane	0	150,000	150,000	0
Heavy Truck 9T (137VPK)	148,146	175,000	175,000	0
Pavement Sweeper (177VPK)	0	280,000	280,000	0
Minor Plant Renewal - Street Improvement	0	21,000	21,000	0
Total Plant and Machinery	195,075	998,485	998,485	0

Furniture and Equipment

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
Renewal	37,085	40,000	37,085	(2,915)
Aqualife Gym Equipment	37,085	40,000	37,085	(2,915)
				0
Total Furniture and Equipment	37,085	40,000	37,085	(2,915)

Capital Expense Items (continued)

Information Technology

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
New	94,335	195,060	195,060	0
Library - RFID Self-Service System	44,420	45,840	45,840	0
Software - Asset Management System	11,100	81,220	81,220	0
Risk Management Software (Governance)	0	18,000	18,000	0
Minutes Digitisation (Records)	0	20,000	20,000	0
Recruitment Software (HR)	38,815	30,000	30,000	0
Renewal	0	180,000	130,000	(50,000)
TDS Device Fleet Replacement	0	100,000	50,000	(50,000)
Replacement of network equipment	0	35,000	35,000	0
Replacement of Mobile Devices	0	45,000	45,000	0
Upgrade	12,930	45,772	45,772	0
System Upgrade - Authority 7.x	12,930	45,772	45,772	0
Total Information Technology	107,265	420,832	370,832	(50,000)

Capital Expense Items (continued)

Roads

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
Renewal	1,553,998	4,157,333	4,461,805	304,472
Kent Street - Gloucester to Berwick MRRG 21/22	178,712	120,872	180,000	59,128
Basinghall Street - Albany to Berwick MRRG 21/22	0	232,214	232,214	0
Albany Highway - Dane St Intersection MRRG 21/22	0	54,318	54,318	0
Merton Street - Gresham to Miller	0	122,946	122,946	0
Marchamley Street - Roberts to Gemini	0	387,570	470,000	82,430
Carnarvon Street - Lakeview to Dane	95,322	122,685	109,625	(13,060)
Boulder Street - Carnarvon to Shepperton	0	64,604	64,604	0
Hubert Street - Miller to Mint	1,528	185,123	185,123	0
Cardiff Street - Shepperton to Carnarvon	0	70,980	70,980	0
Welshpool Road (Albany to Sevenoaks)	67,500	73,156	67,500	(5,656)
Satellite Place - Roberts to End	44,658	153,525	175,000	21,475
Galaxy Way - Mercury to Orrong	113,593	155,590	113,600	(41,990)
Harris Street - Briggs to Kew	135,467	173,515	251,858	78,343
Camberwell Street - Berwick to Devenish	84,181	124,808	93,000	(31,808)
Kitchener Way - Burswood to Kitchener	0	52,119	52,119	0
Kitchener Avenue - Harper to Duncan	0	111,917	111,917	0
Howick Street East - Rutland to Gallipoli	112,093	99,055	127,500	28,445
Enfield Street - Roberts to Rayment	0	86,745	86,745	0
Midgley Street - Gallipoli to Goddard	0	201,187	201,187	0
Manchester Street - Gloucester to Albany	0	228,485	228,485	0
Teague Street - Harvey to Harper	100,611	88,930	127,500	38,570
Temple Street - Washington to Berwick (Stage 2)	93,882	135,000	112,500	(22,500)
Heirrisson Way - Kerb Replacement	0	25,000	0	(25,000)
Colombo Street South - Gloucester to Berwick	502	85,200	85,200	0
Withnell Street - Swansea to Read	14,927	137,811	137,811	0
Albany Highway - Mint Street Intersection	125,423	78,450	127,000	48,550
Leonard Street - Gloucester to Berwick	76,997	87,897	84,500	(3,397)
Emily Street - Berwick to Boundary	96,530	87,406	109,000	21,594
Roads to Recovery	0	237,608	237,608	0
Read Street - Withnell to Oats	640	32,076	32,076	0
Briggs Street - Rutland to Downing MRRG 21/22	134,109	70,652	140,000	69,348
Garland Street Renewal c/fwd	0	29,889	29,889	0
Upgrade	711,723	5,323,842	5,358,842	35,000
Archer/Mint Street Upgrade - Stage 1	0	1,500,000	1,500,000	0
Roberts Road and Orrong Road - Intersection	0	11,784	11,784	0
B-List Projects - Crash barrier @ 86 Berwick St & minor intersection widening at Devenish Street/Hill View Tce	2,525	75,000	110,000	35,000
Burlington Street/Leichardt Street Intersection Upgrade	0	95,000	95,000	0
Star Street and Briggs Street (Blackspot)	1,000	594,047	594,047	0
Archer and Orrong Intersection (Blackspot)	22,589	1,338,420	1,338,420	0
Hordern and Geddes Intersection (Blackspot)	3,783	211,997	211,997	0
Hordern and McMillan Intersection (Blackspot)	4,559	256,172	256,172	0
Albany Highway Cycle Lanes (Mackie to Oswald) LRCI	87,400	91,422	91,422	0

