



## **Operations Budget to 30 June 2020**

## Operations Budget to 30 June 2020

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## Operations Budget to 30 June 2020

The budgeted Common Service Fees will increase by \$44 per month to be \$554 per month for all units. The Apartment Fee charge will not increase and remains at \$105 per month. The Palm Gardens Apartment Fee charge will not increase and remains at \$105 per month. There are 2 main reasons for the increase in Common Service fee. Firstly, the prior year surpluses, which were used to reduce the 2018/19 Common Service Fee by \$34, have now been fully utilised. No surplus is expected in the current 2018/19 financial year. Secondly, there has been a change in the way in which water and sewer rates are now treated. This accounts for \$20 of the \$44 increase in CSF. Please refer to Page 5 for more detail on this.

<b>Computing the Common Service Fee</b>		<b>\$</b>
Total Village Expenditure		1,706,109
Less: Village Other Income		(45,231)
	Apartment Services Expenditure	(78,120)
	Palm Gardens Apartment Services Expenditure	(13,860)
Net Cost		<u>1,568,898</u>
No. of units paying the Common Service Fee		236
<b>Annual fee per unit</b>		<u><b>\$6,647</b></u>
<b>Cost per unit per month</b>		<u><b>\$554</b></u>

<b>Computing the Apartment Service Fee</b>		<b>\$</b>
Apartment Services Expenditure		78,120
Less: Apartment Services Income		0
Net Cost		<u>\$78,120</u>
No. of apartments paying the Apartments Service Fee		62
<b>Annual fee per apartment</b>		<b>\$1,260</b>
<b>Cost per apartment per month</b>		<b>105</b>

<b>Computing the Palm Gardens Apartment Service Fee</b>		<b>\$</b>
Palm Gardens Apartment Services Expenditure		13,860
Less: Apartment Services Income		0
Net Cost		<u>\$13,860</u>
No. of apartments paying the Apartments Service Fee		11
<b>Annual fee per apartment</b>		<b>\$1,260</b>
<b>Cost per apartment per month</b>		<b>\$105</b>

The table below shows the year-on-year movement in the Common Service Fee and Apartment Service Fee for the past 6 years.

### Fees over the past six years

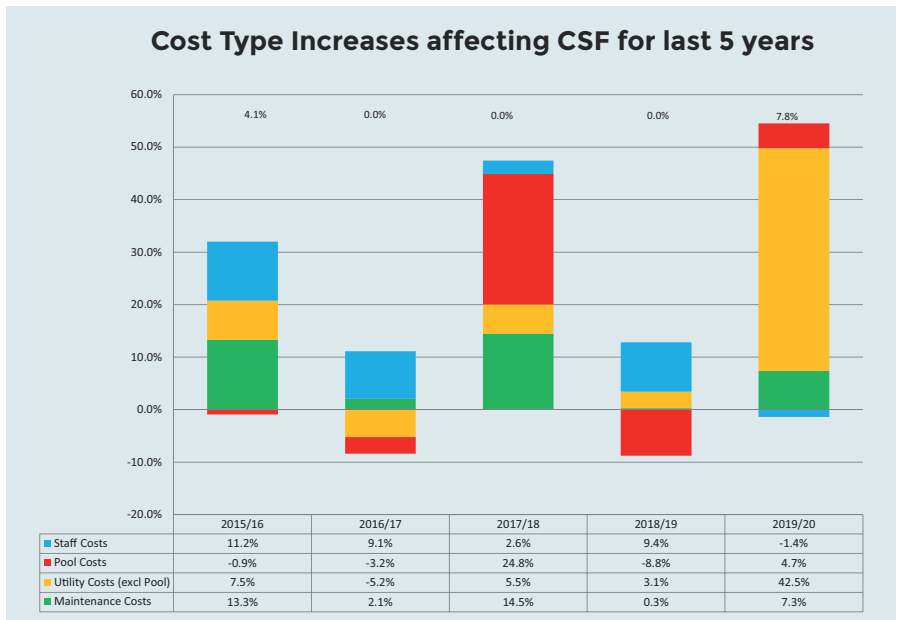
	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	6 Year Ave
Common Service Fee	\$490	\$510	\$510	\$510	\$510	\$554	
% increase	+2.1%	+4.1%	+0.0%	+0.0%	+0.0%	+8.6%	+2.5%
Apartment Service Fee	\$100	\$100	\$100	\$100	\$105	\$105	
% increase	-12.3%	+0.0%	+0.0%	+0.0%	+5.0%	+0.0%	-1.2%
Palm Gardens Apartment Service Fee	\$0	\$0	\$0	\$100	\$105	\$105	

