



FIRST QUARTERLY REVIEW 11-12

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FIRST QUARTERLY REVIEW 2011-12

In accordance with Section 33A of the *Local Government (Financial Management) Regulations 1996*, a review of the 2011-12 Budget has been undertaken.

The review has resulted in a net cash surplus of \$15,565 against the original 2011-12 Budget.

**Note that amounts in brackets are income and amounts without brackets are expenditure.*

Table 1 – Q1 Budget Review Summary

	Original Budget 2011-12	Q1 Budget Review 2011-12	Variance from Current Budget
Operating	(\$3,071,667)	(\$3,137,665)	(\$65,998)
Capital	\$4,666,007	\$4,706,440	\$40,433
TOTAL	\$1,594,340	\$1,568,775	(\$25,565)

Table 2 - Operating Expenditure Variances by Directorate

	Original Budget 2011-12	Q1 Budget Review 2011-12	Variance from Current Budget
Office of the CEO	\$6,174,692	\$6,820,796	\$646,104
Community Services	\$3,853,888	\$3,324,546	(\$529,342)
Corporate Services	\$3,197,404	\$3,529,929	\$332,525
Development Services	\$1,492,137	\$1,584,440	\$92,303
Works and Services	\$10,045,310	\$9,437,722	(\$607,588)
General Purpose Income	(\$28,837,247)	(\$28,837,247)	\$0
Loans	\$1,002,149	\$1,002,149	\$0
TOTAL	(\$3,071,667)	(\$3,137,665)	(\$65,998)

Operating Variances from Current Budget - Detail

There are several movements within areas of responsibility which net to zero and therefore do not impact on the Budget. They are not reported in Table 3 unless they are significant new items funded externally or from reserves.

**Note that amounts in brackets are savings and amounts without brackets represent cost increase.*

Table 3 - Operating Variances from Current Budget – Detail

Operating - Area of Responsibility	Amount
Office of the Chief Executive Officer	
For the Office of the CEO, the employee restructure has resulted in a transfer of some employees and a small increase in employee numbers for this directorate.	
<ul style="list-style-type: none"> • Reallocate employees to the Public Relations and Events team to accommodate the increased workload with the ANZAC centenary organisation. • Major projects are now under this directorate, with the creation of a new manager position, and reallocation of an officer from Works and Services. • Emergency Management and Rangers are now under the Office of the CEO. 	\$474,874
Royal Show Guest Town costs increased.	
<ul style="list-style-type: none"> • Resulting from a failure to attract significant sponsorship income. • Part of the shortfall in sponsorship has been offset by reallocation of part of the tourism development budget in Community Services. 	\$135,000
Financial Assistance – Iconic Events. Per OCM 20 September 2011, Item 1.1.4. Albany Classic.	\$15,000
ANZAC Centenary Preparation.	
<ul style="list-style-type: none"> • In addition to transfer to Reserves, the City has ongoing operational expenses in preparing for the ANZAC Centenary. • This includes employee travel, postage, ANZAC Alliance costs, and other incidental expenses. • Transfer from ANZAC Reserve. 	\$10,000 (\$10,000)
Community Information – Budget increase for monthly community information page, and annual community information calendar.	\$12,000
Community Perceptions Survey.	
<ul style="list-style-type: none"> • Recommendation of the Better Practice Review, and used for Strategic Planning Purposes. • Conducted both online and printed survey. 	\$11,200
Cruise Ship hosting now managed by the Albany Visitors Centre, under the Community directorate. Reallocation of budget.	(\$3,000)

Table 3 - Operating Variances from Current Budget – Detail (cont.)

Operating - Area of Responsibility	Amount
Office of the Chief Executive Officer – (cont.)	
Hire of storage shed.	
<ul style="list-style-type: none"> • Storage of various display boards, banners, marquee for public events, event display equipment. • At present no secure storage space available at the depot. 	\$2,100
Budgeted contribution to fishing platform reduced due to negotiated commitment.	(\$2,500)
Trademark registration and other miscellaneous expenses	\$1,430
Chief Executive Officer Total	\$646,104
Community Services	
Under the organisational restructure, the Community Services Directorate has had a number of employees and functions transferred to other Directorates.	
<ul style="list-style-type: none"> • Insurances and leases are now under Corporate Services, • Emergency Management and Rangers are now under the CEO, • A number of management positions have been advertised, but not yet filled. 	(\$509,943)
Reallocation of part of the tourism development budget to Royal Show Guest Town to cover sponsorship shortfall.	(\$30,000)
Hosting the cruise ships is now being managed by the Albany Visitors Centre. Budget reallocated from events (Office of the CEO)	\$3,000
Albany Airport ILS Maintenance contract was renewed in July. Under the terms of the contract, the cost has increased, with no room for negotiation.	\$11,000
Community Arts was unsuccessful in obtaining funding for two events.	
<ul style="list-style-type: none"> • Annual Theme Show. • Noongar Exhibition. • Due to the reduction in income, corresponding expenditure has been adjusted, and the net difference is an overall reduction in expenses. 	(\$3,399)
Community Services Total	(\$529,342)

Table 3 - Operating Variances from Current Budget – Detail (cont.)