Capital Expense Items (continued)

Drainage

	Year-To-Date Actual	Revised Budget	Forecast Value	Variance
				0
Renewal	10,605	300,000	270,000	(30,000)
Drainage - Right Of Ways - Various Locations c/fwd	0	120,000	120,000	0
Unplanned Renewal Projects	0	40,000	40,000	0
Reactive Drainage Works	0	100,000	20,000	(80,000)
Sump Renewals	10,605	40,000	90,000	50,000
Total Drainage	10,606	300,000	270,000	(30,000)

Pathways

Particulars	Year-To-Date Actual \$	Revised Budget \$	Forecast Value \$	Variance \$
New	6,170	2,197,547	2,197,547	0
Rutland Avenue Shared Path (Miller to Great Eastern Highway)	6,170	2,197,547	2,197,547	0
Renewal	22,084	456,680	413,056	(43,624)
McKay St, between Marquis St and Curtin Uni (North)	0	5,500	5,500	0
Milford St, between Milford St and Swansea St	0	11,813	11,813	0
Teague St, between Duncan St and Harper St (both sides)	0	40,935	40,935	0
Teague St, between Hampton St and Harvey St	0	9,135	9,135	0
Harvey St, between Teague St and Benporath St	0	23,573	23,573	0
Twickenham Rd, between Shepperton Rd and Burswood Rd	0	19,395	0	(19,395)
Manning Rd, between Kent St and South Entrance	22,084	35,925	22,100	(13,825)
Victoria Park Drive, Between Roger Mackay and Marlee Loop	0	300,000	300,000	0
Kitchener Ave - Egham Rd to Howick St (West)	0	10,404	0	(10,404)
Total Pathways	28,254	2,654,227	2,610,603	(43,624)

Capital Expense Items (continued)

Parks

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
New	24,297	130,000	130,000	0
Kent St Sandpit Concept Plan Implementation - site preparation	0	30,000	30,000	0
Read Park -Shade Sail	172	20,000	20,000	0
Fraser Park -Shade Sail	213	20,000	20,000	0
Rotary Park -Shade Sail	23,912	20,000	20,000	0
Duncan Reserve -Shade Sail	0	20,000	20,000	0
Forward Park -Shade Sail	0	20,000	20,000	0
Renewal	183,433	8,014,678	8,010,678	(4,000)
GO Edwards Park - Redevelopment	14,333	60,000	60,000	0
George Street Reserve - Revegetation Project	1,490	93,678	93,678	0
Forward Reserve-Playground, irrigation and fencing upgrades	16,171	98,000	98,000	0
Devenish Park Playground renewal	41,560	80,000	80,000	0
Drinking Fountains JA Lee Reserve	11,000	12,000	12,000	0
Parnham Park - Drinking Fountain	5,500	5,000	5,000	0
Carlisle Reserve - Drinking Fountain	5,500	6,000	6,000	0
Bore Water Meters - Various Sites	41,560	80,000	80,000	0
Bore Replacement Duncan Reserve	25,195	30,000	26,000	(4,000)
Central Control Upgrade Miller St & Works Depot	9,935	10,000	10,000	0
Main Roads/Arterials - Lanscaping/Planting	5,699	40,000	40,000	0
Ed Millen Park Masterplan	5,490	7,500,000	7,500,000	0
Upgrade	1,025,008	1,565,830	1,565,830	0
	0	0	0	0
Bolton Avenue Verge - Retaining Wall and Fencing	0	20,000	20,000	0
GO Edwards Park Upgrade - Stage 5	1,025,008	1,545,830	1,545,830	0
	0	0	0	0
Total Parks	1,232,737	9,710,508	9,706,508	(4,000)