## Sources of cost increases affecting CSF for last 5 years

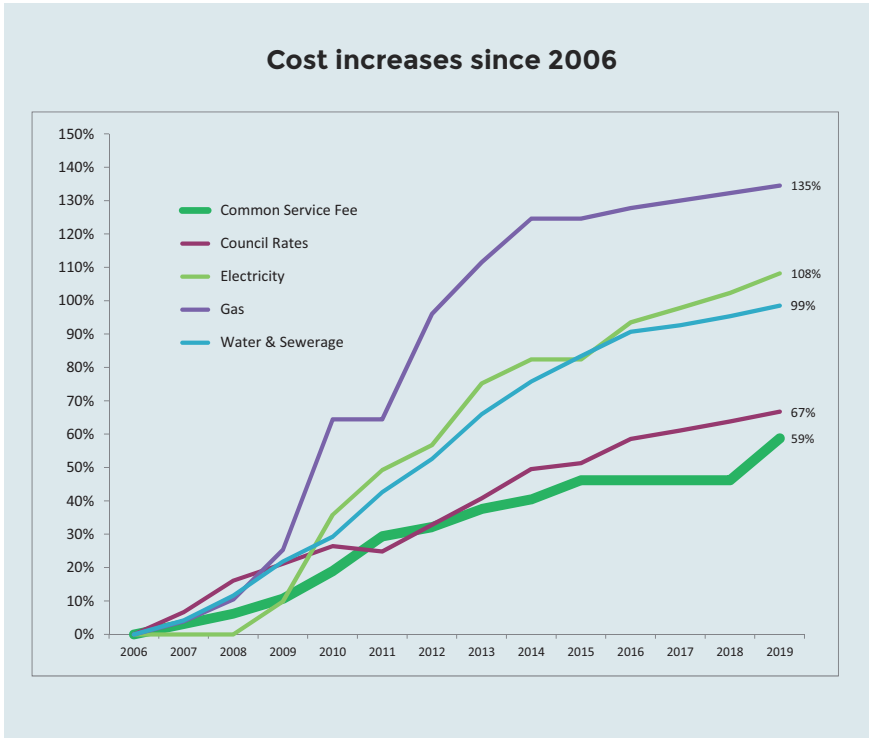
The graph below illustrates the main causes for increases in the Common Service Fee over the last five years.

The major source of changes in the Common Service Fees over the last five years have been Staff costs, Utility costs and Maintenance. Utility costs have shown a 42.5% increase in the 2019/20 year due to a change in the way water and sewer rates are now treated. Please refer to the Cost Cutting initiatives on Page 5 for more details. Staff costs increase each year in accordance with increases specified with the Ocean Gardens Enterprise Bargaining Agreement. Although staff numbers are reasonably stable from year to year, additional staffing levels are often budgeted to facilitate the changing nature of Ocean Gardens facilities with additional Care staff required to service increased demand for Care services, that is offset by additional income received.

The Trading areas of Care Services and Restaurant are dependent on their patronage to generate income that offset the cost of running these services.



## Comparison of CSF with Other Living Costs - Perth



In order to put the history of increases in the Common Service Fee into context, a comparison has been done with a basket of other living cost increases in Perth over the last decade. The biggest annual increases have been those related to energy where gas and electricity have increased by 135% and 108% respectively over the last 13 years.

Over the same period, Water and Sewerage has recorded an increase of 99% and Council rates 67%.

In comparison, the Common Service fee at Ocean Gardens has only risen by an average of 59% when compared to these other living costs.

### Cost Cutting Initiatives

The surpluses of \$98,160 from prior years were fully used in the 2018/19 budget to reduce the Common Service Fee by \$34 per month, from \$544 per month to \$510 per month. These surpluses are now fully utilised and there would now be an expectation that the Common Service Fee would be a minimum of \$544 for the 2019/20 financial year. Ocean Gardens Management have endeavoured during the year to keep costs down in order to keep the increase to the Common Service Fee to a minimum. These initiatives are illustrated below.

Although we saw a number of staff come and go during the year, staff numbers have remained relatively the same as in the past. The position of Property Services Administrator was not replaced following the resignation of Anne Flynn, however Shaun Brewer has undertaken the refurbishment component in addition to his supervision of gardeners and our Maintenance team of Colin Long and Eddie Luke have taken a more active role in work scheduling and contractor management.

A decision was made during the year to not renew the lawn mowing contract for 2019/20 and to bring this task in-house. Consequently, we have taken on an additional gardener to help the Gardens & Grounds team manage this and free up Shaun Brewer to undertake the coordination of unit refurbishments. The decision to do this was because we felt we could manage this better ourselves and that there would be a cost saving.