Operating - Area of Responsibility	Amount
Corporate Services	
Under the Corporate restructure, a number of functions have been reallocated to Corporate Services Directorate. <ul style="list-style-type: none"> • Insurances and leases have been transferred from Community Services, • The positions of procurement, grants acquittal, and revenue development officers have been created by consolidating a number of tasks previously undertaken by officers in other Directorates. 	\$332,525
Corporate Services Total	\$332,525
Development and Planning	
Under the corporate restructure, a manager of planning services has been appointed. Some administrative tasks in regards to building and development bonds have been reallocated to this Directorate from Works and Services Directorate, to better consolidate planning work.	\$90,353
Reduction in Planning income partially offset by reduction in advertising and office expenses (printing, photocopier, telephone).	\$1,950
Development Services Total	\$92,303
Works and Services	
Under the corporate restructure, a number of functions and employees have been reallocated to other Directorates, or positions rationalised. <ul style="list-style-type: none"> • Procurement and grants acquittal was previously undertaken by a number of different officers in the Works and Services area. This has been consolidated and reallocated to Corporate Services. • There is a number of budgeted for, but currently unfilled, vacant positions, • Major projects now being managed by the Office of the CEO. 	(\$705,160)
Reallocation of the parks and reserves maintenance budget to reserves capital works. <ul style="list-style-type: none"> • Lake Seppings Revegetation project, • Norman’s Inlet Walk Trail. 	(\$76,428)
Street lighting 29.82% increase in operating tariffs.	\$174,000
Works and Services Total	(\$607,588)
Total Operating Variance – All Directorates	(\$65,998)

Table 4 – Capital Expenditure Variances by Directorate

	Original Budget 2011-12	Q1 Budget Review 2011-12	Variance from Current Budget
Office of the CEO	(\$1,468,371)	(\$1,468,371)	\$0
Community Services	\$510,832	\$520,832	\$10,000
Corporate Services	\$432,860	\$434,839	\$1,979
Works and Services	\$5,329,105	\$5,357,559	\$28,454
Loans	(\$138,419)	(\$138,419)	\$0
TOTAL	\$4,666,007	\$4,706,440	\$40,433

Capital Variances from Current Budget - Detail

There are several movements within areas of responsibility which net to zero and therefore do not impact on the Budget. They are not reported in Table 5 unless they are significant new items funded externally or from reserves.

*Note that amounts in brackets are savings and amounts without brackets represent cost increase.

Table 5 - Capital Variances from Current Budget – Detail

Capital - Area of Responsibility	Amount
Community Services	
New shelving to replace old shelving in the Wellstead Library. Old wooden shelving from Wellstead earmarked for stripping and revarnishing for recycling into the Albany History Collection Reading Room where shelves are required.	\$10,000
Community Services Total	\$10,000
Corporate Services	
Administration Equipment	
Binding machine for documents and reports – old one unusable	\$1979
Senior Citizens Centre – wooden floor	\$60,000
Senior Citizens Centre – wooden floor 100% funding from Lotterywest	(\$60,000)
Corporate Services Total	\$1,979

Table 5 - Capital Variances from Current Budget – Detail (cont.)

Capital - Area of Responsibility	Amount
Works and Services	
ANZAC Centenary related project.	
<ul style="list-style-type: none"> • Redesign Avenue of Honour, per OCM 20 September 2011, item 1.5. Funded from existing ANZAC reserve. • Transfer from ANZAC Reserve. 	\$15,102 (\$15,102)
Depot workshop electrical upgrade.	\$15,000
Peace Park – variation to specifications.	
<ul style="list-style-type: none"> • Variation to the lighting, which is being subsidised by the builders, electrical contractors, and consultant engineers, with the City contributing the remaining 25% (\$1800.) • Increase per SCM 30 August 2011, item 6.1, to allocate a further \$10,000 to enable completion of the project. 	\$11,800
Mokare Road – upgrade in specifications	\$8,500
Additional external funding increase.	
<ul style="list-style-type: none"> • Increase in Financial Assistance Grants – Special Projects (bridge) (\$39,000). • Main Roads – Lower Denmark Rd (\$16,127). 	(\$55,127)
Reduction in costs for Nanarup Road Bridge and Lower King Rd	(\$133,064)
Increase in costs for Hunton Road Bridge and Lower Denmark Rd	\$108,190
External funding received –	
<ul style="list-style-type: none"> • Lake Seppings - SCNRM (\$10,520), • Normans Inlet Walk - Lotterywest (\$27,754) • Emu Point – Dept of Transport coastal protection (\$35,000). 	(\$73,274)
Emu Point Erosion Seawall Investigation – Stage 2 (partly funded).	\$70,000
Lake Seppings Revegetation Stage 5 (partly funded).	\$20,920
Norman’s Inlet Walk Trail – stairs (partly funded).	\$55,508
Works and Services Total	\$28,454
Total Capital Variance - All Directorates	\$40,433

Other Information/Risks

1. Although EBA negotiations for General workers are yet to be finalised an estimate of the impact on salaries budgets has been made in this budget review.
2. The City has almost completed a significant employee restructure. Until all positions and functions are finalised, there may be some further adjustments required in subsequent quarterly reviews. The total reduction in employee costs undertaken in this review is \$587,813, which is a combination of having budgeted but unfilled vacant positions, consolidation of workforce with expected increase in accountability and responsibility for revised or new positions, and abolishment of some positions.
3. As the review covers only two months of actual transactions, it is not possible to determine trends in revenue and expenditure.