Capital Expense Items (continued)

Other Infrastructure

Particulars	Year-To-Date	Revised	Forecast	Variance
	Actual	Budget	Value	
	\$	\$	\$	\$
New	4,000	227,498	227,498	0
Parking - ACROD Bays - Allocation TBA new priority list	0	15,000	15,000	0
Purchase and Installation of parking meters - Parking Initiative	0	19,998	19,998	0
Pedestrian Infrastructure Improvements	0	40,000	40,000	0
Lathlain Redevelopment (Zone 2x) - Public Art	4,000	2,500	2,500	0
Retaining Wall-Rathay Street	0	150,000	150,000	0
Renewal	4,334	368,468	368,468	0
Carpark #15 Renewal - Fletcher Park	4,334	48,468	48,468	0
Street Furniture - Bus Shelters - Allocation	0	120,000	120,000	0
Street Lighting - Albany Highway and Laneways	0	50,000	50,000	0
Mirvac - Lighting Replacement	0	150,000	150,000	0
Upgrade	99,719	890,984	881,048	(9,936)
Street Lighting - Safety Improvements (Safer Neighbourhoods Plan)	23,664	37,193	37,193	0
Carlisle Laneways (Community Development Grant)	0	12,643	0	(12,643)
Terminus Lane (Community Development Grant)	13,078	15,455	18,162	2,707
Upgrade - ROW 59	62,976	435,693	435,693	0
Upgrade - ROW 33	0	390,000	390,000	0
Total Other Infrastructure	108,052	1,486,950	1,477,014	(9,936)



Significant Accounting Policies

Significant Accounting Policies

Basis of Preparation

The budget review has been prepared in accordance with applicable Australian Accounting Standards (as they apply to local government and not-for-profit entities), Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1995* and accompanying regulations. Material accounting policies, which have been adopted in the preparation of this budget, are presented below and have been consistently applied unless stated otherwise.

Except for cash flow and rate setting information, the budget has also been prepared on the accrual basis and is based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and liabilities.

Critical Accounting Estimates

The preparation of a budget review in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that influence the application of policies and reported amounts of assets and liabilities, income and expenditure.

The estimates, and associated assumptions, are based on historical experience and various other factors that are believed to be reasonable under the circumstances; the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results are likely to differ from these estimates.

The Local Government Reporting Entity

All Funds through which the Council controls resources to carry on its functions have been included in the financial statements forming part of this budget review.

In the process of reporting on the local government as a single unit, all transactions and balances between those Funds (for example, loans and transfers between Funds) have been eliminated.

All monies held in the Trust Fund are excluded from the financial statements. A separate statement of those monies appears in this Budget document.

Rounding Off Figures

All figures shown in this budget, other than a rate in the dollar, are rounded to the nearest dollar.

Rates, Grants, Donations and Other Contributions

Rates, grants, donations and other contributions are recognised as revenues when the local government obtains control over the assets comprising the contributions.

Control over assets acquired from rates is obtained at the commencement of the rating period or, where earlier, upon receipt of the rates.

Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO).

Receivables and payables are stated inclusive of GST receivable or payable. The net amount of GST recoverable from, or payable to, the ATO is included with receivables or payables in the statement of financial position.

Cash flows are presented on a Gross basis. The GST components of cash flows arising from investing or financing activities that are recoverable from, or payable to, the ATO are presented as operating cash flows.

Significant Accounting Policies (continued)

Superannuation

The Council contributes to a number of Superannuation Funds on behalf of employees. All funds to which the Council contributes are defined contribution plans.

Comparative Values

Where required, comparative values have been adjusted to conform with changes in presentation for the current budget year.

Budget Comparative Values

Unless otherwise stated, the budget comparative values shown in the budget review relate to the original budget estimate for the relevant item of disclosure.

Forecast Fair Value Adjustments

All fair value adjustments relating to remeasurement of financial assets at fair value through profit or loss (if any) and changes on revaluation of non-current assets are impacted upon by external forces and are not able to be reliably estimated at the time of budget adoption.

Fair value adjustments relating to the remeasurement of financial assets at fair value through profit or loss will be assessed at the time they occur with compensating budget amendments made as necessary.