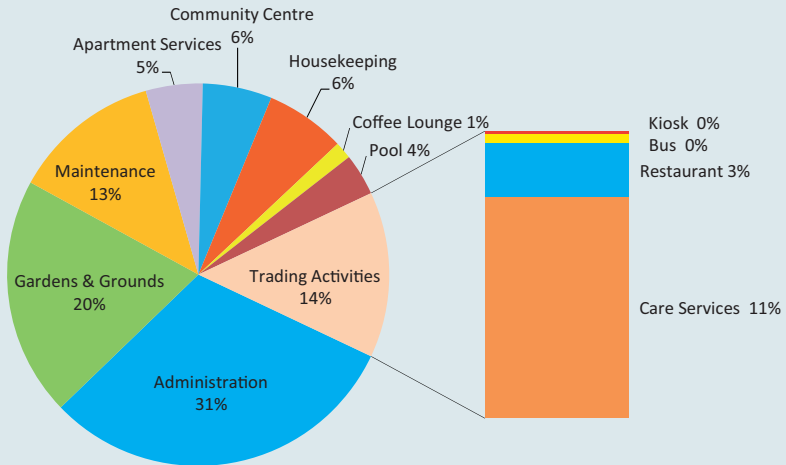
The electricity and gas contracts that commenced with Kleenheat in 2017 will be finishing on the 30 June 2019. We have already begun the tendering process for the next year and early indications are that there will be only a slight increase. Together with the solar panels that were installed in prior years, the cost savings will continue to benefit the Village.

In May 2019 the General Manager met with the Water Corporation and they have confirmed that a single billing system would be considerably cheaper for Residents than the current multi bill system. Currently the Residents are charged \$265,000, net of rebates. If Ocean Gardens were to be charged directly the cost would be \$83,628, inclusive of water usage charges. This direct cost would be recovered from the Residents by an increase in the Common Service Fee of \$20 per month, however the overall saving is on average \$770 per annum per dwelling as the Residents will no longer have to pay water bills individually. Any change on Gross Rental values will have no impact on the rates as they are calculated under the proposed charges on a flat fee.

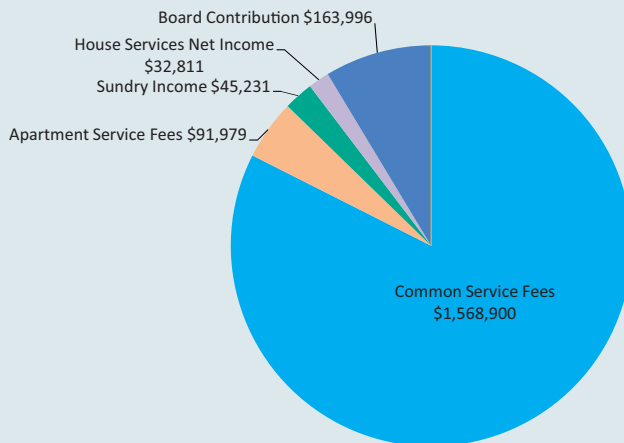
All things being equal, the Common Service Fee should have been \$564 per month for the 2019/20 year, inclusive of the \$20 of the Water and Sewer change above, but Management have, through prudent control of costs, been able to limit the increase to \$554.

# Operations Budget to 30 June 2020

## 2020 Budget Expenditure plus Trading (Total = \$1.9m)



## 2020 Budget Income plus Board Contribution and Operating Surplus (Total = \$1.9m)





## Statement of Income & Expenditure

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>INCOME</b>					
Fees from Residents	1,536,204	1,536,300	1,660,879	124,579	8.1%
Other income	40,133	44,706	45,231	525	1.2%
<b>TOTAL INCOME</b>	<b>1,576,337</b>	<b>1,581,006</b>	<b>1,706,110</b>	<b>125,104</b>	<b>7.9%</b>
<b>EXPENDITURE</b>					
Administration	664,648	593,484	586,829	-6,655	-1.1%
Gardens & Grounds	401,609	388,657	385,639	-3,018	-0.8%
Maintenance	229,922	223,993	239,870	15,877	7.1%
Apartment Services	78,129	73,356	78,120	4,764	6.5%
Palm Gardens Apartments Services	13,861	12,785	13,860	1,075	8.4%
Community Centre	82,184	81,989	111,672	29,683	36.2%
House Services	89,692	109,811	128,752	18,941	17.2%
Pool	64,575	54,940	66,984	12,044	21.9%
Coffee Lounge	32,743	27,086	28,234	1,148	4.2%
<b>SUB TOTAL</b>	<b>1,657,363</b>	<b>1,566,101</b>	<b>1,639,960</b>	<b>73,859</b>	<b>4.7%</b>
Board Contribution	-165,736	-157,077	-163,996	-6,919	4.4%
	<b>1,491,627</b>	<b>1,409,024</b>	<b>1,475,964</b>	<b>66,940</b>	<b>4.8%</b>
<b>TRADING RESULTS</b>					
Care Services	-150,066	-218,165	-206,064	12,101	-5.5%
House Services Brightwater & OGV	35,952	26,874	32,811	5,937	22.1%
Restaurant	-59,743	-72,823	-51,116	21,707	-29.8%
Bus	-7,923	-8,334	-8,276	58	-0.7%
Kiosk	2,000	2,306	2,500	194	8.4%
<b>TOTAL TRADING RESULTS</b>	<b>-179,780</b>	<b>-270,142</b>	<b>-230,145</b>	<b>39,997</b>	<b>-14.8%</b>
Refund of prior year's Surplus / (Deficit)	95,070	98,160	0	-98,160	-100.0%
<b>TOTAL SURPLUS / (DEFICIT)</b>	<b>-0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>

