

FINANCE & ADMINISTRATION COMMITTEE 23 OCTOBER 2008	10
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CAIRNS REGIONAL COUNCIL AUGUST BUDGET REVIEW 2008/09

Emily Requadt: 17/9/21-01 #1856172

RECOMMENDATION:

That the budgeted Financial Statements reviewed in August 2008 be adopted by Council.

INTRODUCTION:

During September 2008, Council officers undertook a review of the operational and capital budgets for the period ending 30 June 2009. The purpose of the review was to:

- Examine the financial performance experienced year to date (15 March to 29 August) against original budget;
- Re-align any material differences expected as a result of the review, including expected differences in revenue and expenditure due to seasonal fluctuations and other timing issues;
- Include any large previously unbudgeted items of revenue and expenditure.

Attached are the August Budget Review Financial Statements for the 15 months ended 30 June 2009. The August budget review figures are compared against original budget.

These financial statements include:

- Income Statement
- Statement of Appropriations
- Balance Sheet
- Statement of Cash Flows
- Capital Funding Statement

Departmental Statements are included in this report to provide information on budget variances by department.

A statement of revenue and expenditure change by activity is also included.

COMMENT:

Due to the amalgamation, the 2008/2009 reporting year is unique in that it is a 15 month period being 15 March 2008 to 30 June 2009. The budget figures presented below compare the original budget (15 months) to August budget review (15 months.)

OPERATING PERFORMANCE

	Original Budget 2008/09	August Review 2008/09	Variance \$	Favourable/ Unfavourable Movement
Operating Revenue	283,949,434	284,674,337	724,903	Favourable
Operating Expenses	329,327,595	329,634,516	306,921	Unfavourable
Operating Position	(45,378,161)	(44,960,179)	417,982	Favourable

An important measure of Council's performance is the operating position, which is calculated by taking total operating expenditure from the total operating revenue. Operating revenue does not include any revenue or expenditure for capital projects. The operating position gives an indication of Council's ability to fully fund the depreciation of assets. The 2008/2009 August review budgeted operating deficit of \$44.9m (compared to Original Budget of \$45.3 million) is a result of all rates revenue raised for the period January to June 2008 period being recognised prior to 14 March. This was a requirement of the Queensland Audit Office. If the 15 March to 30 June portion of rates was recognised during that period, the combined projected operating position would be a surplus of \$2.7 million.

Operating revenue has increased from original budget by \$725k due mainly to the following:

	Original Budget 2008/09	August Review 2008/09	Variance \$	Favourable/ Unfavourable Movement	Note
Rates and utility charges	199.18m	199m	0.18m	Favourable	1
Fees and charges	30.2m	30.7m	0.5m	Favourable	2
Operating grants, subsidies and contributions	28.5m	27.1m	(1.3m)	Unfavourable	3
Interest Income	8.9m	10.7m	1.8m	Favourable	4

1. Rates income has been re-aligned based on actual rates raised for the period July to December 2008.
2. Fees and charges have been adjusted in line with actuals received year to date. A re-alignment of budget for the Daintree Ferry has also occurred, as it was previously budgeted at 'other income'.
3. Operating grants, subsidies and contributions have been adjusted to account for the Mt Peter Planning Project income expected in 2008/09. A portion of the revenue originally accounted for in 2008/09 has subsequently been deferred to 2009/10 year. This is offset by the recognition of previously unbudgeted grants including the Local Adaptation Pathways Program, EPU Legislative Change Project, EMQ and Federal Disaster Management Grant.
4. Interest income has been adjusted to account for the higher than expected account balance and interest rate fluctuations year to date. The forecast interest income has been performed on a conservative basis given the current economic climate.

Operating expenses have increased by \$468k mainly due to the following:

	Original Budget 2008/09	August Review 2008/09	Variance \$	Favourable/ Unfavourable	Note
Employee Costs	113.8m	107.24m	(6.6m)	Favourable	1
Materials and Services Costs	115.8m	122.9m	7.1m	Unfavourable	2

1. Employee costs have reduced due to vacancies experienced year to date.
2. Materials and services costs have increased predominantly due to an increase in:
 - o agency/temp staff costs of \$2.5million,
 - o consultancy costs of \$1million within Planning and Environment for the Mt Peter Planning Project,
 - o \$700k increase in external plant hire,
 - o \$520k increase in electricity costs,
 - o \$300k net increase in repairs and maintenance, sub contractor and private works expenditure

The remaining expenditure movement is in relation to the realignment of expenditure and forecasts based on trends year to date.

NET RESULT

It is anticipated that the 2008/09 financial year will achieve a net result of \$89.1m, a \$7.4m unfavourable variance to original budget. This variance is made up of the \$400,000 increase in operating position explained above, combined with a decline in capital revenue of \$7.8million. The \$7.8m unfavourable variance is due to a decline in capital grants, subsidies and contributions of \$5.3m, due to a revision of the capital works source of funds. Further, Gain on Sale of Assets has declined by \$2.45m, due to a revision in the methodology for depreciating fleet assets undertaken, which should align the written down value of fleet assets to market value.

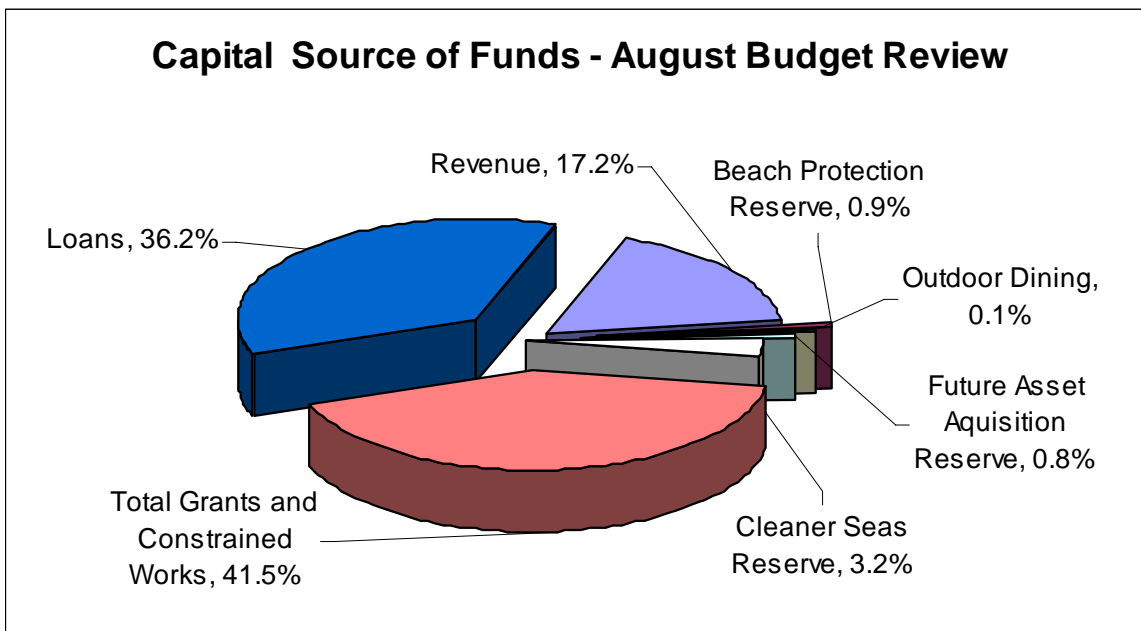
RETAINED SURPLUS

In the 2008/2009 period, Cairns Regional Council has projected an accumulated surplus available for transfer to general reserves of 39.4m, compared to an original budget of 51.8m. This movement is due to the net effect of the movement in gain/loss on sale of assets (\$-2.4m), change in unfunded depreciation (\$676,449), and change in net result (\$7.2m).

CAPITAL EXPENDITURE

The forecast capital budget for the 2008/09 period is \$307.3m. This is compared to the forecast original capital budget for 2007/08 of \$315m, resulting in a 2% variance.

The source of funding for the revised capital budget in 2008/09 is projected to be as follows:



The majority of capital funding is sourced from capital grants and subsidies and the constrained works reserve (also known as developer contributions). The second largest reliance on capital funding is loans. Loans are only borrowed for Cairns Water Assets as they are income producing assets which can meet loan repayments. Loans are discussed in the section entitled Queensland Treasury Corporation debt below.

FINANCIAL POSITION

Cairns Regional Council manages close to \$2.4 billion of property, plant and equipment on behalf of the ratepayers and residents of the region. Total Property Plant and Equipment, and Capital Work in Progress, has decreased by \$6m, or 0.22% from original budget.

The projected cash position at August budget review is \$8.6m, compared to an original budget balance of \$137.4m, or a 6% variance. This decline in expected cash balance is a combination of the variances in income and expenditure as explained above. The unconstrained cash balance, that is, the projected cash balance minus cash reserves is \$9.3m.

QUEENSLAND TREASURY DEBT

Borrowings are obtained from Queensland Treasury Corporation.

Council's current borrowing policy requires:

- > No use of long term debt to finance operating activities or recurrent expenditure.
- > Priority will be given in any borrowing program to income producing assets.
- > Repayment for new and existing borrowings is set at 10 years or less except in the case of borrowings for major long-life infrastructure assets and for capital works which have been levied to ratepayers as a special charge, where a repayment period will be determined on a case by case basis.
- > The ratio of debt service payments to net rates should remain less than 25%.

