

**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:

	<b>Original Budget</b>	<b>Current Budget</b>	<b>Proposed Q2 Budget</b>	<b>Variance from Current Budget</b>
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
<b>Total (Surplus)/Deficit</b>	<b>1,634,840</b>	<b>1,568,775</b>	<b>1,569,013</b>	<b>238</b>

**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

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