# Operations Budget to 30 June 2020



## Income

The primary source of income is the Common Service Fee, which is paid by residents. The Common Service Fee is calculated per dwelling and the fee is the same for every villa and apartment, regardless of size, number of occupants or location. Apartments incur an additional fee to cover the costs of running the Apartment buildings.

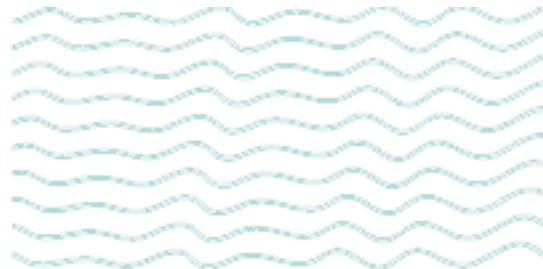
Other sources of income are sourced from residents when they are charged fees for services, such as laundry, maintenance and cleaning services, on a user pays basis. These fees are returned to the Operations account and effectively reduce the Common Service Fee.

Common Service Fees will rise in 2019/20 for the first time in five years. The Common Service Fee will increase from \$510 per month to \$554 per month. The main reason for the increase is that the prior year surpluses, which were used to reduce the 2018/19 Common Service Fee by \$34, have now been fully utilised. In addition, there has been a change in the way water and sewer rates are now charged. This change has directly affected the Utility costs in 3 departments – Community Centre, Pool and House Services. The impact on the Common Service Fee and the benefit this change brings to the Residents, has been detailed on Page 5.

The Apartment Service Fees are calculated by dividing the costs associated with running the apartments by the number of apartments. The Apartment Service Fee this year has remained the same at \$105 per month. The Apartment Service Fees for the Palm Gardens Apartments have also stayed the same at \$105 per month.

## Income

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>INCOME</b>					
Common Service Fees	1,444,213	1,444,320	1,568,900	124,580	8.6%
Apartment Service Fees	78,129	78,120	78,120	-0	0.0%
Palm Gardens Apartments Service Fees	13,861	13,860	13,860	-0	0.0%
<b>Total Fees from Residents</b>	<b>1,536,204</b>	<b>1,536,300</b>	<b>1,660,879</b>	<b>124,579</b>	<b>8.1%</b>
Laundry & Cleaning Services	0	0	0	0	0.0%
Sundry Income Admin	11,133	10,054	8,131	-1,923	-19.1%
Sundry Income Apartments	0	0	0	0	0.0%
Gardening Services	0	1,263	1,100	-163	-12.9%
Maintenance - Residents	4,000	2,927	4,000	1,073	36.7%
Maintenance - Board	25,000	30,462	32,000	1,538	5.0%
<b>Total Other Income</b>	<b>40,133</b>	<b>44,706</b>	<b>45,231</b>	<b>525</b>	<b>1.2%</b>



## Operations Budget to 30 June 2020



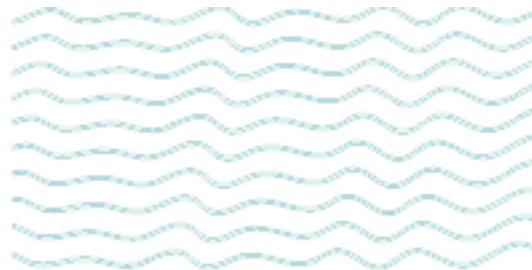
### Administration

Administration is the largest category of expenditure in the Village. Total administration expenditure for 2019/20 is budgeted at \$1.2m which is 6.9% higher than 18/19 forecast. OGI contributes \$629K towards the cost of administration personnel based on the proportion of time they spend on OGI matters. Personnel funded at various levels by OGI include the General Manager, Finance Manager and staff, Facility Coordinator, Marketing Coordinator, Quality & Risk Coordinator, Wellness Program Co-ordinator and 100% of the Sales Manager. All other costs are fully charged to residents. The administration offices are owned and maintained by OGI, but it does not charge rent for their use.

Total expenses net of OGI contributions have reduced by 1.1% mainly due to a change of Auditors which has resulted in a saving for the Village. The Wellness Co-ordinator's wage is now funded 70% by OGI, down from 85% in the current year.