These borrowings are repaid on a monthly basis in accordance with the terms and conditions set by Queensland Treasury Corporation. The repayment terms are being reviewed on a regular basis in order to ensure that the expected loan term aligns with the market movements.

Total debt per rateable properties at 30 June 2008, is expected to be approximately \$1500. This is dependant on the timing of each loan drawdown throughout the year. Council is expected to make the first loan drawdown for this financial period in December 2008.

It is noted that the projected loans required as a source of fund for Cairns Water capital projects has declined from \$99.9m in the original budget to \$86.4m in the August budget review. Total interest expense has therefore declined from \$7.9m to \$7.8m, and principal repayments have declined from \$25.5m to \$24.4m from original budget to August budget review.

CONCLUSION:

The retained surplus of Council is balanced at 30 June 2009. Total unfunded depreciation for the 15 months is forecast at \$676,449, compared to original budget forecast of \$1.1m. This is predominantly due to a reduction in capital funding sources from gain on disposal of assets, as well as a reduction in forecast capital grants. It is noted that the unfunded depreciation calculated assumes that the actual net result performs to budget, and the full capital budget is expended prior to 30 June 2009. An unfunded depreciation position means that revenue is not sufficient to cover its cash and non cash operating expenses and transfers to reserves. Detailed Budgeted Financial Statements are attached.

ATTACHMENTS:

- Cairns Regional Council Consolidated Financial Statements
- Departmental variance explanations
- Variance to budget by Activity

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Budgeted Income Statement
For the 15 Months Ended 30 June 2009

CAIRNS REGIONAL COUNCIL
FINANCIAL REPORTS

	Notes	Original Budget 2008/09 \$	First Budget Review 2008/09 \$	Variance \$
Revenue				
Rates and utility charges		199,002,000	199,185,283	183,283
Less: Discounts & Pensioner remissions		(1,706,822)	(1,706,822)	-
Net rates and utility charges	1	197,295,178	197,478,461	183,283
Fees and charges	2	30,225,193	30,723,364	498,171
Operating grants, subsidies and contributions	3	28,572,540	27,173,094	(1,399,446)
Interest revenue	4	8,939,508	10,764,602	1,825,094
Other Income		18,917,015	18,534,816	(382,199)
TOTAL OPERATING REVENUES		283,949,434	284,674,337	724,903
Expenses				
Employee benefits operating	5	(113,883,713)	(107,244,310)	(6,639,403)
Materials and services	6	(115,842,931)	(122,907,453)	7,064,522
Depreciation and Amortisation		(91,657,273)	(91,657,049)	(224)
Finance Costs		(7,943,678)	(7,825,704)	(117,974)
TOTAL OPERATING EXPENSES		(329,327,595)	(329,634,516)	306,921
Operating surplus (deficit)		(45,378,161)	(44,960,179)	417,982
Capital income and expenditure:				
Cash capital grants, subsidies and contributions	7	95,166,711	89,781,340	(5,385,371)
Contributed physical capital assets		44,320,420	44,320,420	-
Other capital income	8	2,511,740	57,368	(2,454,372)
TOTAL CAPITAL ITEMS		141,998,871	134,159,128	(7,839,743)
Net result before amalgamation		96,620,710	89,198,949	(7,421,761)
Gain arising from assumption of net assets of amalgamated councils		2,641,706,413	2,641,580,448	125,965
Net result		2,738,327,123	2,730,779,397	(7,295,796)

The above statement should be read in conjunction with the accompanying Departmental Reports and notes.

Notes

- Rates income has been re-aligned based on actual rates raised for the period July to December 2008.
- Fees and charges have been adjusted in line with actuals received year to date. A re-alignment of budget for the Daintree Ferry has also occurred, as it was previously budgeted at 'other income'.
- Operating grants, subsidies and contributions have been adjusted to account for the Mt Peter Planning Project income expected in 2008/09. A portion of the revenue originally accounted for in 2008/09 has subsequently been deferred to 2009/10 year. This is offset by the recognition of previously unbudgeted grants including the Local Adaptation Pathways Program, EPU Legislative Change Project, EMQ and Federal Disaster Management Grant.
- Interest income has been adjusted to account for the higher than expected account balance and interest rate fluctuations year to date. The forecast interest income has been performed on a conservative basis given the current economic climate.
- Employee costs have reduced due to vacancies experienced year to date.
- Materials and services costs have increased predominantly due to an increase in:
 - agency/temp staff costs of \$2.5mill;
 - consultancy costs of \$1mill within Planning and Environment for the Mt Peter Planning Project;
 - \$700k increase in external plant hire;
 - \$520k increase in electricity costs;
 - \$300k net increase in repairs and maintenance, sub contractor and private works expenditure.
- Variance is due to a revision of the capital works source of funds.
- Gain on sale of assets has declined due to a review in methodology for depreciating selected asset classes, as well as the previously unbudgeted disposal of Daintree land to the EPA.

Budgeted Appropriation Statement
For the 15 Months Ended 30 June 2009

CAIRNS REGIONAL COUNCIL
FINANCIAL REPORTS

Notes	Original Budget 2008/09 \$	First Budget Review 2008/09 \$	Variance \$
Retained Surplus/(Deficit) from prior years.	-	-	-
Net result attributable to council in the period for the period	-	-	-
Increase/(Decrease) in the net result	2,738,990,144	2,730,779,397	(8,210,747)
	<u>2,738,990,144</u>	<u>2,730,779,397</u>	<u>(8,210,747)</u>
Appropriations			
Transfers to capital :-			
Other capital income	(2,511,740)	(57,368)	(2,454,372)
Contributed physical capital assets	(44,320,420)	(44,320,420)	-
Capital payments funded from general revenue	(249,703)	-	(249,703)
Transfer to the capital account balance on amalgamation	(2,510,255,411)	(2,510,137,945)	(117,466)
	<u>(2,557,337,274)</u>	<u>(2,554,515,733)</u>	<u>(2,821,541)</u>
Transfers from capital :-			
Unspent capital revenue transferred from capital	-	2,479,466	2,479,466
Transfer from capital for unfunded depreciation	1,196,520	676,449	(520,071)
	<u>1,196,520</u>	<u>3,155,915</u>	<u>26,662,891</u>
Transfer the capital value of the amalgamated councils			
Net capital account transfers			
Net transfer (to) from capital	(2,556,140,754)	(2,551,359,818)	(4,780,936)
Net transfer (to) from the Constrained Works Reserve	(130,997,176)	(139,930,403)	8,933,227
Accumulated surplus/(deficit) available for transfer to general reserves	<u>51,852,214</u>	<u>39,489,176 -</u>	<u>4,058,456</u>
Capital Reserves :			
Transfer (to) from the Fleet Acquisition Reserve	(2,729,852)	-	(2,729,852)
Transfer (to) from the Beach Protection Reserve	(3,694,847)	(2,694,847)	(1,000,000)
Transfer (to) from the Civic Infrastructure Reserve	-	(8,099,369)	8,099,369
Transfer (to) from the Future asset acquisition Reserve	(23,992,353)	(17,914,360)	(6,077,993)
Transfer (to) from the Outdoor dining fees Reserve	(2,004,239)	(289,535)	(1,714,704)
Transfer (to) from the Clean seas Initiative Reserve	(14,430,564)	(7,723,514)	(6,707,050)
Transfer (to) from the Natural Disaster Reserve	(550,000)	(550,000)	-
Transfer (to) from the Cairns water Augmentation Reserve	(949,038)	(949,038)	-
Recurrent Reserves :			
Transfer (to) from the Future operational Expenditure Reserve	(1,060,951)	(740,153)	(320,798)
Transfer (to) from the Bluewater Special Charge Reserve	-	(528,360)	528,360
Transfer (to) from the Resource, Waste and Environmental Reserve	(1,208,461)	-	(1,208,461)
Transfer (to) from the General Reserve	(568,889)	-	(568,889)
Retained surplus/(deficit) at period end.	<u>663,020</u>	<u>-</u>	<u>(15,758,474)</u>

Budgeted Balance Sheet
For the 15 Months Ended 30 June 2009

CAIRNS REGIONAL COUNCIL
FINANCIAL REPORTS

	Notes	Original Budget 2008/09 \$	First Budget Review 2008/09 \$	Variance \$
Assets				
Current Assets				
Cash and deposits	1	137,433,359	128,760,352	(8,673,007)
Receivables	2	23,347,114	22,960,930	(386,184)
Inventories		2,018,390	2,018,390	-
Other financial assets		73,894	734,720	660,826
		162,872,757	154,474,392	(8,398,365)
Non-Current Assets				
Receivables		-	-	-
Property, plant and equipment		2,856,962,808	2,497,381,540	(159,581,268)
Intangible assets		446,009	32,768	(413,241)
Capital Work in Progress		85,273,694	238,645,890	153,372,196
	3	2,742,682,511	2,736,060,198	(6,622,313)
Total Assets		2,905,555,268	2,890,534,590	(15,020,678)
Liabilities				
Current Liabilities				
Trade and other payables	2	22,036,520	21,173,124	(863,396)
Interest bearing liabilities		25,542,768	24,389,013	(1,153,755)
Employee entitlements	4	2,392,144	7,240,012	4,847,868
Other		1,243,501	1,705,198	461,697
		51,214,933	54,507,347	3,292,414
Non-Current Liabilities				
Trade and other payables	2	2,313,659	11,087,410	8,773,751
Interest bearing liabilities		104,218,861	93,125,365	(11,093,496)
Employee entitlements	4	9,480,692	1,035,079	(8,445,613)
		116,013,212	105,247,854	(10,765,358)
Total Liabilities		167,228,145	159,755,201	(7,472,944)
NET COMMUNITY ASSETS		2,738,327,123	2,730,779,389	(7,547,734)
Community Equity				
Capital		2,668,598,339	2,611,334,990	(57,263,349)
Other Reserves		69,728,784	119,444,407	49,715,623
Accumulated Surplus/(Deficiency)		-	-	-
TOTAL COMMUNITY EQUITY		2,738,327,123	2,730,779,397	(7,547,726)

The accompanying notes form part of these financial statements.

