

4.3: REQUEST TO ADOPT SECOND QUARTER 2011-12 BUDGET REVIEW

Attachments : Second Quarter 2011-12 Budget Review
Responsible Officer : Acting Executive Director Corporate Services (P Wignall)

IN BRIEF

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

**ITEM 4.3: RESOLUTION
VOTING REQUIREMENT: ABSOLUTE MAJORITY**

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

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

**CARRIED 11-1
ABSOLUTE MAJORITY**

Record of Vote

Against the Motion: Councillor Attwell

BACKGROUND

1. At the Special Council Meeting held on 29th June 2010, Council resolved at Item 6.1 (xii):

One month before the scheduled quarterly review, council convene a meeting for the purpose of managing the budget and overseeing its progressive implementation.

2. The Second Quarter Review of the 2011-12 Budget was presented and discussed at the 14 February 2012 Audit Committee meeting.

DISCUSSION

3. The net position of the Budget following the second quarterly 2011-12 Budget review is a deficit of \$1,569,013.
4. There were a number of required amendments resulting from changed circumstances since the first quarterly review of the 2011-12 Annual Budget in October 2011.
5. The changes are detailed in the Attachment.

GOVERNMENT CONSULTATION

6. Nil

PUBLIC CONSULTATION / ENGAGEMENT

7. Nil

STATUTORY IMPLICATIONS

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

STRATEGIC IMPLICATIONS

9. 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

10. Nil

RISK IDENTIFICATION & MITIGATION

| Risk | Likelihood | Consequence | Risk Rating | Mitigation |
|---|------------|-------------|-------------|---|
| Council does not approve the Second Quarter 2011-12 Budget Review | Unlikely | Moderate | Medium | The existing first quarter review of the 2011-12 Budget would apply and proposed amendments could not be applied. |

FINANCIAL IMPLICATIONS

11. A summary of the proposed Second Quarter 2011-12 Budget Review follows:

| | Original Budget | Current Budget | Proposed Q2 Budget | Variance from Current Budget |
|--------------------------------|------------------------|-----------------------|---------------------------|-------------------------------------|
| Office of the CEO | 4,706,321 | 5,352,425 | 7,537,013 | 2,184,588 |
| Community Serv. | 4,364,720 | 3,845,378 | 3,906,783 | 61,405 |
| Corporate Services | 3,630,264 | 3,964,768 | 4,005,894 | 41,126 |
| Development Services | 1,492,137 | 1,584,440 | 1,659,061 | 74,621 |
| Works & Services | 15,414,915 | 14,795,280 | 14,571,779 | (223,502) |
| General Purpose Income | (28,837,247) | (28,837,247) | (30,975,247) | (2,138,000) |
| Loans | 863,730 | 863,730 | 863,730 | 0 |
| Total (Surplus)/Deficit | 1,634,840 | 1,568,775 | 1,569,013 | 238 |

LEGAL IMPLICATIONS

12. Nil

ALTERNATE OPTIONS

13. The Second Quarter 2011-12 Budget Review is not adopted by Council. Therefore, the proposed re-allocation of budget line items could not be applied.
14. The Second Quarter 2011-12 Budget Review may be adopted subject to specific changes directed by Council. The proposed small surplus would be affected by any changes directed by Council.

SUMMARY CONCLUSION

15. Nil

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|-----------------------------------|--|
| 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 |