## Administration

EXPENDITURE	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
Staff Costs	978,575	950,573	1,024,111	73,538	7.7%
Staff Training/Travel	5,000	630	5,000	4,370	693.7%
Insurance	74,715	77,433	78,827	1,394	1.8%
Utilities	7,399	7,751	7,891	140	1.8%
IT & Communications	57,183	49,443	52,535	3,092	6.3%
Postage, Printing & Stationery	23,419	19,013	23,015	4,002	21.0%
Audit fees	13,000	12,628	5,000	-7,628	-60.4%
Maintenance	593	400	632	232	58.0%
Fees & Charges	2,499	2,831	2,882	51	1.8%
Security	581	582	581	-1	-0.2%
Sundry Costs	11,707	16,408	15,621	-787	-4.8%
Vehicle Costs	0	0	0	0	0.0%
	<b>1,174,671</b>	<b>1,137,692</b>	<b>1,216,095</b>	<b>78,403</b>	<b>6.9%</b>
Board Share of Costs	-510,023	-544,208	-629,266	-85,058	15.6%
<b>Total Expenses</b>	<b>664,648</b>	<b>593,484</b>	<b>586,829</b>	<b>-6,655</b>	<b>-1.1%</b>



# Operations Budget to 30 June 2020



## Gardens & Grounds

Gardens and grounds costs have been budgeted to reduce by 0.8%. A decision was made to not renew the Lawn Mowing contract and bring this task in-house. Consequently, we have taken on an additional gardener to help the Gardens & Grounds team manage this and free up Shaun Brewer to undertake the coordination of unit refurbishments. This will produce long-term savings for the Village.

## Maintenance

Maintenance covers the wages of the two maintenance staff, general supplies and materials to service the needs of the village. Maintenance costs are budgeted to increase by 7.1%. This is only slightly higher than the level that was budgeted for 2018/19 but underspent by forecast \$6K due to staff being on annual leave for extended periods and not replaced. The 2019/20 budget has allowed for these positions to be filled all year with wage costs being similar to 18/19 budget.

## Gardens & Maintenance

### Gardens & Grounds

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>EXPENDITURE</b>					
Staff Costs	279,932	268,997	308,562	39,565	14.7%
Staff Training/Travel	1,200	2,009	1,200	-809	-40.3%
Contract Lawn Mowing	43,000	37,736	0	-37,736	-100.0%
Fertilisers & Chemicals	25,000	24,677	22,000	-2,677	-10.8%
Bin hire	18,000	16,667	17,000	333	2.0%
Maintenance	20,451	24,821	22,500	-2,321	-9.4%
Plants	10,500	10,157	10,000	-157	-1.5%
IT & Communications	649	1,441	1,500	59	4.1%
Postage, Printing & Stationery	620	304	620	316	103.9%
Vehicle Costs	1,700	1,697	1,700	3	0.2%
Sundry Costs	557	151	557	406	
<b>Total Expenses</b>	<b>401,609</b>	<b>388,657</b>	<b>385,639</b>	<b>-3,018</b>	<b>-0.8%</b>

### Maintenance

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>EXPENDITURE</b>					
Staff Costs	151,418	138,701	154,485	15,784	11.4%
Staff Training /Travel	1,500	0	500	500	0.0%
Maintenance	74,288	82,615	82,167	-448	-0.5%
IT & Communications	2,267	2,244	2,284	40	1.8%
Sundry Costs	449	433	434	1	0.2%
<b>Total Expenses</b>	<b>229,922</b>	<b>223,993</b>	<b>239,870</b>	<b>15,877</b>	<b>7.1%</b>

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### Apartment Services

The Apartments incur costs unique to their living areas such as lift maintenance and electricity for common areas and under floor heating. These costs are on charged to residents in the Apartments as the Apartments Service Fee. The Apartments Service Fee has remained at \$105 per month.

### Palm Gardens Apartment Services

The Palm Gardens Apartments service fee also covers lift maintenance, window cleaning, electricity and cleaning for common areas. This fee has also remained the same at \$105 per month



## Apartment Services & Palm Gardens

### Apartment Services

EXPENDITURE	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
Staff Costs	24,463	20,567	22,451	1,884	9.2%
Cleaning	61	0	60	60	0.0%
Maintenance	17,060	15,007	17,824	2,817	18.8%
Utilities	36,545	37,782	37,785	3	0.0%
Sundry Costs	0	0	0	0	0.0%
<b>Total Expenses</b>	<b>78,129</b>	<b>73,356</b>	<b>78,120</b>	<b>4,764</b>	<b>6.5%</b>