It is anticipated, in all instances, any changes upon revaluation of non-current assets will relate to non-cash transactions and, as such, will have no impact on this budget document.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits available on demand with banks, other short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value and bank overdrafts. Bank overdrafts are shown as short term borrowings in current liabilities in the Net Current Asset position.

Trade and Other Receivables

Trade and other receivables include amounts due from ratepayers for unpaid rates and service charges and other amounts due from third parties for goods sold and services performed in the ordinary course of business. Receivables expected to be collected within 12 months of the end of the reporting period are classified as current assets. All other receivables are classified as non-current assets. Collectability of trade and other receivables is reviewed on an ongoing basis. Debts that are known to be uncollectible are written off when identified. An allowance for doubtful debts is raised when there is objective evidence that they will not be collectible.

Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Land Held for Resale

Land held for development and sale is valued at the lower of cost and net realisable value. Cost includes the cost of acquisition, development, borrowing costs and holding costs until completion of development. Finance costs and holding charges incurred after development is completed are expensed.

Gains and losses are recognised in profit or loss at the time of signing an unconditional contract of sale if significant risks and rewards, and effective control over the land, are passed on to the buyer at this point.

Land held for sale is classified as current except where it is held as non-current based on Council's intentions to release for sale.

Significant Accounting Policies (continued)

Fixed Assets

Each class of fixed assets within either property, plant and equipment or infrastructure, is carried at cost or fair value as indicated less, where applicable, any accumulated depreciation and impairment losses.

Mandatory Requirement to Revalue Non-Current Assets

Effective from 1 July 2012, the *Local Government (Financial Management) Regulations* were amended and the measurement of non-current assets at Fair Value became mandatory.

The amendments initially allowed for a phasing in of fair value in relation to fixed assets over three years. All fixed assets have been valued and are carried at fair value in accordance with the requirements.

The Town revalues fixed assets in accordance with the regulatory framework, or earlier if it is advantageous to do so.

Relevant disclosures, in accordance with the requirements of Australian Accounting Standards, have been made as necessary.

Initial Recognition and Measurement between Mandatory Revaluation Dates

All assets are initially recognised at cost and subsequently revalued in accordance with the mandatory measurement framework.

In relation to the initial measurement, cost is determined as the fair value of the assets given as consideration, plus costs incidental to the acquisition. For assets acquired at no cost, or for nominal consideration, cost is determined as fair value at the date of acquisition. The cost of non-current assets constructed by Council includes the cost of all materials used in the construction, direct labour on the project and an appropriate proportion of fixed and variable overheads.

Individual assets acquired between initial recognition and the next revaluation of the asset class, in accordance with the mandatory measurement framework, are carried at cost less accumulated depreciation as management believes this approximates fair value. They will be subject to subsequent revaluation at the next anniversary date, as prescribed.

Revaluation

Increases in the carrying amount arising on revaluation of assets are credited to a revaluation surplus in equity. Decreases that offset previous increases of the same asset are recognised against revaluation surplus directly in equity. All other decreases are recognised in profit or loss.

Land Under Roads

In Western Australia, all land under roads is Crown land, the responsibility for managing which, is vested in the local government. Effective as at 1 July 2008, Council elected not to recognise any value for land under roads acquired on or before 30 June 2008. This accords with the treatment available in Australian Accounting Standard AASB 1051 Land Under Roads and the fact Local Government (Financial Management) Regulations Regulation 16(a)(i) prohibits local governments from recognising such land as an asset.

In respect of land under roads acquired on or after 1 July 2008, as detailed above, Local Government (Financial Management) Regulations Regulation 16(a)(i) prohibits local governments from recognising such land as an asset. Whilst such treatment is inconsistent with the requirements of AASB 1051, Local Government (Financial Management) Regulations Regulation 4(2) provides, in the event of such an inconsistency, the Local Government (Financial Management) Regulations prevail.

Consequently, any land under roads acquired on or after 1 July 2008 is not included as an asset of the Council.

Depreciation

The depreciable amount of all fixed assets including buildings but excluding freehold land, are depreciated on a straight-line basis over the individual asset's useful life from the time the asset is held ready for use. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful life of the improvements.