Notes

- 1 The reduction in the budget for cash and deposits has decreased due to a combination of the variances in income and expenditure.
- 2 The budget amounts for receivables and payables have been adjusted based on historical data
- 3 Lower than originally anticipated allocation of property plant and equipment and capital works in progress values.
- 4 Employee entitlements variances relate to the current and non-current allocation.

Budgeted Statement of Cash Flows
For the 15 Months Ended 30 June 2009

CAIRNS REGIONAL COUNCIL
FINANCIAL REPORTS

	Notes	Original Budget 2008/09 \$	First Budget Review 2008/09 \$	Variance \$
Cash Flows from Operating Activities				
Receipts				
Net rates and utility charges		214,693,689	214,866,113	172,424
Fees and charges		30,759,445	30,723,363	(36,082)
Rental and levies		56,954	264,016	207,062
Interest revenue		8,939,508	10,790,359	1,850,851
Contributions and donations		15,776,162	14,179,456	(1,596,706)
Government subsidies and grants		12,796,378	12,993,636	197,258
Other Income		(1,218,866)	(382,747)	836,119
Total GST received for the year		2,572,453	2,572,453	-
		284,375,723	286,006,649	1,630,926
Payments				
Employee benefits operating		(112,210,938)	(107,078,127)	(5,132,811)
Materials and services		(118,158,658)	(120,976,629)	2,817,971
Finance costs		(7,613,930)	(6,642,271)	(971,659)
		(237,983,526)	(234,697,027)	(3,286,499)
Cash provided by / (used in) Net Result		46,392,197	51,309,622	4,917,425
Cash Flow from Investing Activities :				
Proceeds from sale of capital assets		2,511,740	57,372	(2,454,368)
Payments for property, plant and equipment		(245,268,421)	(238,645,890)	(6,622,531)
Net proceeds (cost) from advances and cash investments		5,581	5,581	-
Net cash provided by investing activities		(242,751,100)	(238,582,937)	(4,168,163)
Cash Flow from Financing Activities :				
Proceeds from developers and government for capital projects:				
Contributions		30,241,751	32,287,211	2,045,460
Government grants and subsidies		79,728,419	72,297,588	(7,430,831)
Proceeds from borrowings		95,053,078	81,544,685	(13,508,393)
Repayment of borrowings		(25,542,768)	(24,407,598)	(1,135,170)
Net cash provided by financing activities		179,480,480	161,721,886	(17,758,594)
Net Increase (Decrease) in Cash Held		(16,878,423)	(25,551,429)	(17,009,332)
Cash at beginning of reporting period		262,900,295	154,311,782	(108,588,513)
Cash at end of Reporting Period		246,021,872	128,760,353	(125,597,845)

Budgeted Statement of Capital Funding
For the 15 Months Ended 30 June 2009

CAIRNS REGIONAL COUNCIL
FINANCIAL REPORTS

	Notes	Original Budget 2008/09 \$	First Budget Review 2008/09 \$	Variance \$
Sources of Capital Funding				
Appropriation from general revenue sources, funds expended for capital purposes in the period				
		249,703	-	(249,703)
Transfer of excess revenue to capital reserves		-	(2,479,466)	
Proceeds from the sale of non current assets		2,511,740	57,372	(2,454,368)
Funded depreciation expended		55,635,999	67,805,642	12,169,643
Donated non current assets		44,320,420	44,320,420	-
Funds from loan borrowings expended in the period		99,956,162	86,447,769	(13,508,393)
Constrained grants and developer contributions		90,806,446	99,282,453	8,476,007
Fleet Acquisition Reserve		2,729,852	-	(2,729,852)
Beach Protection Reserve		2,194,828	2,194,828	-
Future asset acquisition Reserve		2,295,895	2,021,376	(274,519)
Clean seas Initiative Reserve		14,430,564	7,723,514	(6,707,050)
		<u>315,131,609</u>	<u>307,373,908</u>	<u>(5,278,235)</u>
Application of Capital Funding				
Non current assets :				
Fixed Assets		289,588,841	129,594,113	(159,994,728)
Movement in capital work in progress		-	153,372,197	153,372,197
		<u>289,588,841</u>	<u>282,966,310</u>	<u>(6,622,531)</u>
Principal loan repayments :				
Queensland Treasury Corporation		25,542,768	24,407,598	(1,135,170)
		<u>25,542,768</u>	<u>24,407,598</u>	<u>(1,135,170)</u>
Total capital expenditure		<u>315,131,609</u>	<u>307,373,908</u>	<u>(7,757,701)</u>

Operating Statement
For the 15 Months Ended 30 June 2009

Department Works & Services (Excluding Cairns Works)					
	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Fees and Charges	1	2,363,201	3,067,832	704,631	30 %
Miscellaneous Revenue	2	1,231,255	706,825	(524,430)	(43)%
		<u>3,594,456</u>	<u>3,774,657</u>	<u>180,201</u>	<u>5 %</u>
Donations		-	-	-	0 %
Contributions		11,000	11,000	-	0 %
Subsidies and Grants	3	3,833,033	3,947,801	114,768	3 %
		<u>3,844,033</u>	<u>3,958,801</u>	<u>114,768</u>	<u>3 %</u>
Total Operating Revenue		<u>7,438,489</u>	<u>7,733,458</u>	<u>294,969</u>	<u>4 %</u>
Operating Expenditure					
Employee Costs		17,164,716	17,193,439	28,723	0 %
Agency/Temp Staff Costs	4	475,684	700,850	225,166	47 %
Materials and Services Costs	5	30,645,550	29,233,862	(1,411,688)	(5)%
Internal Charges	6	69,143,123	72,279,767	3,136,644	5 %
Internal Revenue	7	(52,018,433)	(55,497,480)	3,479,047	(7)%
Depreciation and Amortisation Expenses		41,255,055	41,255,055	-	0 %
Bank Fees and Charges		(5)	10	15	(300)%
Other Expenses	8	(42,964)	1,909,228	1,952,192	(4544)%
Competitive Neutrality Charges		2,212,315	2,212,330	15	0 %
		<u>108,835,041</u>	<u>109,287,061</u>	<u>452,020</u>	<u>0 %</u>
Less Expenses Capitalised	9	(1,555,879)	(1,140,031)	(415,848)	27 %
Total Expenses		<u>107,279,162</u>	<u>108,147,030</u>	<u>867,868</u>	<u>1 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		<u>(99,840,673)</u>	<u>(100,413,572)</u>	<u>(572,899)</u>	<u>1 %</u>
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment	10	1,183,005	24,930	(1,158,075)	(98)%
Other Capital Items		-	-	-	0 %
Contributions	11	35,413,549	37,790,611	2,377,062	7 %
Subsidies and Grants	12	15,561,220	13,202,383	(2,358,837)	(15)%
		<u>52,157,774</u>	<u>51,017,924</u>	<u>(1,139,850)</u>	<u>(2)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY		<u>(47,682,899)</u>	<u>(49,395,648)</u>	<u>(1,712,749)</u>	<u>4 %</u>

Notes

- 1 Fees and Charges have been increased in line with actual revenue receipts. Further, the budget for the Daintree Ferry was originally included in miscellaneous revenue and has now been moved to fees and charges (\$568k).
- 2 Changes in the miscellaneous revenue budget is due to the reallocation of the Daintree Ferry revenue into the fees and charges.
- 3 Operating grants and subsidies has been adjusted due to a minor increase in the EMQ and Federal Disaster Management Grant (\$115k).
- 4 Agency/temporary staff costs have been increased in line with year to date expenditure.
- 5 Savings have been found in materials and services to offset a \$1.8million write down in depreciation of fleet assets that was budgeted prior to 14th March. Refer adjustment due to (loss)/gain on disposal of assets.
- 6 Internal expenditure has been reviewed based on operational requirements. The variance in Internal Charges relates mainly to increases in charges from Cairns Works.
- 7 Internal revenue has been adjusted based on client requirements.
- 8 Other expenses has been adjusted due to a \$1.8million write down in fleet assets, as discussed above.
- 9 Capitalised expenses have been reduced due to a decline in the amount of salary costs capitalised to projects in the project services area as a result of difficulties experienced in filling the full staff complement.
- 10 Gain on disposal of assets adjusted due to revaluation of fleet assets.
- 11 Capital contributions have been revised in line with expectations.
- 12 Variance relates to timing of subsidised capital works. Capital grant revenue is accrued in line with progress of subsidised works and has been reduced based on the Capital Source of Funds.

