



2016/2017
Finance Report

3 months ended
30 September 2016



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Melton City Council

Monthly Finance Report for the 3 months period ended September 2016.

Executive Summary

Operating Results

This report compares the September 2016 YTD results with the profiled YTD approved budget for the same period.

The underlying surplus for the September YTD period was \$78.9m. This compared with the profiled budgeted result of \$76.0m resulted in an unfavourable variance of \$2.9m.

Detailed analysis of operating revenue and expenditure variances by line items, are outlined on page 3.1 of this report.

Year-end Forecast

1st quarter review of operating and capital expenditure as at the end of September 2016 has been finalised. As part of this process managers have provided an estimate of the year-end forecast of savings and overruns expected as at 30th June 2017. This is summarized in the table below.

Comparison of 1st quarter year-end forecast with approved budget is shown on page 4 with the detail variance commentary in page 4.1

First Quarter Year-End Forecast-Summary		\$(Millions)
Operating		
Forecast favourable variance in Operating Results before transfers		\$10.5
Capital		
Forecast variance in Council Capital Expenditure		Nil
Forecast unfavourable variance in Capital Developer Contribution Plan (DCP) In -Kind Expenditure		(\$4.5)

Capital Expenditure

The Capital expenditure budget for 2016/17 is a total of \$75.1 million. This consists of \$50.7m Council capital budget, which includes a carry forwards component of \$15.5m from 2015/16. Total capital budget also includes Capital DCP in kind works of \$24.4m.

The actual capital expenditure of Council Capex at the end of first quarter was \$3.8m or 7.4% of the annual budget.

A project level analysis of YTD capital expenditure by Capital Works Business Unit is provided on page 13.

Cash on hand and Investments

Council's total cash position at month end is \$83.8m. This balance includes \$78.6m of general and restricted investments representing carry forward expenditure, employee entitlements, and developer contributions received for future capital works. The amount of cash in hand at end of month of \$5.1m represents the working capital to meet day-to-day expenses as they fall due. This cash balance includes the Fire Services Levy of \$3.0m which will be paid to State Revenue Office by the end of October 2016.

Debtors

Receivables outstanding totalled \$88.3m (net of doubtful debts provisions) of which \$81.5m relates to rates debtors including instalments not due. Rate revenue received in the YTD period amounted to \$21.1m Sundry debtors (including land sales) amounted to \$6.8m.

Monthly Management Report 2016/2017						
Operating Statement by Income / Expenditure line items						
for the 3 Months ended 30 September 2016						
2015/2016 YTD Actuals (000's)	Income/Expenditure Type		YTD Actuals (000's)	YTD Approved Budget** (000's)	Variance to YTD Approved Budget (000's)	Full Year Approved Budget** (000's)
	Income					
90,396	Rates & Charges	1	96,597	96,715	(118)	99,025
5,455	Operating Grants	2	7,140	6,915	225	24,293
2,439	User Fees & Charges	3	2,126	2,021	105	9,105
251	Contributions and Reimbursements	4	278	220	58	882
328	Interest On Investments	5	509	427	81	1,260
724	Other Revenue	6	824	847	(23)	3,655
99,593	Total Income		107,474	107,146	328	138,220
	Expenditure					
10,606	Employee Costs	7	11,702	12,833	1,131	49,547
5,197	Contract Materials	8	4,507	5,308	801	35,736
4,179	Program Expenses	9	3,772	3,918	146	14,020
190	Borrowing Cost	10	137	137	(0)	1,322
705	Utilities	11	628	993	365	5,064
915	Maintenance	12	741	754	13	4,857
5,848	Depreciation	13	6,295	6,295	0	25,517
460	Other Expenses	14	457	557	101	3,072
28,099	Total Expenditure		28,239	30,796	2,557	139,134
	Non Operating Income & Expenditure					
531	Proceeds from Sale of Assets	15	175	141	34	6,736
158	Cost of Assets Sold	16	(455)	(450)	(5)	(3,942)
690	Total Gain/(Loss) on Disposals of Assets		(280)	(309)	29	2,794
72,184	Underlying Operating Results Surplus/(Deficit)		78,955	76,041	2,914	1,879
	Other Cash & Non Cash Contributions					
5,061	Developer Cash Contributions	17	5,973	5,973	(0)	(523)
5,989	Developer Contributions - Non Monetary Assets	18	586	586	(0)	50,592
620	Capital Grants	19	0	0	0	2,621
11,670	Total Capital Grants & Cash & Non Cash Contr		6,559	6,559	0	52,689
83,854	Total Surplus/Deficit for the Year Before Trfs.		85,515	82,600	2,914	54,569
	Reserve Transfers					
3,908	Transfers From Reserves	20	0	(3,456)	3,456	15,743
(9,420)	Transfer to Reserve	21	(5,973)	(6,186)	213	(20,186)
(5,513)	Total Net Transfers - Income/(Exp)		(5,973)	(9,642)	3,669	(4,442)
78,341	Total Surplus/(Deficit) Net of Transfers		79,542	72,958	6,583	50,126