### Palm Gardens Apartment Services

EXPENDITURE	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
Staff Costs	3,640	3,527	3,198	-329	-9.3%
Cleaning	1,217	1,450	1,527	77	5.3%
Maintenance	5,306	4,264	5,429	1,165	27.3%
Utilities	3,698	3,544	3,706	162	4.6%
Sundry Costs	0	0	0	0	0.0%
<b>Total Expenses</b>	<b>13,861</b>	<b>12,785</b>	<b>13,860</b>	<b>1,075</b>	<b>8.4%</b>



### **Community Centre**

The cost of maintaining the Community Centre is budgeted to increase by 36.2%. The largest increase is due to the increase in Water and Sewer rates, as detailed on Page 5. In addition, an allowance has been made for general maintenance of equipment which was also budgeted in 18/19, but not incurred to that level. Other Utility charges have been budgeted to remain fairly static as electricity and power contracts are in place.

### **Pool**

Pool maintenance costs are budgeted to increase by 21.9%. Some additional payroll costs budgeted in 18/19 did not occur and are not expected to be charged this budget year. Like the Community Centre budget, the largest growth in costs is in Utilities which is due to the increase in Water and Sewer rates, as detailed on Page 5.

# Community Centre & Pool

## Community Centre

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>EXPENDITURE</b>					
Staff Costs	20,139	21,998	22,401	403	1.8%
Utilities	54,881	54,666	82,379	27,713	50.7%
Cleaning	2,500	2,328	2,500	172	7.4%
Maintenance	3,563	2,183	3,564	1,381	63.3%
Sundry Costs	1,101	814	828	14	1.7%
<b>Total Expenses</b>	<b>82,184</b>	<b>81,989</b>	<b>111,672</b>	<b>29,683</b>	<b>36.2%</b>

## Pool

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>EXPENDITURE</b>					
Staff Costs	15,020	13,262	15,079	1,817	13.7%
Maintenance	21,878	16,144	16,715	571	3.5%
Utilities	27,542	25,396	35,050	9,654	38.0%
IT & Communications	135	138	140	2	1.4%
<b>Total Expenses</b>	<b>64,575</b>	<b>54,940</b>	<b>66,984</b>	<b>12,044</b>	<b>21.9%</b>

## Operations Budget to 30 June 2020



### House Services

House Services conducts the laundry and cleaning of the village for common areas. Like the Community Centre budget, the largest growth in costs is in Utilities which is due to the increase in Water and Sewer rates, as detailed on Page 5.

Brightwater provide user pay services when residents require personal laundry and/or unit cleaning. The income received from Brightwater for these services makes the Brightwater services a profit centre that effectively reduces the Common Service Fee. Additionally, Ocean Gardens is a home care package provider and income generated from government funding and resident funds for housekeeping services are offset against the costs which also reduce the Common Service fee.

# House Services

## House Services Brightwater & OGV & HCP Clients

### House Services

	Budget 2018/19	Forecast to Jun-19	Budget 2019/20	F'cast 18/19 Budget 19/20	F'cast 18/19 Budget 19/20
	\$	\$	\$	\$ Diff	% Diff
<b>EXPENDITURE</b>					
Staff Costs	56,613	79,395	74,803	-4,592	-5.8%
Staff Training/Travel	750	1,828	750	-1,078	-59.0%
Cleaning	13,340	12,024	9,334	-2,690	-22.4%
Maintenance	2,445	3,252	3,016	-236	-7.3%
Utilities	16,034	12,928	40,458	27,530	212.9%
IT & Communications	10	4	4	0	0.0%
Postage, Printing & Stationery	500	380	387	7	1.8%
Sundry Costs	0	0	0	0	0.0%
<b>Total Expenses</b>	<b>89,692</b>	<b>109,811</b>	<b>128,752</b>	<b>18,941</b>	<b>17.2%</b>

### House Services Brightwater & OGV & HCP Clients

	Budget 2018/19	Forecast to Jun-19	Budget 2019/20	F'cast 18/19 Budget 19/20	F'cast 18/19 Budget 19/20
	\$	\$	\$	\$ Diff	% Diff
<b>INCOME</b>					
Cleaning Brokerage	66,000	52,279	54,000	1,721	3.3%
Laundry & Cleaning	39,000	37,424	38,400	976	2.6%
Laundry & Cleaning	20,500	32,110	32,400	290	0.9%
<b>Total Income</b>	<b>125,500</b>	<b>121,813</b>	<b>124,800</b>	<b>2,987</b>	<b>2.5%</b>
<b>EXPENDITURE</b>					
Staff Costs	76,862	72,952	70,496	-2,456	-3.4%
Staff Training/Travel	0	0	0	0	0.0%
Cleaning	0	0	0	0	0.0%
Maintenance	-19	1	1	0	0.0%
Utilities	0	0	0	0	0.0%
IT & Communications	0	0	0	0	0.0%
Postage, Printing & Stationery	0	0	0	0	0.0%
Sundry Costs	0	0	0	0	0.0%
Sundry	0	0	0	0	0.0%
Staff Costs	12,704	21,986	21,492	-494	-2.2%
<b>Total Expenses</b>	<b>89,547</b>	<b>94,939</b>	<b>91,989</b>	<b>-2,950</b>	<b>-3.1%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>35,953</b>	<b>26,874</b>	<b>32,811</b>	<b>5,937</b>	<b>22.1%</b>



### Care Services

The Care department employs on-site care staff to provide care and emergency call monitoring as required 24 hours a day. The department also incurs telecommunication expenses, medical supplies and general maintenance.