Significant Accounting Policies (continued)

Major Depreciation Periods

Major depreciation periods used for each class of depreciable asset are:

- Buildings - 30 to 50 years
- Furniture and Equipment - 4 to 10 years
- Information Technology - 3 to 10 years
- Plant and Machinery - 5 to 15 years
- Sealed roads and streets
 - Formation - not depreciated
 - Pavement - 50 years
- Parks and Reserves - 10 years
- Pathways - 20 years
- Water supply piping and drainage system - 75 years

The asset residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss in the period which they arise.

Capitalisation Threshold

Expenditure on items of assets under \$5,000 is not capitalised individually. Rather, it is recorded as an asset in the relevant low value asset pool.

Fair Value of Assets and Liabilities

When performing a revaluation, the Council uses a mix of both independent and management valuations using the following as a guide:

Fair Value is the price that Council would receive to sell the asset or would have to pay to transfer a liability, in an orderly (i.e. unforced) transaction between independent, knowledgeable and willing market participants at the measurement date. As fair value is a market-based measure, the closest equivalent observable market pricing information is used to determine fair value. Adjustments to market values may be made having regard to the characteristics of the specific asset. The fair values of assets that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. To the extent possible, market information is extracted from either the principal market for the asset (i.e. the market with the greatest volume and level of activity for the asset or, in the absence of such a market, the most advantageous market available to the entity at the end of the reporting period (i.e. the market that maximises the receipts from the sale of the asset after taking into account transaction costs and transport costs). For non-financial assets, the fair value measurement also takes into account a market participant's ability to use the asset in its highest and best use or to sell it to another market participant that would use the asset in its highest and best use.

Fair Value Hierarchy

AASB 13 requires the disclosure of fair value information by level of the fair value hierarchy, which categorises fair value measurement into one of three possible levels based on the lowest level that an input that is significant to the measurement can be categorised into as follows:

- Level 1 - Measurements based on quoted prices in active markets for identical assets or liabilities that the entity can readily access.
- Level 2 - Measurements based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability.
- Level 3 - Measurements based on unobservable inputs for the asset or liability.

The fair values of assets and liabilities that are not traded in an active market are determined using one or more valuation techniques. These valuation techniques maximise, to the extent possible, the use of observable market data. If all significant inputs required to measure fair value are observable, the asset or liability is included in Level 2. If one or more significant inputs are not based on observable market data, the asset or liability is included in Level 3.

Significant Accounting Policies (continued)

Valuation Techniques

The Council selects a valuation technique that is appropriate in the circumstances and for which sufficient data is available to measure fair value. The availability of sufficient and relevant data primarily depends on the specific characteristics of the asset or liability being measured. The valuation techniques selected by the Council are consistent with one or more of the following valuation approaches:

- Market approach - Valuations that use prices and other relevant information generated by market transactions for similar assets.
- Income approach - Valuations that convert estimated cash flows or income and expenses into a single discounted present value.
- Cost approach - Valuations that reflect the current replacement cost of an asset at its current service capacity.

Each valuation technique requires inputs that reflect the assumptions that buyers and sellers would use when pricing the asset or liability, including assumptions about risks. When selecting a valuation technique, the Council gives priority to those techniques that maximise the use of observable inputs and minimise the use of unobservable inputs. Inputs that are developed using market data (such as publicly available information on actual transactions) and reflect the assumptions that buyers and sellers would generally use when pricing the asset or liability and considered observable, whereas inputs for which market data is not available and therefore are developed using the best information available about such assumptions are considered unobservable. As detailed above, the mandatory measurement framework imposed by the Local Government (Financial Management) Regulations requires, as a minimum, all assets carried at a revalued amount to be revalued at least every 3 years.

Financial Instruments Initial Recognition and Measurement

Financial assets and financial liabilities are recognised when the Council becomes a party to the contractual provisions to the instrument. For financial assets, this is equivalent to the date that the Council commits itself to either the purchase or sale of the asset (i.e. trade date accounting is adopted).

Financial instruments are initially measured at fair value plus transaction costs, except where the instrument is classified 'at fair value through profit or loss', in which case transaction costs are expensed to profit or loss immediately.

Financial Instruments Impairment

A financial asset is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events (a "loss event") having occurred, which has an impact on the estimated future cash flows of the financial asset(s).

In the case of available-for-sale financial assets, a significant or prolonged decline in the market value of the instrument is considered a loss event. Impairment losses are recognised in profit or loss immediately. Also, any cumulative decline in fair value previously recognised in other comprehensive income is reclassified to profit or loss at this point.