* Negative values in the YTD variance column Indicates an unfavourable Variance.

** Full year approved budget differs from the adopted budget due to the inclusion of advance Income carry forwards

Monthly Management Report 2016/2017 Operating Statement - Significant Variance Comments 3 Months Ended 30 September 2016						
Income/Expenditure Type	YTD Actual (000's)	YTD Budget (000's)	Variance - Fav/(Unfav) (000's)	2016/17 Approved Budget (000's)	Significant Variance Comments- YTD actual compared to profiled YTD approved budget	
Income						
Rates & Charges	1 96,597	96,715	(118)	99,025	Unfavourable variance is due to: ** Higher than budgeted Environmental Rebate(EER) allowed for the ytd period. The EER allowed may be revoked if the work is not completed by the recipients according to terms of the rebates. The unfavourable variance is offset by: ** Higher than budgeted supplementary rates and interest on rates in the ytd period.	
Operating Grants	2 7,140	6,915	225	24,293	Favourable variance is attributable to : ** Unbudgeted government grants received to date of \$246k, which includes HACCC, Planned Activity Groups and Food Services Programs in Community Care and Inclusion (\$233k) and other miscellaneous grants in City Design and Operations (\$13k). **Additional income received in Families and Children in Family Day Care, Maternal Child Health, Occasional Care and Emergency Relief (\$135k) Overall favourable variance is partly offset by: ** Unfavourable timing variation in grants income in Community Planning compared to ytd budget in programs such as The Club Community Benefit (\$35k), Healthy Promotions (\$35k) and Indigenous program (\$41k) and HRV Community Grant and others (\$45k).	
User Fees & Charges	3 2,126	2,021	105	9,105	The favourable variance is attributable to the following: ** Increased fee revenue from Compliance department from parking fines and other regulatory services (\$15k) ** Higher than expected charges from Property Information requests, Design and Traffic service certification fees (\$15k) ** Higher fees income from Community Care due to higher level of service utilisation than planned mainly in HACCC services(\$15k). ** Projected increase in fees revenue from Transfer Station, Tree Planting and others in Operations (\$56k)	
Contributions & Reimbursements	4 278	220	58	882	Favourable variance is due to **Higher than budgeted insurance excess charges (\$21k) and recovery of legal charges on debt recovery (\$66k) Favourable variance partly offset by: ** Unbudgeted expenditure on Industrial Land Development cost in Planning and Development (\$28k)	
Interest On Investments	5 509	427	81	1,260	Despite the lower interest rate climate, the year-to-date results is higher than budget by \$81k. This is due to significant amount of funds available for investment mainly from unspent capital grants and capital budget from last year.	
Other Revenue	6 824	847	(23)	3,655		
Total Income	107,474	107,146	328	138,220		
Expenditure						
Employee Costs	7 11,702	12,833	1,131	49,547	Favourable variance in employee cost is the net effect of \$925k favourable in salaries and wages and \$206k favourable in payroll oncost. This is largely attributable to vacant positions unfilled and other budgeted positions not engaged as planned at the end of first quarter. Favourable variance in salaries and wages is largely attributable to 8 new positions approved which are not filled or filled later than planned. The variance is spread among a number of business units with significant variances reported in the following: City Design, Strategy and Environment (\$163k), Families and Children (\$96k), Finance (\$131k), Planning (\$90k), Recreation and Youth (\$88k) and others variances spread among other business units (\$357k). Favourable variance in oncost expenditure is due to lower than budgeted work cover premium for the year and superannuation Lesplan in the year-to-date period.	