Care Services income is derived from fees charged to residents for personal care which includes assistance with medication, showering, dressing, wound management, transport and meal preparation.

The Care department also conducts Care Brokerage Services to external agencies (Brightwater) for care carried out on their behalf within the village. The income received from the Brightwater agreement generates revenue for Care Services that reduces the net cost of the departments and therefore effectively reduces the Common Service Fee.

The Village is also a home care package provider and provides care services to residents who have nominated Ocean Gardens as their package provider. In a similar manner to the Brightwater brokerage - the income from government funding and package recipient fees is allocated to the Village operations, and staffing and other costs incurred in the delivery of services is allocated against it. The level of services delivered has been increasing during 18/19 year and is expected to continue at overall current levels through 19/20 budget.

## Care Services

	Budget 2018/19	Forecast to Jun-19	Budget 2019/20	F'cast 18/19 Budget 19/20	F'cast 18/19 Budget 19/20
	\$	\$	\$	\$ Diff	% Diff
<b>INCOME</b>					
Care Services	304,128	355,475	363,781	8,306	2.3%
Care Brokerage Services	243,139	127,816	139,153	11,337	8.9%
Sundry Income Care Services	1,496	3,745	5,605	1,860	49.7%
<b>Total Income</b>	<b>548,763</b>	<b>487,036</b>	<b>508,540</b>	<b>21,504</b>	<b>4.4%</b>
<b>EXPENDITURE</b>					
Staff Costs	678,080	681,201	689,699	8,498	1.2%
Staff Training/Travel	6,000	6,152	5,000	-1,152	-18.7%
Care Supplies	2,500	1,421	1,447	26	1.8%
IT & Communications	5,816	8,909	10,771	1,862	20.9%
Maintenance	2,734	2,543	2,589	46	1.8%
Vehicle Costs	81	67	68	1	1.8%
Rates	1,754	2,120	2,158	38	1.8%
Postage, Printing & Stationery	1,142	2,133	2,171	38	1.8%
Sundry Costs	721	655	700	45	6.9%
<b>Total Expenses</b>	<b>698,829</b>	<b>705,201</b>	<b>714,604</b>	<b>9,403</b>	<b>1.3%</b>
<b>Emergency Call System</b>					
<b>SURPLUS / (DEFICIT)</b>	<b>-150,066</b>	<b>-218,165</b>	<b>-206,064</b>	<b>12,101</b>	<b>-5.5%</b>

## Operations Budget to 30 June 2020



### Restaurant

Ocean Gardens provides a restaurant which seats 80 people and is open for lunch service three days a week. The service is outsourced to a catering company who are responsible for providing all staff required to run the facility.

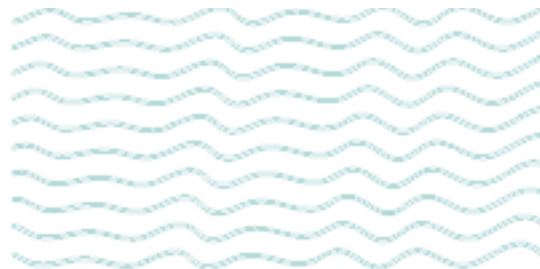
Restaurant budget includes contract staff costs, food purchases, utilities, cleaning and other charges. The contract for catering services has been renewed with Henley Catering for the forthcoming year but the basis for reimbursement of the contractor has changed. Ocean Gardens will no longer pay for the food costs directly but will reimburse the contractor on a set percentage basis.

The restaurant continues to rely upon the patronage of the residents and their guests to ensure its future financial viability. A loss has been budgeted for 2019/20 which is lower (\$21,707) than 2018/19 forecast loss. Efforts continue to be made by management and the Residents Committee to promote patronage of the Restaurant. Any improvement in Restaurant results will have a direct effect on reducing common service fees.