In the case of financial assets carried at amortised cost, loss events may include: indications that the debtors or a group of debtors are experiencing significant financial difficulty, default or delinquency in interest or principal payments; indications that they will enter bankruptcy or other financial reorganisation; and changes in arrears or economic conditions that correlate with defaults.

For financial assets carried at amortised cost (including loans and receivables), a separate allowance account is used to reduce the carrying amount of financial assets impaired by credit losses. After having taken all possible measures of recovery, if management establishes that the carrying amount cannot be recovered by any means, at that point the written-off amounts are charged to the allowance account or the carrying amount of impaired financial assets is reduced directly if no impairment amount was previously recognised in the allowance account.

Financial Instruments Derecognition

Financial assets are derecognised where the contractual rights for receipt of cash flows expire or the asset is transferred to another party, whereby the Council no longer has any significant continual involvement in the risks and benefits associated with the asset. Financial liabilities are derecognised where the related obligations are discharged, cancelled or expired. The difference between the carrying amount of the financial liability extinguished or transferred to another party and the fair value of the consideration paid, including the transfer of non-cash assets or liabilities assumed, is recognised in profit or loss.

Significant Accounting Policies (continued)

Financial Instruments Classification and Subsequent Measurement

Financial instruments are subsequently measured at fair value, amortised cost using the effective interest rate method, or cost.

Amortised cost is calculated as:

- (a) the amount in which the financial asset or financial liability is measured at initial recognition;
- (b) less principal repayments and any reduction for impairment; and
- (c) plus or minus the cumulative amortisation of the difference, if any, between the amount initially recognised and the maturity amount calculated using the effective interest rate method.

The effective interest method is used to allocate interest income or interest expense over the relevant period and is equivalent to the rate that discounts estimated future cash payments or receipts (including fees, transaction costs and other premiums or discounts) through the expected life (or when this cannot be reliably predicted, the contractual term) of the financial instrument to the net carrying amount of the financial asset or financial liability. Revisions to expected future net cash flows will necessitate an adjustment to the carrying value with a consequential recognition of an income or expense in profit or loss.

(i) Financial assets at fair value through profit and loss

Financial assets are classified at "fair value through profit or loss" when they are held for trading for the purpose of short term profit taking. Assets in this category are classified as current assets. Such assets are subsequently measured at fair value with changes in carrying amount being included in profit or loss.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Loans and receivables are included in current assets where they are expected to mature within 12 months after the end of the reporting period.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed maturities and fixed or determinable payments that the Council's management has the positive intention and ability to hold to maturity. They are subsequently measured at amortised cost. Gains or losses are recognised in profit or loss.

Held-to-maturity investments are included in current assets where they are expected to mature within 12 months after the end of the reporting period. All other investments are classified as non-current.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are either not suitable to be classified into other categories of financial assets due to their nature, or they are designated as such by management. They comprise investments in the equity of other entities where there is neither a fixed maturity nor fixed or determinable payments.

They are subsequently measured at fair value with changes in such fair value (i.e. gains or losses) recognised in other comprehensive income (except for impairment losses). When the financial asset is derecognised, the cumulative gain or loss pertaining to that asset previously recognised in other comprehensive income is reclassified into profit or loss. Available-for-sale financial assets are included in current assets, where they are expected to be sold within 12 months after the end of the reporting period. All other available for sale financial assets are classified as non-current.

(v) Financial liabilities

Non-derivative financial liabilities (excluding financial guarantees) are subsequently measured at amortised cost. Gains or losses are recognised in the profit or loss.

Significant Accounting Policies (continued)

Impairment of Assets

In accordance with Australian Accounting Standards the Council's assets, other than inventories, are assessed at each reporting date to determine whether there is any indication they may be impaired. Where such an indication exists, an impairment test is carried out on the asset by comparing the recoverable amount of the asset, being the higher of the asset's fair value less costs to sell and value in use, to the asset's carrying amount. Any excess of the asset's carrying amount over its recoverable amount is recognised immediately in profit or loss, unless the asset is carried at a revalued amount in accordance with another standard (e.g. AASB 116) whereby any impairment loss of a revalued asset is treated as a revaluation decrease in accordance with that other standard. For non-cash generating assets such as roads, drains, public buildings and the like, value in use is represented by the depreciated replacement cost of the asset. At the time of adopting this budget, it is not possible to estimate the amount of impairment losses (if any) that may occur. In any event, an impairment loss is a non-cash transaction and consequently, has no impact on this budget document.