Monthly Management Report 2016/2017 Operating Statement - Significant Variance Comments 3 Months Ended 30 September 2016				
Income/Expenditure Type	YTD Actual (000's)	YTD Budget (000's)	Variance - Fav/(Unfav) (000's)	2016/17 Approved Budget (000's)
Contract Materials	8 4,507	5,308	801	35,736
				** Favourable variance in Operations is largely timing related mainly in Contract Cleaning, Mowing of Lawns, Weed Control, Maintenance of Garden Beds and others (\$880K) ** Favourable variance in Melton Waves based on post tender agreed pricing (\$73K) ** Favourable variance is offset by higher than budgeted expenditure in information services on projects that were unbudgeted such as Managed Network Projects, End User Management Support, Business Analysis Management. (\$150K).
Program Expenses	9 3,772	3,918	146	14,020
Borrowing Cost	10 137	137	(0)	1,322
Utilities	11 628	983	365	5,064
Maintenance	12 741	754	13	4,857
Depreciation	13 6,295	6,295	0	25,517
Other Expenses	14 457	557	101	3,072
Total Expenditure	28,239	30,796	2,557	139,134
Non Operating Income & Expenditure				
Proceeds from Sale of Assets	15 175	141	34	6,736
Cost of Assets Sold	16 (455)	(450)	(5)	(3,942)
Total Gain/(Loss) on Disposals of Assets	(280)	(309)	29	2,794
Underlying Operating Results Surplus/(Deficit)	78,955	76,041	2,914	1,879
Other Cash & Non Cash Contributions				
Developer Cash Contributions	17 5,973	5,973	(0)	(523)
Non Monetary Assets	18 586	586	(0)	50,592
Capital Grants & Contributions	19 0	0	0	2,621
Total Capital Grants & Cash & Non Cash Contributions	6,559	6,559	0	52,689
Total Surplus/(Deficit) for the Year Before Tfrs.	85,515	82,600	2,914	54,569

1st Quarter Year-End Forecast				
Forecast Operating Statement by Income / Exp				
Income/Expenditure Type		Full Year Approved Budget** (000's)	1st Quarter Forecast (000's)	1st Qtr Forecast Variance (000's)
Income				
Rates & Charges	1	99,025	99,025	0
Operating Grants	2	24,293	25,314	1,022
User Fees & Charges	3	9,105	9,685	580
Contributions & Reimbursements	4	882	884	2
Interest On Investments	5	1,260	1,760	500
Other Revenue	6	3,655	3,604	(51)
Total Income		138,220	140,272	2,052
Expenditure				
Employee Costs	7	49,547	49,790	(243)
Contract Materials	8	35,736	36,270	(534)
Program Expenses	9	14,020	14,431	(411)
Borrowing Cost	10	1,322	1,322	(0)
Utilities	11	5,064	5,076	(12)
Maintenance	12	4,857	4,840	17
Depreciation	13	25,517	25,517	0
Other Expenses	14	3,072	3,181	(109)
Total Expenditure		139,134	140,427	(1,293)
Non Operating Income & Expenditure				
Proceeds from Sale of Assets	15	6,736	6,736	0
Cost of Assets Sold	16	(3,942)	(3,942)	0
Total Gain/(Loss) on Disposals of Assets		2,794	2,794	0
Underlying Operating Results Surplus/(Deficit)		1,879	2,639	759
Other Cash & Non Cash Contributions				
Developer Cash Contributions	17	(523)	913	1,437
Developer Contributions - Non Monetary Assets	18	50,592	55,915	5,323
Capital Grants & Contributions	19	2,621	5,560	2,939
Total Capital Grants & Cash & Non Cash Contribution		52,689	62,389	9,699
Total Surplus/Deficit for the Year Before Trfs.		54,569	65,027	10,459
Council Capital Budget		50,665	50,665	0
Capital DCP-In-Kind		24,407	28,888	(4,481)