## Restaurant

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>INCOME</b>					
Restaurant meals	123,000	120,786	120,000	-786	-0.7%
Sundry Income	1,000	1,517	1,500	-17	-1.1%
<b>Total Income</b>	<b>124,000</b>	<b>122,303</b>	<b>121,500</b>	<b>-803</b>	<b>-0.7%</b>
<b>EXPENDITURE</b>					
Staff Costs	90,678	93,037	113,494	20,457	22.0%
Food Costs	74,400	82,516	42,000	-40,516	-49.1%
Linen / Crockery / Cutlery	2,500	1,729	2,000	271	15.7%
IT & Communications	39	16	16	0	0.0%
Maintenance	6,572	9,401	7,086	-2,315	-24.6%
Utilities	5,788	5,106	5,252	146	2.9%
Cleaning	2,500	1,432	1,500	68	4.7%
Postage, Printing & Stationery	650	1,282	650	-632	-49.3%
Sundry Costs	616	607	618	11	1.8%
<b>Total Expenses</b>	<b>183,743</b>	<b>195,126</b>	<b>172,616</b>	<b>-22,510</b>	<b>-11.5%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>-59,743</b>	<b>-72,823</b>	<b>-51,116</b>	<b>21,707</b>	<b>-29.8%</b>



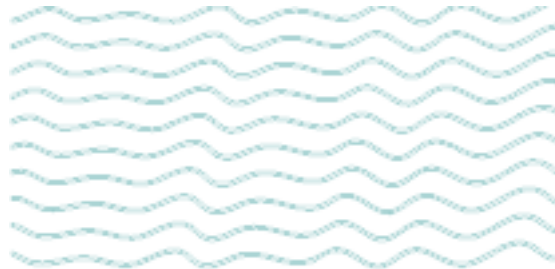


### **Bus**

The bus is primarily used for shopping trips and excursions by residents of the Village.

Depreciation on the bus is not charged to the Operations Budget as this is paid for by OGI. However, the running costs of the bus such as vehicle registration, insurance and fuel, still remain the responsibility of the operations budget.

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>INCOME</b>					
Bus Trips	5,412	3,735	3,802	67	1.8%
<b>Total Income</b>	<b>5,412</b>	<b>3,735</b>	<b>3,802</b>	<b>67</b>	<b>1.8%</b>
<b>EXPENDITURE</b>					
Vehicle Costs	13,335	12,069	12,078	9	0.1%
<b>Total Expenses</b>	<b>13,335</b>	<b>12,069</b>	<b>12,078</b>	<b>9</b>	<b>0.1%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>-7,923</b>	<b>-8,334</b>	<b>-8,276</b>	<b>58</b>	<b>-0.7%</b>



## Operations Budget to 30 June 2020



### **Kiosk**

The kiosk is run by volunteers and provides a service to residents. There is a small mark-up on goods sold to recover running costs.

### **Coffee Lounge**

The Coffee Lounge is very popular with residents and provides a unique area to relax, enjoy a coffee and take in some of the best views in Perth with friends, family or other residents.

The Coffee Lounge budget includes the cost of supplies, cleaning and maintenance of equipment

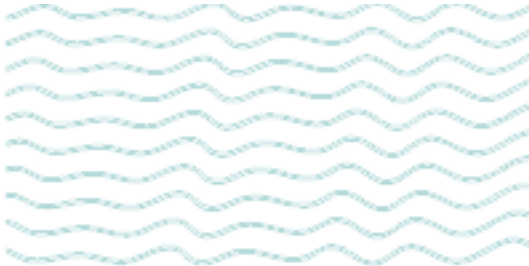
## Kiosk & Coffee Lounge

### Kiosk

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>INCOME</b>					
Kiosk Sales	30,000	26,042	28,000	1,958	7.5%
<b>Total Income</b>	<b>30,000</b>	<b>26,042</b>	<b>28,000</b>	<b>1,958</b>	<b>7.5%</b>
<b>EXPENDITURE</b>					
Kiosk purchases	27,500	22,851	24,500	1,649	7.2%
Maintenance	500	885	1,000	115	13.0%
<b>Total Expenses</b>	<b>28,000</b>	<b>23,736</b>	<b>25,500</b>	<b>1,764</b>	<b>7.4%</b>
<b>SURPLUS / (DEFICIT)</b>	<b>2,000</b>	<b>2,306</b>	<b>2,500</b>	<b>194</b>	<b>8.4%</b>

### Coffee Lounge

	Budget 2018/19 \$	Forecast to Jun-19 \$	Budget 2019/20 \$	F'cast 18/19 Budget 19/20 \$ Diff	F'cast 18/19 Budget 19/20 % Diff
<b>EXPENDITURE</b>					
Staff Costs	7,430	4,656	5,159	503	10.8%
Food Costs	21,813	21,194	21,575	381	1.8%
Maintenance	3,500	1,236	1,500	264	21.4%
<b>Total Expenses</b>	<b>32,743</b>	<b>27,086</b>	<b>28,234</b>	<b>1,148</b>	<b>4.2%</b>



## Operations Budget to 30 June 2020





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