Operating Statement
For the 15 Months Ended 30 June 2009

Business Unit Cairns Works					
	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Miscellaneous Revenue	1	9,486,256	9,636,940	150,684	2 %
Subsidies and Grants		-	-	-	0 %
		<u>9,486,256</u>	<u>9,636,940</u>	<u>150,684</u>	<u>2 %</u>
Total Operating Revenue		<u>9,486,256</u>	<u>9,636,940</u>	<u>150,684</u>	<u>2 %</u>
Operating Expenditure					
Employee Costs		22,125,911	22,053,640	(72,271)	(0)%
Agency/Temp Staff Costs	2	2,170,395	3,917,283	1,746,888	80 %
Materials and Services Costs	3	32,340,706	31,728,719	(611,987)	(2)%
Internal Charges	4	35,096,970	35,245,660	148,690	0 %
Internal Revenue	5	(88,408,920)	(91,375,715)	2,966,795	3 %
Depreciation and Amortisation Expenses		-	-	-	0 %
Bank Fees and Charges		(10)	-	10	100 %
Other Expenses		3,867	2,133	(1,734)	(45)%
Competitive Neutrality Charges		5,292,734	5,292,734	-	0 %
		<u>8,621,653</u>	<u>6,864,454</u>	<u>(1,757,199)</u>	<u>(20)%</u>
Less Expenses Capitalised		(3,691)	(5,456)	1,765	48 %
Total Expenses		<u>8,617,962</u>	<u>6,858,998</u>	<u>(1,758,964)</u>	<u>(20)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX		<u>868,294</u>	<u>2,777,942</u>	<u>1,909,648</u>	<u>220 %</u>
Income Tax Benefit/(Expense)	6	(628,858)	(833,382)	(204,524)	(33)%
Dividend Income/(Expense)	6	(1,672,076)	(1,944,560)	(272,484)	(16)%
		<u>(2,300,934)</u>	<u>(2,777,942)</u>	<u>(477,008)</u>	<u>(21)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX		<u>(1,432,640)</u>	<u>-</u>	<u>1,432,640</u>	<u>(100)%</u>

Notes

- 1 Increase in miscellaneous revenue is due to higher than anticipated income from private works (\$250k) which is offset by a lower than initially expected income from construction works (-\$97k).
- 2 Budget has been increased to account for higher than originally forecast utilisation of agency/temporary to cover staff vacancies in line with year to date actual expenditure.
- 3 Materials and services adjustments are due mainly to the reforecast of budgets relating to repairs and maintenance materials - general (\$2.9m), RMPCC expenditure - transfer from work in progress (\$248k). These have been offset by lower than originally anticipated construction contract and sub-contract (-\$1.05m), maintenance services - roads and drainage (-\$656k) and private works expenditure transfer from work in progress (-\$2.2m).
- 4 Internal charges expenditure budget has been increased in line with year to date expenditure.
- 5 Income from internal revenue is greater than expected due to increased internal demand for services. The most significant changes include higher than originally anticipated revenue from job charging (\$2.41m), corporate and branch overhead recoveries (\$1.6m), capital contract recovery (\$291k) and IM contract management (\$109k). These have been offset by lower than originally anticipated external works (-\$174k), rehire of long term dedicated plant (-\$717k) and maintenance contract (-\$599k).
- 6 Income tax and dividend adjusted as a result of movement in operating capability.

Operating Statement
For the 15 Months Ended 30 June 2009

Business Unit Water	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Rates and Utility Charges	1	86,525,817	86,576,862	51,045	0 %
Less Discount and Pensioner Remissions		-	-	-	0 %
		<u>86,525,817</u>	<u>86,576,862</u>	<u>51,045</u>	<u>0 %</u>
Fees and Charges	2	6,482,479	6,502,466	19,987	0 %
Interest	3	198,196	223,995	25,799	13 %
Miscellaneous Revenue		1,025,531	1,025,646	115	0 %
		<u>7,706,206</u>	<u>7,752,107</u>	<u>45,901</u>	<u>1 %</u>
Donations		-	-	-	0 %
Contributions		12,395,309	12,395,309	-	0 %
Subsidies and Grants		251,304	251,304	-	0 %
		<u>12,646,613</u>	<u>12,646,613</u>	<u>-</u>	<u>0 %</u>
Total Operating Revenue		<u>106,878,636</u>	<u>106,975,582</u>	<u>96,946</u>	<u>0 %</u>
Operating Expenditure					
Employee Costs	4	23,712,875	21,112,188	(2,600,687)	(11)%
Agency/Temp Staff Costs	5	1,569,562	1,713,144	143,582	9 %
Materials and Services Costs	6	19,657,972	20,188,708	530,736	3 %
Internal Charges	7	10,697,352	11,780,246	1,082,894	10 %
Internal Revenue	7	(7,847,272)	(7,227,111)	(620,161)	(8)%
Depreciation and Amortisation Expenses		35,745,772	35,745,765	(7)	(0)%
Finance and Borrowing Costs		6,309,824	6,309,824	-	0 %
Bad and Doubtful Debts		135,133	135,133	-	0 %
Other		440	440	-	0 %
Competitive Neutrality Charges	8	1,964,004	(1,003,445)	(2,967,449)	(151)%
		<u>91,945,662</u>	<u>88,754,892</u>	<u>(3,190,770)</u>	<u>(3)%</u>
Less Expenses Capitalised	9	(2,890,430)	(2,574,274)	(316,156)	(11)%
Total Expenses		<u>89,055,232</u>	<u>86,180,618</u>	<u>(2,874,614)</u>	<u>(3)%</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		<u>17,823,404</u>	<u>20,794,964</u>	<u>2,971,560</u>	<u>17 %</u>
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment		95,676	95,676	-	0 %
Contributions		23,895,163	23,895,163	-	0 %
Subsidies and Grants	10	56,450,949	55,782,583	(668,366)	(1)%
		<u>80,441,788</u>	<u>79,773,422</u>	<u>(668,366)</u>	<u>(1)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX		<u>98,265,192</u>	<u>100,568,386</u>	<u>2,303,194</u>	<u>2 %</u>
Income Tax Benefit/(Expense)	11	(25,478,336)	(24,750,657)	727,679	3 %
Dividend Income/(Expense)	11	(2,651,304)	-	2,651,304	100 %
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX		<u>70,135,552</u>	<u>75,817,729</u>	<u>5,682,177</u>	<u>8 %</u>

Notes

- 1 Rates and charges have been reviewed in line with actual rates and charges raised for the July to December 2008 period.
- 2 The budget for fees and charges revenue has been increased based on an expected rise in demand for water laboratory testing.
- 3 Interest income is greater than original budget due to higher than expected outstanding rates and charges.
- 4 Employee costs have been reduced due to unspent salaries and overtime due to vacancies experienced year to date.
- 5 Agency/temporary staff costs have been increased in the operations area to align with actual expenditure and expectations over the wet season (\$347k). Costs have been reduced in general management (-\$69k), business services (-\$93k) and infrastructure (-\$41k) based on expected future usage and the filling of vacant positions.
- 6 Materials and services costs have been adjusted based on expenditure year to date, as well as adjustments for seasonal fluctuations.
- 7 Internal revenue and internal charges have been re-aligned based on trends experienced year to date, as well as adjusting for expected seasonal fluctuations for the remaining months.
- 8 Imputed interest decreased due to timing of loan drawdowns and movements in interest rates.
- 9 Capitalised expenses have been reduced due to a decline in the amount of salary costs capitalised to projects.
- 10 Variance relates to timing of subsidised capital works. Capital grant revenue is accrued in line with progress of subsidised works and has been reduced based on the Capital Source of Funds.
- 11 Tax and dividend has been amended in line with the change in operating performance of Cairns Water, including movements in constrained income, which is non-distributable as a dividend.

Operating Statement
For the 15 Months Ended 30 June 2009

Business Unit Waste					
	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Rates and Utility Charges	1	18,525,885	18,918,122	392,237	2 %
Less Discount and Pensioner Remissions		-	-	-	0 %
		<u>18,525,885</u>	<u>18,918,122</u>	<u>392,237</u>	<u>2 %</u>
Fees and Charges	2	5,187,604	5,095,321	(92,283)	(2)%
Interest		42,493	42,493	-	0 %
Miscellaneous Revenue		2,228,384	2,228,384	-	0 %
		<u>7,458,481</u>	<u>7,366,198</u>	<u>(92,283)</u>	<u>(1)%</u>
Donations		-	-	-	0 %
Contributions		-	-	-	0 %
Subsidies and Grants		5,758	5,758	-	0 %
		<u>5,758</u>	<u>5,758</u>	<u>-</u>	<u>0 %</u>
Total Operating Revenue		<u>25,990,124</u>	<u>26,290,078</u>	<u>299,954</u>	<u>1 %</u>
Operating Expenditure					
Employee Costs	3	2,019,729	2,122,320	102,591	5 %
Agency/Temp Staff Costs	4	809,724	1,068,301	258,577	32 %
Materials and Services Costs	5	21,804,219	21,385,073	(419,146)	(2)%
Internal Charges	6	1,031,175	1,369,539	338,364	33 %
Internal Revenue	7	(801,359)	(745,333)	(56,026)	7 %
Depreciation and Amortisation Expenses		676,452	676,449	(3)	(0)%
Borrowing Costs	8	176,331	166,515	(9,816)	(6)%
Competitive Neutrality Charges	9	2,081,975	2,016,599	(65,376)	(3)%
		<u>27,798,246</u>	<u>28,058,463</u>	<u>261,217</u>	<u>1 %</u>
Less Expenses Capitalised		-	-	-	0 %
Total Expenses		<u>27,798,246</u>	<u>28,058,463</u>	<u>261,217</u>	<u>1 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		<u>(1,808,122)</u>	<u>(1,769,385)</u>	<u>38,737</u>	<u>(2)%</u>
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment		135,846	135,946	100	0 %
Contributions		-	-	-	0 %
Subsidies and Grants		158,352	156,352	(2,000)	(1)%
		<u>294,198</u>	<u>292,298</u>	<u>(1,900)</u>	<u>(1)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX		<u>(1,513,924)</u>	<u>(1,477,087)</u>	<u>36,837</u>	<u>(2)%</u>
Income Tax Benefit/(Expense)	10	(807,112)	443,115	1,250,227	(155)%
Dividend Income/(Expense)	10	(903,245)	-	903,245	(100)%
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX		<u>(3,224,281)</u>	<u>(1,033,972)</u>	<u>2,190,309</u>	<u>(68)%</u>