Monthly Management Report 2016/2017					
Significant Variance Comments					
Approved Budget vs. 1st Quarter Forecast					
Income/Expenditure Type	2016/17 Approved Budget (000's)	2016/17 1st Quarter Forecast (000's)	Variance - Fav/(Unfav) (000's)	Approved Budget to 1st Quarter Year-end Forecast Variance Explanations	
Income					
Rates & Charges	1 99,025	99,025	0		
					Favourable variance is attributable to Unbudgeted government grants projected to be received by year-end of \$1.1m. This includes ** HACC personal, Homecare, Respite and Property Maintenance (\$718k), Family Carers, Food services, Specialist Services and Strategy (\$203k) in Community Care ** New Metro Region Emergency Management in Risk and Performance (\$140k) Overall Variance is partly offset by: ** Minor reduction Grants Commission Grants (\$13k) and other reduction in grants income for School Crossing in Compliance and Reconnect program in Youth Services (\$26k).
Operating Grants	2 24,293	25,314	1,022		
					The favourable variance is attributable to the following: ** Higher than budgeted fees and charges expected for Animal Registration, Parking and Regulatory Services (\$199k) due to more pro-active and elevated level of compliance. ** Higher Fee Income projected for Subdivision Plan Checking and certification fees due to projected increase in growth of subdivision activity (\$198k). ** Higher fees income from Community Care due to higher level of service utilisation than planned mainly in HACC and Family carer services(\$164k). ** Projected increase in Planning information (\$19k)
User Fees & Charges	3 9,105	9,685	580		
Contributions & Reimbursements	4 882	884	2		
Interest On Investments	5 1,260	1,760	500		Favourable variance is attributable to significant increase in the level of funds available for investment due to carry forwards from last year from unspent capital grants and lower capital expenditure.
Other Revenue	6 3,655	3,604	(51)		Favourable variance attributable to: ** Reduction in waste management recycling income (\$40k) ** Reduction in Income due to cancellation of mayoral Ball (\$20k) ** Other reduction in Misc Income from Immunisation and Other (\$10k) Unfavourable variance partly offset by ** Increase in Property Hire Income from venues that were not budgeted for such as Burnside Children and Community Centre, Melton Seniors Community and Learning Centre and other (\$20k)

Approved Budget to 1st Quarter Year-end Forecast Variance Explanations				
Income/Expenditure Type	2016/17 Approved Budget	2016/17 1st Quarter Forecast	Variance - Fav/(Unfav)	
Total Income	138,220	140,272	2,052	
Expenditure				
				Unfavourable variance in employee cost is the net effect of \$610k unfavourable in salaries and wages offset by \$367k favourable in payroll Oncost.
				Unfavourable variance in salaries and wages is largely attributable to a number of new positions approved as part of the organisation restructure in a number of Business Units, Legal and Governance, Risk and Performance, People and Culture, Engagement and Advocacy and Information services. The net budget impact of the restructure is a projected increase in employee cost of \$610k after offsetting some savings due to projected reduction in salaries in City Design and Strategy, Community Planning and Recreation and Youth.
				Favourable variance in oncost expenditure is due to lower than budgeted workcover premium for the year which was lower than Budget by \$367k due to favourable claims history.
Employee Costs	49,547	49,790	(243)	
				Unfavourable variance in contracts and materials is due to: ***Higher than budgeted expenditure approved in information services of \$614k on new and ongoing projects such as Business Analysis Management (\$243k), Managed Network Projects (\$123k), End User Management Support (\$119k), Cloud Infrastructure Project (\$56k), Annual ECM Upgrade (\$40k) and others (\$33k). ** Increase in Asset Management expenses in Engineering (\$57k). ** Increase in Operations Waste management contracts higher than budget (\$78k) ** Increase in Contracts expenditure due to approval of new programs that were unbudgeted such as Snake Catching and others (\$82k).
				Overall unfavourable variance is offset by: savings **Favourable variance in Melton Waves based on post tender agreed pricing(\$296k)
Contract Materials	35,736	36,270	(534)	
				Unfavourable variance is attributable to the following: **Increase in implementation costs for Civica Authority upgrade, Cloud Infrastructure Projects, Application Management and other (\$282k) The increase in recruitment advertising expenditure due to number of new positions coming on board by year end (\$102k). Other projected increase in Administration expenses across the board in Staff training (\$71k), Insurance (\$78k), Corporate Subscriptions (\$48k), Professional Advisory (\$47k), Catering and other (\$45k) Overall Unfavourable variance is offset by **Savings in FBT Taxes due to revised post tax methodology implemented this year. (\$262k).
Program Expenses	14,020	14,431	(411)	
Borrowing Cost	1,322	1,322	(0)	
Utilities	5,064	5,076	(12)	

