

SEPTEMBER 2008 FINANCIALS – BRIEF NOTES

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| 1 | <u>Operating Revenue vs Budget</u> | \$3.625m FAV (1.9%) | Original Budget | \$473.943m |
| | | | Current Budget | \$475.155m |
| | Actual \$195.153m Budget \$191.528m | | | |
| | <p>Improved performances for interest income (\$2.133m over budget due to higher cash balances than anticipated) and other revenue (\$6.182m), the bulk of this (\$4.222m) 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 funding (helping to offset the higher than budget electricity charges for this service). Partially offsetting these items, net rates and utility charges are \$3.536m less than budget, dominated by a \$2.875m adverse variance in general rate income. In addition water consumption charges are below budget in the Northern part of the region. Although this is largely an issue over timing of revenues, it will continue to be closely monitored. The \$1.044m underrun for land sale proceeds is also attributable to budget profiling at Tewanin office.</p> | | | |
| 2 | <u>Employee Costs vs Budget</u> | \$0.826m FAV (2.1%) | Original Budget | \$167.319m |
| | | | Current Budget | \$169.954m |
| | Actual \$38.673m Budget \$39.499m | | | |
| | <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> | | | |
| 3 | <u>Materials & Services vs Budget</u> | \$9.646m FAV (17.6%) | Original Budget | \$222.855m |
| | | | Current Budget | \$238.831m |
| | Actual \$45.207m Budget \$54.853m | | | |
| | <p>The underspend for materials and services is overwhelmingly a reflection of the slower than planned start to the capital works programme, with the variance concentrated (80%) in the main delivery departments of Assets & Infrastructure Services and Sunshine Coast Water.</p> | | | |
| 4 | <u>Capital Revenue vs Budget</u> | \$1.566m UNFAV (14.8%) | Original Budget | \$50.302m |
| | | | Current Budget | \$57.632m |
| | Actual \$9.024m Budget \$10.590m | | | |
| | <p>This variance is primarily due to the timing of grant and subsidy entitlements, reflecting the current position with the capital works programme.</p> | | | |
| 5 | <u>Constructed Assets vs Budget</u> | \$9.809m UNFAV (29.4%) | Original Budget | \$163.116m |
| | | | Current Budget | \$192.746m |
| | Actual \$23.511m Budget \$33.320m | | | |
| | <p>12.2% of full year budget has been expended with 25% of the year gone. The original \$163.116m programme has been increased by \$29.63m to \$192.746m. This programme now reflects what can realistically be delivered before the end of the 2008-09 financial year.</p> | | | |

CORPORATE SUMMARY

The financial position to date continues to be dominated by the differences between actual and budgeted capital works delivery. As the progresses and projects on the program get well underway, it is expected to see substantial increases in expenditure in the last 2 quarters of the financial year. This area will continue to be revised through future budget reviews. On the operating side there are other underspends which counter the lower than anticipated levels of rates revenue