Notes

- 1 Rates and utility charges budget is higher than originally anticipated due to the increase in cleansing rates levied for the periods July to December 2008.
- 2 Fees and charges revenue has been adjusted based on an expected increase in revenue from the sale of recyclables (\$253k) offset by an expected decrease in revenue from the transfer stations for general dumping (-\$345k).
- 3 Employee costs have been reviewed and increased based on expected requirements.
- 4 Variance due to greater than anticipated usage of agency staff for coverage at various waste management sites.
- 5 Materials and services have been adjusted to re-align the budget based on expenditure year to date, as well as anticipated expenditure for the remaining months.
- 6 Internal charges are higher than originally budgeted for in fleet hire (\$194k), dumping fees (\$99k) and job charging (\$26k) as per year to date trends.
- 7 Variance is due to lower than anticipated internal revenue from dumping fees (-\$79k) and job charging (-\$11k) and higher internal revenue from sludge dumping (\$34k).
- 8 Adjustment to QTC book debt finance charges due to timing of loan drawdowns.
- 9 Imputed interest decreased due to timing of drawdowns and movement in interest rates.
- 10 Income tax and dividend has been amended as a result of movement in operating capability.

Operating Statement
For the 15 Months Ended 30 June 2009

Department Planning & Environment

	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Fees and Charges	1	13,189,528	13,133,991	(55,537)	(0)%
Interest		-	(157)	(157)	0 %
Miscellaneous Revenue	2	1,555,278	1,296,348	(258,930)	(17)%
		14,744,806	14,430,182	(314,624)	(2)%
Donations		-	-	-	0 %
Contributions	3	3,137,000	1,736,208	(1,400,792)	(45)%
Subsidies and Grants	4	-	111,416	111,416	0 %
		3,137,000	1,847,624	(1,289,376)	(41)%
Total Operating Revenue		17,881,806	16,277,806	(1,604,000)	(9)%
Operating Expenditure					
Employee Costs	5	12,916,410	12,427,315	(489,095)	(4)%
Agency/Temp Staff Costs	6	93,333	142,314	48,981	52 %
Materials and Services Costs	7	3,934,271	5,380,961	1,446,690	37 %
Internal Charges	8	1,168,816	1,417,472	248,656	21 %
Internal Revenue		-	(13,187)	13,187	0 %
Depreciation and Amortisation Expenses		596,032	596,032	-	0 %
Bank Fees and Charges		213	223	10	5 %
Finance and Borrowing costs		-	-	-	0 %
Bad and Doubtful Debts	9	99,185	41,045	(58,140)	(59)%
Other	10	1,610,275	802,781	(807,494)	(50)%
Competitive Neutrality Charges		1,494,240	1,494,240	-	0 %
		21,912,775	22,289,196	376,421	2 %
Less Expenses Capitalised		-	14	14	0 %
Total Expenses		21,912,775	22,289,210	376,435	2 %
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		(4,030,969)	(6,011,404)	(1,980,435)	(49)%
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment		-	-	-	0 %
Contributions	11	-	117,398	117,398	0 %
Subsidies and Grants	12	-	56,305	56,305	0 %
		-	173,703	173,703	0 %
INCREASE/(DECREASE) IN OPERATING CAPABILITY		(4,030,969)	(5,837,701)	(1,806,732)	(45)%

Notes

- 1 All categories of fees and charges have been reviewed resulting in a net overall reduction in expected revenue.
- 2 Miscellaneous revenue has been adjusted due to a reduction in sundry revenue in the development assessment function (-\$364k) which has been offset by increases in revenue from rental & leases for council houses (\$21k), legal costs recovered (\$34k) and the reimbursement for planning strategies (\$50k).
- 3 The timing of the budgeted receipt in income for the Mt Peter Master Plan Project has been adjusted. A portion of income has been budgeted to be received in the 2009/10 year that was originally budgeted to be received in June 2009.
- 4 Variance is due to higher than originally anticipated grants from the Department of Climate Change for the Local Adaptation Pathways Program (\$50k) and EPU Legislative Change Project (\$62k).
- 5 Employee costs have been adjusted due to the vacancies across the department.
- 6 Agency/temporary staff costs budget has been increased due to staff vacancies across the department.
- 7 Materials and services costs have been adjusted to include expenditure on the Mt Peter Master Planning Project (\$1.04m) and the Port Douglas Waterfront Project (\$415k), which were not included in the Original Budget.
- 8 Internal charges have been increased due to higher than anticipated charges for dedicated fleet and pool vehicles.
- 9 Estimated bad and doubtful debts expense has been reduced in the local law compliance function.
- 10 Other expenses have been reduced as a result of a decreased amount estimated for the refund of developer contributions (\$688k) and financial assistance payments (\$27k). This also includes a variance due to the timing of a refund of an overpayment of grant funding (\$96k).
- 11 Variance is due to the inclusion of developer contributions towards off-street parking (\$117k).
- 12 Budget has been allocated to Capital Subsidies and Grants due to the recognition of a capital grant in the environmental assessment branch which was not included in the Original Budget.

Operating Statement
For the 15 Months Ended 30 June 2009

Department Community & Cultural Services

	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Fees and Charges	1	2,347,031	2,416,268	69,237	3 %
Miscellaneous Revenue	2	2,954,633	3,262,886	308,253	10 %
		<u>5,301,664</u>	<u>5,679,154</u>	<u>377,490</u>	<u>7 %</u>
Donations		-	-	-	0 %
Contributions	3	232,852	36,939	(195,913)	(84)%
Subsidies and Grants		1,326,711	1,314,106	(12,605)	(1)%
		<u>1,559,563</u>	<u>1,351,045</u>	<u>(208,518)</u>	<u>(13)%</u>
Total Operating Revenue		<u>6,861,227</u>	<u>7,030,199</u>	<u>168,972</u>	<u>2 %</u>
Operating Expenditure					
Employee Costs	4	16,166,143	16,354,834	188,691	1 %
Agency/Temp Staff Costs	5	380,366	419,354	38,988	10 %
Materials and Services Costs	6	13,884,839	14,269,501	384,662	3 %
Internal Charges	7	3,838,335	3,603,226	(235,109)	(6)%
Internal Revenue	7	(1,080,339)	(831,883)	(248,456)	(23)%
Depreciation and Amortisation Expenses		10,438,534	10,438,518	(16)	(0)%
Bank Fees and Charges	8	61,039	47,294	(13,745)	(23)%
Finance and Borrowing Costs		-	-	-	0 %
Bad and Doubtful Debts		-	-	-	0 %
Other	9	3,057,818	2,687,185	(370,633)	(12)%
Competitive Neutrality Charges		946,901	946,901	-	0 %
		<u>47,693,626</u>	<u>47,934,930</u>	<u>241,304</u>	<u>1 %</u>
Less Expenses Capitalised		-	-	-	
Total Expenses		<u>47,693,626</u>	<u>47,934,930</u>	<u>241,304</u>	<u>1 %</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		<u>(40,832,399)</u>	<u>(40,904,731)</u>	<u>(72,332)</u>	<u>0 %</u>
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment	10	199,569	(4,335)	(203,904)	(102)%
Contributions	11	450,000	1,000	(449,000)	(100)%
Subsidies and Grants	12	7,557,899	3,099,963	(4,457,936)	(59)%
		<u>8,207,468</u>	<u>3,096,628</u>	<u>(5,110,840)</u>	<u>(62)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY		<u>(32,624,931)</u>	<u>(37,808,103)</u>	<u>(5,183,172)</u>	<u>(16)%</u>

Notes

- 1 Fees and charges are higher than originally budgeted due to a net overall increase in expected revenue.
- 2 Miscellaneous revenue budget has been increased to include the rise in expected bar sales (\$60k), reimbursements (\$47k), prior year unexpended grant revenue (\$164k) and sales (\$93k) which have been offset by a decrease in rental and leases (-\$84k).
- 3 The budget for contributions has been reduced due to lower than originally anticipated contributions in Sport and Recreation and Community Development (-\$182k), as well as sponsorships in Cultural Services and Facilities (-\$15k).
- 4 Employee costs budget has been adjusted to accommodate savings in salaries and wages (-\$471k) and employee oncosts (-\$231k) due to vacant positions across all departments. This has been offset by a reduction in employees costs target savings (\$884k) compared to original budget.
- 5 Agency/temporary staff costs have been increased due to year to date staff vacancies across the department.
- 6 Materials and services variances are due to a re-alignment caused by timing differences year to date as well as additional anticipated expenditure.
- 7 Internal charges and internal revenue have been adjusted to reflect actual expenditure year to date and anticipated expenditure for the remainder of the financial year.
- 8 Variance relates to less than anticipated activity at the Civic Theatre, based on year to date trends.
- 9 Budget for other expenses has been reduced to represent a reduction in forecasted sundry expenses, which have been re-allocated across materials and services, (-\$346k) as well as financial assistance for RADF (-\$25k).
- 10 Variance is due to a revised estimate of the loss on disposal of assets.
- 11 Reduction in capital contributions budget is due to developer contributions towards the Public Art Reserve being allocated in the Original Budget, which are no longer expected to be received.
- 12 Variance relates to timing of subsidised capital works. Capital grant revenue is accrued in line with progress of subsidised works and has been reduced based on the Capital Source of Funds.