Income/Expenditure Type	2016/17 Approved Budget	2016/17 1st Quarter Forecast	Variance - Fav/(Unfav)	Approved Budget to 1st Quarter Year-end Forecast Variance Explanations
Maintenance	12 4,857	4,840	17	
Depreciation	13 25,517	25,517	0	
				Unfavourable variations in attributable to the following: ** Reduction in staff contribution for private use due to revised FBT computation shown based on post tax rather than pre-tax done previously (\$260k). This is offset by reduction in FBT expenditure under program expenses. The unfavourable variance is offset by ** Projected reduction in advance income expenditure at year end (\$115k) ** Projected reduction in fuel & oil expenditure on Council fleet operations (35k)
Other Expenses	14 3,072	3,181	(109)	
Total Expenditure	139,134	140,427	(1,293)	
Non Operating Income & Expenditure				
Proceeds from Sale of Assets	15 6,736	6,736	0	
Cost of Assets Sold	16 (3,942)	(3,942)	0	
Total Gain/(Loss) on Disposals of Assets	2,794	2,794	0	
Underlying Operating Results Surplus/(Deficit)	1,879	2,639	759	
Other Cash & Non Cash Contributions				
				**On current trends cash contributions from Developer Contributions Plans (DCP), Precinct Structure Plan(PSP) and Community Infrastructure Levy (CIL) are projected exceed budget by \$2.72m. This is mainly attributable to ** Projected increase in contributions from Bloomsdale stages 11-16 (\$2.6m) and Infinity stages 13 to 17 (\$1.9m) which were both unbudgeted in 2016/17. The overall favourable variance is offset by lower than planned contributions expected from **Waterford Estate stages 12-13 (\$1.0m) and Willandra stages 8-10 (\$800k)
Developer Cash Contributions	17 (523)	913	1,437	Favourable variance in Cash Contributions are partly offset by increase in rolling credit agreement compared to budget by \$1,27m
Developer Contributions - Non Monetary Assets	18 50,592	55,915	5,323	** Based growth forecast and the level of subdivision development projected for the year, the non cash contributions are likely increase by \$5.3m by year-end.

Income/Expenditure Type	2016/17 Approved Budget	2016/17 1st Quarter Forecast	Variance - Fav/(Unfav)	Approved Budget to 1st Quarter Year-end Forecast Variance Explanations
Capital Grants & Contributions	19	2,621	2,939	Favourable variance is due to: Unbudgeted Capital Grants already received and receivable by the end of year of \$2.9m. These include: ** Streetscape Improvements - Pride of Melton funding from Department of Infrastructure and Regional development (\$1.66m). ** Mount Cottrell Road Widening (\$509k). ** Water Sensitive Urban Design (WSUD) - (\$150k) ** Boundary and Sinclair Road Blackspot Funding (\$616k)
Total Capital Grants & Cash & Non Cash Contributions	52,689	62,389	9,699	
Total Surplus/(Deficit) for the Year Before Trfs.	54,569	65,027	10,459	

LAST YEAR ACTUALS	BALANCE SHEET	Actuals		THIS YEAR
		Current Year	Last Year	BUDGET
AS AT END Sep-15 \$(000's)		AS AT END Sep-16 \$(000's)	AS AT END Jun-16 \$(000's)	FULL YEAR 2016/2017 \$(000's)
	CURRENT ASSETS			
5,686	CASH ASSETS IN HAND & AT BANK	5,139	6,698	53,508
6,985	INVESTMENT - GENERAL	35,006	26,969	0
43,430	INVESTMENT - RESTRICTED & OTHERS	43,636	43,889	0
89	INVENTORIES & OTHER FINANCIAL ASSETS*	11	11	(5,697)
76,905	DEBTORS- RATES & OTHER	88,292	15,055	11,136
543	ASSETS CLASSIFIED AS HELD FOR SALE	1,108	1,108	450
0	PREPAYMENTS/OTHER ASSETS	0	2,148	2,000
133,638	TOTAL CURRENT ASSETS	173,192	95,878	61,397
	NON CURRENT ASSETS			
1,343,791	INFRA, PROPERTY PLANT & EQUIPMENT	1,715,765	1,722,055	1,508,644
118	INVENTORIES	47	47	143
6,000	INVESTMENT PROPERTY	6,617	6,617	7,500
1,390	OTHER FINANCIAL ASSETS	1,349	1,349	1,425
4,665	INTANGIBLES	4,338	4,338	4,011
4,608	WORK-IN-PROGRESS	4,353	0	0
1,360,572	TOTAL NON CURRENT ASSETS	1,732,469	1,734,406	1,521,723
1,494,210	TOTAL ASSETS	1,905,661	1,830,284	1,583,120
	CURRENT LIABILITIES			
7,982	PAYABLES	3,994	13,697	12,213
7,012	EMPLOYEE BENEFITS	8,736	8,736	7,574
7,262	INTEREST BEARING LIABILITIES	6,915	6,915	3,373
170	OTHER LIABILITIES	189	2,092	2,008
22,426	TOTAL CURRENT LIABILITIES	19,834	31,440	25,168
	NON CURRENT LIABILITIES			
2,922	EMPLOYEE BENEFITS	1,491	1,491	2,227
20,670	INTEREST BEARING LIABILITIES	21,674	22,153	18,790
3,879	OTHER LIABILITIES	5,844	3,896	3,800
27,471	TOTAL NON CURRENT LIABILITIES	29,009	27,540	24,817
49,897	TOTAL LIABILITIES	48,843	58,980	49,985
1,444,313	NET ASSETS	1,856,818	1,771,305	1,533,136
	EQUITY			
881,701	ACCUMULATED SURPLUS	973,294	866,153	971,642
78,341	OPERATING SURPLUS FOR THE PERIOD	79,542	107,141	67,297
	RESERVES			
448,382	REVALUATION RESERVES	752,116	752,126	455,395
35,889	OTHER RESERVES	51,866	45,885	38,802
1,444,313	TOTAL EQUITY	1,856,818	1,771,305	1,533,136

