

4.5: REQUEST TO ADOPT FIRST QUARTER 2011-12 BUDGET REVIEW

Attachments : First Quarter 2011-12 Budget Review (to be provided prior to OCM)
Responsible Officer : Acting Executive Director Corporate Services (P Wignall)

IN BRIEF

- Adoption of the First Quarter 2011-12 Budget Review.

**ITEM 4.5: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

**MOVED: COUNCILLOR HAMMOND
SECONDED: COUNCILLOR CALLEJA**

THAT Council ADOPT the First Quarter 2011-12 Budget Review.

**CARRIED 12-0
ABSOLUTE MAJORITY**

BACKGROUND

1. The Audit Committee met on 25 October 2011 and considered the First Quarter Review of the 2011-12 Budget.

DISCUSSION

2. The net position of the Budget following the first quarterly 2011-12 Budget review is a deficit of \$1,578,775, which is a \$15,565 better result than anticipated result.
3. There were a number of required amendments resulting from changed circumstances since the 2011-12 Annual Budget was adopted.

GOVERNMENT CONSULTATION

4. Nil

PUBLIC CONSULTATION / ENGAGEMENT

5. Nil

STATUTORY IMPLICATIONS

6. Under the *Local Government Act 1995*, Section 6.8, a local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure:
- is incurred in a financial year before the adoption of the annual budget by the local government
 - is authorised in advance by a resolution (absolute majority required) or
 - is authorised in advance by the mayor in an emergency

STRATEGIC IMPLICATIONS

7. This item relates directly to the following elements of the City of Albany Strategic Plan (2011-2021 *Community Vision*):

Key Focus Area

Organisational Performance

Community Priority

Financial Management

Proposed Strategies

Reduce debt through careful financial management, prioritisation of expenditure and investments in secure portfolios.

POLICY IMPLICATIONS

8. Nil

RISK IDENTIFICATION & MITIGATION

Risk	Likelihood	Consequence	Risk Rating	Mitigation
Council does not approve the First Quarter 2011-12 Budget Review	Unlikely	Moderate	Medium	The existing Annual Budget would apply and proposed amendments would not apply.

FINANCIAL IMPLICATIONS

9. A summary of the proposed First Quarter 2011-12 Budget Review follows:

	Original Budget	Current Budget	Proposed Q1 Budget	Variance from Current Budget
Office of the CEO	4,706,321	4,706,321	5,362,425	646,104
Community Serv.	4,364,720	4,364,720	3,845,378	(519,342)
Corporate Services	3,630,264	3,630,264	3,964,768	334,504
Development Services	1,492,137	1,492,137	1,584,440	92,303
Works & Services	15,374,415	15,374,415	14,795,281	(579,134)
General Purpose Income	(28,837,247)	(28,837,247)	(28,837,247)	0
Loans	863,730	863,730	863,730	0
Total (Surplus)/Deficit	1,594,340	1,594,340	1,578,775	(15,565)

LEGAL IMPLICATIONS

10. Nil

ALTERNATE OPTIONS

11. The First Quarter 2011-12 Budget Review is not adopted by Council and the proposed re-allocation of budget line items therefore could not be applied.
12. The First Quarter 2011-12 Budget Review may be adopted subject to specific changes directed by Council. The proposed deficit would be affected by any changes directed by Council.

SUMMARY CONCLUSION

13. Nil

Consulted References	Adopted Budget 2011-12 Local Government Act 1995
File Number (Name of Ward)	FM.BUG.2
Previous Reference	<ul style="list-style-type: none">• Annual Budget – OCM 9th August 2011