Operating Statement
For the 15 Months Ended 30 June 2009

Department Corporate Services

	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Rates and Utility Charges		91,983,478	91,983,478	-	0%
		<u>91,983,478</u>	<u>91,983,478</u>	<u>-</u>	<u>0%</u>
Fees and Charges	1	655,351	507,484	(147,867)	(23)%
Interest	2	8,958,800	10,498,270	1,539,470	17%
Miscellaneous Revenue	3	362,470	355,351	(7,119)	(2)%
		<u>9,976,621</u>	<u>11,361,105</u>	<u>1,384,484</u>	<u>14%</u>
Donations		-	-	-	0%
Contributions		-	-	-	0%
Subsidies and Grants	4	7,029,571	7,013,251	(16,320)	(0)%
		<u>7,029,571</u>	<u>7,013,251</u>	<u>(16,320)</u>	<u>(0)%</u>
Total Operating Revenue		<u>108,989,670</u>	<u>110,357,834</u>	<u>1,368,164</u>	<u>1%</u>
Operating Expenditure					
Employee Costs	5	17,899,237	17,513,116	(386,121)	(2)%
Agency/Temp Staff Costs	6	240,796	272,836	32,040	13%
Materials and Services Costs	7	14,078,614	14,246,184	167,570	1%
Internal Charges	8	985,603	1,083,607	98,004	10%
Internal Revenue		(2,042,442)	(2,042,442)	-	0%
Depreciation and Amortisation Expenses		2,945,427	2,945,427	-	0%
Bank Fees and Charges		864,301	864,301	-	0%
Finance and Borrowing Costs	9	202,240	165,932	(36,308)	(18)%
Bad and Doubtful Debts		95,430	95,430	-	0%
Other	10	1,591,379	1,563,705	(27,674)	(2)%
Competitive Neutrality Charges	11	(13,992,184)	(10,959,359)	3,032,825	22%
		<u>22,868,401</u>	<u>25,748,737</u>	<u>2,880,336</u>	<u>13%</u>
Less Expenses Capitalised		-	-	-	-
Total Expenses		<u>22,868,401</u>	<u>25,748,737</u>	<u>2,880,336</u>	<u>13%</u>
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		<u>86,121,269</u>	<u>84,609,097</u>	<u>(1,512,172)</u>	<u>(2)%</u>
Capital Items					
(Loss)/Gain on Disposal of Property, Plant and Equipment	12	897,644	(190,867)	(1,088,511)	(121)%
Contributions		-	-	-	0%
Subsidies and Grants		-	-	-	0%
		<u>897,644</u>	<u>(190,867)</u>	<u>(1,088,511)</u>	<u>(121)%</u>
INCREASE/(DECREASE) IN OPERATING CAPABILITY BEFORE TAX		<u>87,018,913</u>	<u>84,418,230</u>	<u>(2,600,683)</u>	<u>(3)%</u>
Income Tax Benefit/(Expense)	13	26,914,306	25,140,924	(1,773,382)	(7)%
Dividend Income/(Expense)	13	5,226,625	1,944,560	(3,282,065)	(63)%
INCREASE/(DECREASE) IN OPERATING CAPABILITY AFTER INCOME TAX		<u>119,159,844</u>	<u>111,503,714</u>	<u>(7,656,130)</u>	<u>(6)%</u>

Notes

- 1 Fees and charges revenue relating to property search fees have been reduced due to less than anticipated activity (-\$148k).
- 2 Budget for revised interest income increased due to higher than expected cash balances and interest rates year to date. Interest has been budgeted at a conservative rate as the year progresses.
- 3 Miscellaneous revenue relating to legal costs recovered has been reduced in line with year to date activity (-\$7k).
- 4 Operating subsidies and grants have been adjusted in line with the approved Financial Assistance Grant (-\$16k).
- 5 Employee costs have been reduced as a result of a number of vacant positions across the department.
- 6 Agency/temporary staff costs are higher than anticipated due to vacant positions and have been increased in line with year to date utilisation (\$32k).
- 7 Materials and services costs include extra funds for the Spence Street restructure (\$90k), timing and recognition of other expenses (\$147k) and increased services required in Records for back log of scanning (\$99k). This has been offset by a reduction in expected legal costs (-\$136k).
- 8 Internal charges are higher than originally anticipated, mainly due to the increase in pool vehicle usage and dedicated fleet hire. These have been adjusted in line with year to date expenditure.
- 9 Borrowing costs have been decreased to reflect a slight reduction in year to date interest expense.
- 10 Variance relates to Human Resources contingencies being reallocated to appropriate areas (-\$26k).
- 11 The competitive neutrality charges variance is a result of a reduction in imputed interest recovery. This is due to a reduction in expected interest rates as well as timing in expected loan drawdowns.
- 12 Variance is due to the loss on disposal of Daintree land acquisition, which was not included in the Original Budget.
- 13 Tax and dividend has been adjusted to reflect movements in commercialised business unit revenue and expenditure.

Operating Statement
For the 15 Months Ended 30 June 2009

Department Executive					
	Note	Original Budget	First Review Budget	Variance	Variance
		\$	\$	\$	%
Operating Revenue					
Rates and Utility Charges		-	-	-	0%
Less Discount and Pensioner Remissions		-	-	-	0%
		-	-	-	0%
Fees and Charges		-	-	-	-
Miscellaneous Revenue		18,460	18,460	-	0%
		18,460	18,460	-	0%
Donations		-	-	-	0%
Subsidies and Grants		350,000	350,000	-	0%
		350,000	350,000	-	0%
Total Operating Revenues		368,460	368,460	-	0%
Operating Expenditure					
Employee Costs	1	1,878,691	2,188,204	309,513	16%
Agency/Temp Staff Costs	2	9,000	43,038	34,038	378%
Materials and Services Costs	3	766,690	739,396	(27,294)	(4)%
Internal Charges	3	308,833	294,822	(14,011)	(5)%
Depreciation and Amortisation Expenses		-	-	-	0%
Bank Fees and Charges		-	-	-	0%
Borrowing Costs		-	-	-	0%
Other	3	1,138,961	1,150,266	11,305	1%
Competitive Neutrality Charges		-	-	-	0%
		4,102,175	4,415,726	313,551	8%
Less Expenses Capitalised		-	-	-	-
Total Expenses		4,102,175	4,415,726	313,551	8%
OPERATING CAPABILITIES BEFORE CAPITAL ITEMS		(3,733,715)	(4,047,266)	(313,551)	(8)%
Capital Items					
Gain on Disposal of Property, Plant and Equipment		-	-	-	0%
Contributions		-	-	-	0%
Subsidies and Grants		-	-	-	0%
		-	-	-	-
Income Tax Expense/(Benefit)		-	-	-	0%
Dividend Expense/(Benefit)		-	-	-	0%
INCREASE/(DECREASE) IN OPERATING CAPABILITY		(3,733,715)	(4,047,266)	(313,551)	(8)%

Notes

- 1 Employee costs are higher than originally forecast mainly due to an increase in salaries and wages from anticipated vacancies being filled and a reallocation within Community Relations.
- 2 Variance is due to higher than anticipated costs of consultancy services used in the Community Relations branch to cover vacant positions.
- 3 Expenditure has been reforecast in line with year to date trends.

