

OCTOBER 2008 FINANCIALS – BRIEF NOTES

1	<p><u>Operating Revenue vs Budget</u> \$5.2m FAV (2.6%)</p> <p>Actual \$209.2m Budget \$204.0m</p> <p>Improved performances for interest income (\$2.8m over budget due to higher cash balances than anticipated) and other revenue (\$6.4m), the bulk of which (\$4.4m) relates to market value gain on debt redemption associated with the transfer of bulk water assets to the State Government with the other major contributor being State government streetlight electricity funding (helping to offset the higher than budgeted charges for this service). Fees & Charges revenue is also above budget by \$1.4m partially due to Recoverable Works \$0.9m and box office fees \$0.4m. Partially offsetting these items, net rates and utility charges are \$2.7m less than budget, dominated by a \$1.6m adverse variance in general rate income and a \$1.6m adverse variance in water charges (Northern part of the region). Although this is largely an issue over timing of revenues, it will continue to be closely monitored. The \$1.4m underrun for land sale proceeds is also attributable to budget profiling at Tewanin office.</p>	<p>Original Budget \$473.943m</p> <p>Current Budget \$475.155m</p>	
2	<p><u>Employee Costs vs Budget</u> \$1.1m FAV (2.1%)</p> <p>Actual \$52.5m Budget \$53.6m</p> <p>There is a mixture of over- and under-spending across Council departments, a reflection of the transitional state that the organisation is currently in, but the key point is that overall spending is comfortably within budget. This position will continue to be monitored with a more detailed analysis possible when the organisational structure is finalised.</p>	<p>Original Budget \$167.314m</p> <p>Current Budget \$169.954m</p>	
3	<p><u>Materials & Services vs Budget</u> \$14.1m FAV (17.9%)</p> <p>Actual \$64.9m Budget \$79.0m</p> <p>The underspend for materials and services is overwhelmingly a reflection of the slower than planned start to the capital works program with the variance concentrated (68%) in the main delivery departments of Assets & Infrastructure Services and Sunshine Coast Water. Underspend is however masking significant cost increases in items such as electricity and fuel.</p>	<p>Original Budget \$222.861m</p> <p>Current Budget \$238.831m</p>	
4	<p><u>Capital Revenue vs Budget</u> \$3.1m UNFAV (20.4%)</p> <p>Actual \$12.0m Budget \$15.1m</p> <p>This variance is primarily due to the timing of grant and subsidy entitlements, reflecting the current position with the capital works programme.</p>	<p>Original Budget \$50.302m</p> <p>Current Budget \$57.632m</p>	
5	<p><u>Constructed Assets vs Budget</u> \$16.0m UNFAV (31.3%)</p> <p>Actual \$35.2m Budget \$51.2m</p> <p>18.2% of full year budget has been expended with 33.3% of the year gone. The original \$163.116m programme has been increased by \$29.719m to \$192.835m. This programme now reflects what can realistically be delivered before the end of the 2008-09 financial year.</p>	<p>Original Budget \$163.116m</p> <p>Current Budget \$192.835m</p>	

CORPORATE SUMMARY

The financial position to date continues to be dominated by the differences between actual and budgeted capital works delivery. This area will continue to be revised through future budget reviews. On the operating side there are other underspends and income sources which counter the lower than anticipated levels of rates revenue.