Trade and Other Payables

Trade and other payables represent liabilities for goods and services provided to the Council prior to the end of the financial year that are unpaid and arise when the Council becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured, are recognised as a current liability and are normally paid within 30 days of recognition.

Employee Benefits

a) Short-Term Employee Benefits

Provision is made for the Council's obligations for short-term employee benefits. Short-term employee benefits are benefits (other than termination benefits) that are expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service, including wages, salaries and sick leave. Short-term employee benefits are measured at the (undiscounted) amounts expected to be paid when the obligation is settled.

The Council's obligations for short-term employee benefits such as wages, salaries and sick leave are recognised as a part of current trade and other payables in the statement of financial position. The Council's obligations for employees' annual leave and long service leave entitlements are recognised as provisions in the statement of financial position.

b) Other Long-Term Employee Benefits

Provision is made for employees' long service leave and annual leave entitlements not expected to be settled wholly within 12 months after the end of the annual reporting period in which the employees render the related service. Other long-term employee benefits are measured at the present value of the expected future payments to be made to employees. Expected future payments incorporate anticipated future wage and salary levels, durations or service and employee departures and are discounted at rates determined by reference to market yields at the end of the reporting period on government bonds that have maturity dates that approximate the terms of the obligations. Any re-measurements for changes in assumptions of obligations for other long-term employee benefits are recognised in profit or loss in the periods in which the changes occur.

The Council's obligations for long-term employee benefits are presented as non-current provisions in its statement of financial position, except where the Council does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period, in which case the obligations are presented as current provisions.

Borrowing Costs

Borrowing costs are recognised as an expense when incurred except where they are directly attributable to the acquisition, construction or production of a qualifying asset. Where this is the case, they are capitalised as part of the cost of the particular asset until such time as the asset is substantially ready for its intended use or sale.

Provisions

Provisions are recognised when the Council has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured. Provisions are measured using the best estimate of the amounts required to settle the obligation at the end of the reporting period.

Significant Accounting Policies (continued)

Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not legal ownership, are transferred to the Council, are classified as finance leases.

Finance leases are capitalised recording an asset and a liability at the lower amounts equal to the fair value of the leased property or the present value of the minimum lease payments, including any guaranteed residual values. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Leased assets are depreciated on a straight line basis over the shorter of their estimated useful lives or the lease term.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives under operating leases are recognised as a liability and amortised on a straight line basis over the life of the lease term.

Investment in Associates

An associate is an entity over which the Council has significant influence. Significant influence is the power to participate in the financial operating policy decision of that entity however it is not control or joint control of those policies. Investments in associates are accounted for in the financial statements by applying the equity method of accounting, whereby the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the share of net assets of the associate by the Council. In addition, the Council share of profit or loss of the associate is included in the Council's profit and loss.

The carrying amount of the investment includes, where applicable, goodwill relating to the associate. Any discount on acquisition, whereby the Council's share of net fair value of the associate exceeds the cost of investment, is recognised as profit or loss in the period in which the investment is acquired.

Profits and losses resulting from transaction between the Council and the associate are eliminated to the extent of the Council's interest in the associate. When the Council's share of losses in an associate equals or exceeds the interest in the associate, the Council discontinues recognising its share of further losses unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When the associate subsequently makes profits, the Council will resume recognising its share of those profits once its share of the profits equals the share of the losses not recognised.

Interests in Joint Arrangements

Joint arrangements represent the contractual sharing of control between parties in a business venture where unanimous decisions about relevant activities are required.

Separate joint venture entities providing joint venturers with an interest to net assets are classified as a joint venture and accounted for using the equity method.

Joint venture operations represent arrangements whereby joint operators maintain direct interests in each asset and exposure to each liability of the arrangement. The Council's interests in the assets, liabilities, revenue and expenses of joint operations are included in the respective line items of the financial statements.

Current and Non-Current Classification

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next 12 months, being the Council's operational cycle. In the case of liabilities where the Council does not have the unconditional right to defer settlement beyond 12 months, such as vested long service leave, the liability is classified as current even if not expected to be settled within the next 12 months. Inventories held for trading are classified as current even if not expected to be realised in the next 12 months except for land held for sale where it is held as non-current based on the Council's intentions to release for sale.