**COMPARISON OF ORIGINAL BUDGET TO AUGUST BUDGET
REVIEW BY DEPARTMENT**

PLANNING AND ENVIRONMENT				
DEPARTMENT SUMMARY				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	17,881,807	16,464,682	(1,417,125)	(7.92)
Expenses	21,912,775	22,302,390	389,615	1.78
BRANCH Planning & Environment Department Management & Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	(675)	(675)	-
Expenses	2,138,522	1,431,973	(706,549)	(33.04)
BRANCH Development Assessment				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	3,179,475	2,542,656	(636,819)	(20.03)
Expenses	4,374,753	3,879,899	(494,854)	(11.31)
BRANCH Planning Strategies				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	3,424,203	2,123,130	(1,301,073)	(38.00)
Expenses	2,492,837	4,071,196	1,578,359	63.32
BRANCH Environmental Assessment				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	11,278,129	11,799,572	521,443	4.62
Expenses	12,906,663	12,919,322	12,659	0.10
ACTIVITY Environmental Assessment - General Administration				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	105,000	126,478	21,478	20.46
Expenses	1,348,344	1,351,997	3,653	0.27
ACTIVITY Building Services				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,287,965	1,190,874	(97,091)	(7.54)
Expenses	1,614,818	1,556,259	(58,559)	(3.63)
ACTIVITY Environmental Protection Unit				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	332,377	444,519	112,142	33.74
Expenses	471,748	487,977	16,229	3.44

ACTIVITY <i>Public Health Unit</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,084,305	1,060,065	(24,240)	(2.24)
Expenses	1,569,842	1,534,207	(35,635)	(2.27)

ACTIVITY <i>Vector Control</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	635	635	-
Expenses	966,990	893,949	(73,041)	(7.55)

ACTIVITY <i>Local Laws Compliance</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,087,009	2,218,193	131,184	6.29
Expenses	2,343,025	2,397,296	54,271	2.32

ACTIVITY <i>Regulated Parking</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	5,903,940	6,257,642	353,702	5.99
Expenses	3,152,551	3,256,661	104,110	3.30

ACTIVITY <i>Cemeteries</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	477,533	501,165	23,632	4.95
Expenses	1,439,344	1,440,976	1,632	0.11

WORKS AND SERVICES

DEPARTMENT SUMMARY				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	211,069,443	216,407,006	5,337,563	2.53
Expenses	260,184,981	265,802,650	5,617,669	2.16

BRANCH Works & Services Management & Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	141,261	147,224	5,963	4.22
Expenses	233,049	363,804	130,755	56.11

BRANCH Works & Services Business Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	853,330	942,009	88,679	10.39
Expenses	1,577,741	1,767,858	190,117	12.05

BRANCH Project Services				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,956,577	2,673,900	(282,677)	(9.56)
Expenses	2,817,286	2,729,214	(88,072)	(3.13)

BRANCH Infrastructure Management				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	58,133,690	58,071,236	(62,454)	(0.11)
Expenses	106,070,794	106,150,946	80,152	0.08

ACTIVITY Infrastructure Management Administration				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	7,802,893	2,795,608	(5,007,285)	(64.17)
Expenses	11,708,871	10,773,787	(935,084)	(7.99)

ACTIVITY Transport				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	22,808,136	27,036,836	4,228,700	18.54
Expenses	55,470,708	57,013,535	1,542,827	2.78

ACTIVITY Drainage				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	17,356,698	18,090,103	733,405	4.23
Expenses	12,647,227	12,309,720	(337,507)	(2.67)

ACTIVITY Parks & Foreshore				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,211,754	2,279,769	68,015	3.08
Expenses	18,717,304	16,585,718	(2,131,586)	(11.39)

ACTIVITY		<i>Natural Disaster Response</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	3,472,268	3,472,268	-	-
Expenses	3,664,287	5,703,503	2,039,216	55.65

ACTIVITY		<i>Natural Resource Management</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,923,508	1,682,313	(241,195)	(12.54)
Expenses	2,055,013	2,079,997	24,984	1.22

ACTIVITY		<i>Daintree Ferry Operations</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,558,432	2,714,339	155,907	6.09
Expenses	1,807,383	1,684,686	(122,697)	(6.79)

BRANCH		<i>Technical Support Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	13,240,672	15,777,125	2,536,453	19.16
Expenses	17,842,300	20,027,205	2,184,905	12.25

ACTIVITY		<i>Technical Support - General Administration</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	342,826	372,618	29,792	8.69

ACTIVITY		<i>Facilities Maintenance</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,086,882	6,732,232	645,350	10.60
Expenses	9,800,399	9,621,223	(179,176)	(1.83)

ACTIVITY		<i>Design Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,203,964	2,077,585	(126,379)	(5.73)
Expenses	1,899,470	2,094,861	195,391	10.29

ACTIVITY		<i>Survey Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,243,881	1,219,329	(24,552)	(1.97)
Expenses	1,187,171	1,196,950	9,779	0.82

ACTIVITY		<i>System Support Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,850	250	(6,600)	(96.35)
Expenses	128,233	184,998	56,765	44.27

ACTIVITY		Disaster Management		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	3,699,095	5,747,729	2,048,634	55.38
Expenses	4,484,201	6,556,555	2,072,354	46.21

BRANCH		Cairns Works (Commercial Business Unit - Annual Performance Plan)		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	97,898,867	101,018,110	3,119,243	3.19
Expenses	99,331,506	101,018,110	1,686,604	1.70

ACTIVITY		Cairns Works Management		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	16,317,245	17,384,969	1,067,724	6.54
Expenses	17,591,877	18,524,072	932,195	5.30

ACTIVITY		Cairns Works Construction		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	38,526,648	41,576,634	3,049,986	7.92
Expenses	38,875,113	40,180,515	1,305,402	3.36

ACTIVITY		Road Maintenance Performance Contract (Rmpc)		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,748,322	1,411,868	(336,454)	(19.24)
Expenses	1,567,143	1,671,269	104,126	6.64

ACTIVITY		Cairns Works Maintenance		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	41,306,652	40,644,638	(662,014)	(1.60)
Expenses	41,297,374	40,642,255	(655,119)	(1.59)

BRANCH		Cairns Fleet		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	37,845,046	37,777,400	(67,646)	(0.18)
Expenses	32,312,305	33,745,512	1,433,207	4.44

ACTIVITY		Management & Support		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	86,923	45,843	(41,080)	(47.26)

ACTIVITY		Fleet Hire Services		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	13,858,250	14,883,097	1,024,847	7.40
Expenses	12,721,227	12,759,982	38,755	0.30

ACTIVITY		<i>Fleet Asset Management</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	15,769,112	14,868,712	(900,400)	(5.71)
Expenses	11,149,877	12,845,330	1,695,453	15.21

ACTIVITY		<i>Fleet Workshop</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,976,480	6,890,380	(86,100)	(1.23)
Expenses	6,848,248	6,686,365	(161,883)	(2.36)

ACTIVITY		<i>Metal Fabrication</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,241,204	1,135,212	(105,992)	(8.54)
Expenses	1,506,031	1,407,993	(98,038)	(6.51)

WATER AND WASTE				
DEPARTMENT SUMMARY				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	225,143,805	223,878,094	(1,265,711)	(0.56)
Expenses	158,232,534	149,094,339	(9,138,195)	(5.78)
BRANCH Water & Waste - General Management & Administration Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	86,360	105,209	18,849	21.83
Expenses	28,054,610	24,469,695	(3,584,915)	(12.78)
ACTIVITY Management & Administration Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	27,988,177	24,396,990	(3,591,187)	(12.83)
ACTIVITY Management & Administration Support - Communication & Education				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	86,360	105,209	18,849	21.83
Expenses	66,433	72,704	6,271	9.44
BRANCH Business Services				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	5,105,648	5,217,564	111,916	2.19
Expenses	6,473,667	6,259,101	(214,566)	(3.31)
ACTIVITY Business Support - Management & Administration				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	58,129	(59,627)	(117,756)	(202.58)
ACTIVITY Business Services - Customer Service & Billing				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	313,361	328,227	14,866	4.74
Expenses	1,452,344	1,247,042	(205,302)	(14.14)
ACTIVITY Business Services - Financial Management				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	(5,544)	(31,809)	(26,265)	473.76
ACTIVITY Business Services - Laboratory Services				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,619,306	1,663,870	44,564	2.75
Expenses	1,900,322	2,227,140	326,818	17.20

ACTIVITY <i>Business Services - Corporate And External Reporting</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	128,376	137,875	9,499	7.40

ACTIVITY <i>Business Services - Environmental Management & Quality Systems</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	20,000	18,154	(1,846)	(9.23)
Expenses	77,571	(10,143)	(87,714)	(113.08)

ACTIVITY <i>Business Services - Plumbing & Trade Waster Compliance</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	3,152,980	3,207,313	54,333	1.72
Expenses	2,862,469	2,748,622	(113,847)	(3.98)

BRANCH <i>Operations</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	187,258,120	186,789,676	(468,444)	(0.25)
Expenses	88,243,021	85,240,084	(3,002,937)	(3.40)

ACTIVITY <i>Operations Management & Administration Support</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	87,075	98,371	11,296	12.97
Expenses	26,812	122,304	95,492	356.15

ACTIVITY <i>Operations - Workplace Health & Safety</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	3,388	3,388	-
Expenses	(5,339)	31,563	36,902	(691.18)

ACTIVITY <i>Operations - Water Treatment</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	48,125,365	47,815,070	(310,295)	(0.64)
Expenses	11,493,662	9,077,427	(2,416,235)	(21.02)

ACTIVITY <i>Operations - Water Services</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	15,537,198	15,316,763	(220,435)	(1.42)
Expenses	29,991,601	32,054,946	2,063,345	6.88

ACTIVITY <i>Operations - Wastewater Treatment</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	112,450,723	112,771,264	320,541	0.29
Expenses	26,275,240	24,572,442	(1,702,798)	(6.48)

ACTIVITY		<i>Operations - Wastewater Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	10,608,061	10,091,778	(516,283)	(4.87)
Expenses	20,575,157	20,697,145	121,988	0.59

ACTIVITY		<i>Engineering & Maintenance</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	449,697	693,042	243,345	54.11
Expenses	(114,113)	(1,315,744)	(1,201,631)	1,053.02

BRANCH		<i>Infrastructure</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	5,607,997	4,437,938	(1,170,059)	(20.86)
Expenses	5,151,275	4,763,778	(387,497)	(7.52)

ACTIVITY		<i>Infrastructure - Management & Administration Support</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,225,581	899,540	(326,041)	(26.60)
Expenses	1,304,595	1,246,137	(58,458)	(4.48)

ACTIVITY		<i>Infrastructure - Infrastructure Project Delivery</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,021,929	891,775	(130,154)	(12.74)
Expenses	1,082,462	698,896	(383,566)	(35.43)

ACTIVITY		<i>Infrastructure - Planning & Design</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,847,081	1,442,058	(405,023)	(21.93)
Expenses	1,708,204	1,545,306	(162,898)	(9.54)

ACTIVITY		<i>Infrastructure - Asset Management</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	537,612	424,323	(113,289)	(21.07)
Expenses	520,893	408,340	(112,553)	(21.61)

ACTIVITY		<i>Infrastructure - Cleaner Seas Team</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	975,794	780,243	(195,551)	(20.04)
Expenses	535,120	865,101	329,981	61.66

BRANCH		<i>Waste Services</i>		
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	27,085,680	27,327,707	242,027	0.89
Expenses	30,309,961	28,361,681	(1,948,280)	(6.43)

ACTIVITY Waste Services - Management & Administration Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	18,588,420	18,970,615	382,195	2.06
Expenses	5,225,611	2,970,644	(2,254,967)	(43.15)

ACTIVITY Waste Services - Contract Management				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,229,543	2,236,914	7,371	0.33
Expenses	17,378,212	17,389,432	11,220	0.06

ACTIVITY Waste Services - Buy Back Shop				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	314,758	314,758	-	-
Expenses	250,107	227,460	(22,647)	(9.05)

ACTIVITY Waste Services - Waste Transfer Station Operation				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,664,207	2,266,028	(398,179)	(14.95)
Expenses	5,037,640	4,680,878	(356,762)	(7.08)

ACTIVITY Waste Services - Landfill Operation				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,399,370	1,399,370	-	-
Expenses	855,659	811,997	(43,662)	(5.10)

ACTIVITY Waste Services - Material Recovery Facility (Mrf)				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,889,382	2,140,022	250,640	13.27
Expenses	1,562,731	2,281,270	718,539	45.98

COMMUNITY AND CULTURAL SERVICES				
DEPARTMENT SUMMARY				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	16,149,033	10,958,712	(5,190,321)	(32.14)
Expenses	48,773,965	48,757,258	(16,707)	(0.03)
BRANCH Departmental Management & Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,477,073	-	(2,477,073)	(100.00)
Expenses	548,915	1,388,828	839,913	153.01
ACTIVITY Departmental Management & Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,477,073	-	(2,477,073)	(100.00)
Expenses	(813,388)	76,101	889,489	(109.36)
ACTIVITY Economic Development				
SUMMARY Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	1,362,303	1,312,727	(49,576)	(3.64)
BRANCH Cairns Libraries				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	935,506	932,324	(3,182)	(0.34)
Expenses	7,760,765	7,621,153	(139,612)	(1.80)
ACTIVITY Management & Administration				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	1,751,106	1,630,627	(120,479)	(6.88)
ACTIVITY Libraries Network Northern				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	67,918	80,450	12,532	18.45
Expenses	1,654,386	1,832,458	178,072	10.76
ACTIVITY Libraries Network Southern				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	80,417	65,122	(15,295)	(19.02)
Expenses	2,064,225	2,082,432	18,207	0.88

ACTIVITY <i>Libraries Support Services</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	807	389	(418)	(51.80)
Expenses	1,556,721	1,337,268	(219,453)	(14.10)
ACTIVITY <i>Libraries Grant, Funding & Subsidies</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	786,363	786,364	1	-
Expenses	729,327	733,368	4,041	0.55
ACTIVITY <i>Cairns Sister Cities Collection</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	5,000	5,000	-	-
BRANCH <i>Cultural Services & Facilities</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,154,473	5,512,238	(642,235)	(10.44)
Expenses	24,701,631	24,700,574	(1,057)	-
ACTIVITY <i>Management & Administration</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	620,234	115,447	(504,787)	(81.39)
Expenses	419,326	419,297	(29)	(0.01)
ACTIVITY <i>Inner City Facilities</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,213,640	1,878,795	(334,845)	(15.13)
Expenses	12,741,930	12,727,232	(14,698)	(0.12)
ACTIVITY <i>Botanic Gardens & Sugarworld</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	546,043	488,701	(57,342)	(10.50)
Expenses	2,485,299	2,348,517	(136,782)	(5.50)
ACTIVITY <i>Tanks Arts Centre</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	706,437	836,090	129,653	18.35
Expenses	3,304,413	3,333,564	29,151	0.88
ACTIVITY <i>Civic Theatre</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,053,049	2,178,136	125,087	6.09
Expenses	4,119,660	4,268,116	148,456	3.60

ACTIVITY <i>Memorials, Public Art, Cairns Regional Gallery Liaison</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	569	569	-	-
Expenses	1,557,194	1,529,770	(27,424)	(1.76)

ACTIVITY <i>Museum Development</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	14,500	14,500	-	-
Expenses	73,808	74,077	269	0.36

BRANCH <i>Sport, Recreation & Community Development</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,581,982	4,514,151	(2,067,831)	(31.42)
Expenses	15,762,654	15,046,703	(715,951)	(4.54)

ACTIVITY <i>Management & Administration</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	590,465	602,390	11,925	2.02

ACTIVITY <i>Community Development</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	720,879	1,002,532	281,653	39.07
Expenses	2,455,721	2,513,019	57,298	2.33

ACTIVITY <i>Community Development - Far North</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	174,940	141,339	(33,601)	(19.21)
Expenses	975,796	910,705	(65,091)	(6.67)

ACTIVITY <i>Southern Suburbs Support Services</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	425,958	280,985	(144,973)	(34.03)
Expenses	582,794	484,555	(98,239)	(16.86)

ACTIVITY <i>Sport And Recreation</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,884,846	1,186,613	(1,698,233)	(58.87)
Expenses	5,549,044	5,261,788	(287,256)	(5.18)

ACTIVITY <i>Leisure Venues</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	2,375,359	1,902,682	(472,677)	(19.90)
Expenses	5,608,835	5,274,246	(334,589)	(5.97)

CORPORATE SERVICES					
DEPARTMENT SUMMARY					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	144,070,687	139,294,893	(4,775,794)	(3.31)	
Expenses	24,910,844	27,791,187	2,880,343	11.56	
BRANCH Corporate Services - Management & Support					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	628,768	725,824	97,056	15.44	
BRANCH Corporate Performance					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	61,416	54,297	(7,119)	(11.59)	
Expenses	12,188,268	12,235,329	47,061	0.39	
ACTIVITY Management & Support					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	369,099	325,458	(43,641)	(11.82)	
ACTIVITY Business Improvement					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	768,455	754,705	(13,750)	(1.79)	
ACTIVITY Corporate Planning & Performance					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	475,910	421,169	(54,741)	(11.50)	
ACTIVITY Customer Service					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	120	120	-	-	
Expenses	2,201,132	1,900,959	(300,173)	(13.64)	
ACTIVITY Mossman Office Administration					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	443,585	554,171	110,586	24.93	
ACTIVITY Elected Member Support					
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %	
Revenue	-	-	-	-	
Expenses	2,426,145	2,672,890	246,745	10.17	

ACTIVITY <i>Property And Administrative Support</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	55,221	48,102	(7,119)	(12.89)
Expenses	4,365,753	4,531,042	165,289	3.79

ACTIVITY <i>Records</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	6,076	6,076	-	-
Expenses	1,138,190	1,074,934	(63,256)	(5.56)

BRANCH <i>Legal Services</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	940	940	-	-
Expenses	2,606,930	2,471,961	(134,969)	(5.18)

BRANCH <i>Finance</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	143,987,242	139,218,567	(4,768,675)	(3.31)
Expenses	(2,375,803)	489,221	2,865,024	(120.59)

ACTIVITY <i>Financial Services</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	1,090,542	(145,836)	(1,236,378)	(113.37)
Expenses	7,548,669	7,671,528	122,859	1.63

ACTIVITY <i>Corporate Financing & Overhead</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	142,896,700	139,364,402	(3,532,298)	(2.47)
Expenses	(9,924,471)	(7,182,306)	2,742,165	(27.63)

BRANCH <i>Human Resources</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	36,000	36,000	-	-
Expenses	3,874,997	3,931,497	56,500	1.46

ACTIVITY <i>Human Resources</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	36,000	36,000	-	-
Expenses	3,256,223	3,312,236	56,013	1.72

ACTIVITY <i>Workplace Health & Safety</i>				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	618,774	619,262	488	0.08

BRANCH Information Services				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	(14,911)	(14,911)	-	-
Expenses	7,987,684	7,937,354	(50,330)	(0.63)

EXECUTIVE				
DEPARTMENT SUMMARY				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	368,460	368,460	-	-
Expenses	4,102,175	4,415,727	313,552	7.64
BRANCH Office Of The Chief Executive Officer				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	350,000	350,000	-	-
Expenses	1,608,234	1,718,724	110,490	6.87
ACTIVITY Chief Executive Officer & Support				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	350,000	350,000	-	-
Expenses	822,529	932,024	109,495	13.31
ACTIVITY Asset Management Development Program				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	-	-	-	-
Expenses	785,705	786,700	995	0.13
BRANCH Corporate Communication				
Financial Summary	08/09 Original Budget	08/09 1st Budget Review	Variance \$	Variance %
Revenue	18,460	18,460	-	-
Expenses	2,493,942	2,697,003	203,061	8.14