*Financial Assets include the estimates for rolling debt/credit balances from precinct structure plans in-kind works which at the end of 2016/17 is expected to be 5.7m owing to developers

Balance Sheet - Comments**General:**

The following comments relate to the balance sheet and the cash flow statement on page 5 and 8 respectively.

Current Assets:**Cash & Investments**

Council's cash position (including Investments), as at 30 September 2016 was \$83.8m, which represents an increase of \$6.2m from the \$77.6m opening cash position as at 1 July 2016. Details of inflow and outflow of funds are detailed in the Cash Flow Statement on page 8.

	\$'000's	\$'000's
Cash at 1 st July 2016		\$77,555
Plus: Net Inflow/(Outflow) from operating activities	\$9,998	
Less: Net Inflow/(Outflow) from Investing activities	(\$3,293)	
Less: Net Inflow/(Outflow) from financing activities	(\$479)	
Net Increase/(decrease) in cash held		\$6,226
Cash and Investments on hand at 30th September 2016		\$83,781

Receivables:

Total receivables outstanding as at 30th September 2016 amounted to \$88.3m, which included rate debtors of \$81.5m. The total outstanding receivables comprised: -

Receivables	30th September 2016 (000's)	30th June 2016 (000's)
Rate Debtors	\$81,519	\$6,154
Infringements & Local Laws Debtors (net of provision for doubtful debts)	\$2,437	\$328
Sundry & other debtors net of provision for doubtful debts	\$4,336	\$8,573
Total Receivables	\$88,292	\$15,055

Non Current Assets:

Infrastructure, Plant & Equipment

The value of Council's property, plant & equipment has decreased by \$6.3m. This decrease is the depreciation charge for the YTD period. Work-in progress shown in the balance sheet includes the total capital expenditure spent in the year-to-date period.

Intangible Asset

The intangible assets of \$4.3m represent non-exclusive licence granted to Melton City Council by Department of Education and the Caroline Springs College for the use of CS College Creekside Campus (\$748k) and the Springside Children's and Childcare facility (\$1,44m) built on DOE land and Kororoit Creek Learning Centre of \$2.48m. The balance represents Council's contributions net of amortisations.

Current & Non Current Liabilities:

Payables

Creditors have decreased by \$9.7m from the June 2016 balance of \$13.7m to \$4.0m at balance date. The outstanding payables amount varies from month to month depending upon the status of the accounts payable cycle.

Employee Benefits

Employee benefits represent current and non-current components of annual and long service leave liabilities at balance date. Current component of the liability being the amounts to be settled within the 12 months after the reporting period estimated at \$8.7m, with the non-current at \$1.5m. Any transfers to and from employee benefit will occur at year end.

Interest Bearing Liabilities:

Total loan liability as at 30 September 2016 is \$28.6m. Principal repayment for the first quarter amounted to \$479k.

Working Capital and Liquidity:

The working capital ratio is used to assess Council's ability to meet current commitments and is derived by dividing current assets by current liabilities. The working capital ratio for the YTD period is 1:8.7. The after removing the impact of rate debtors is 1:4.6

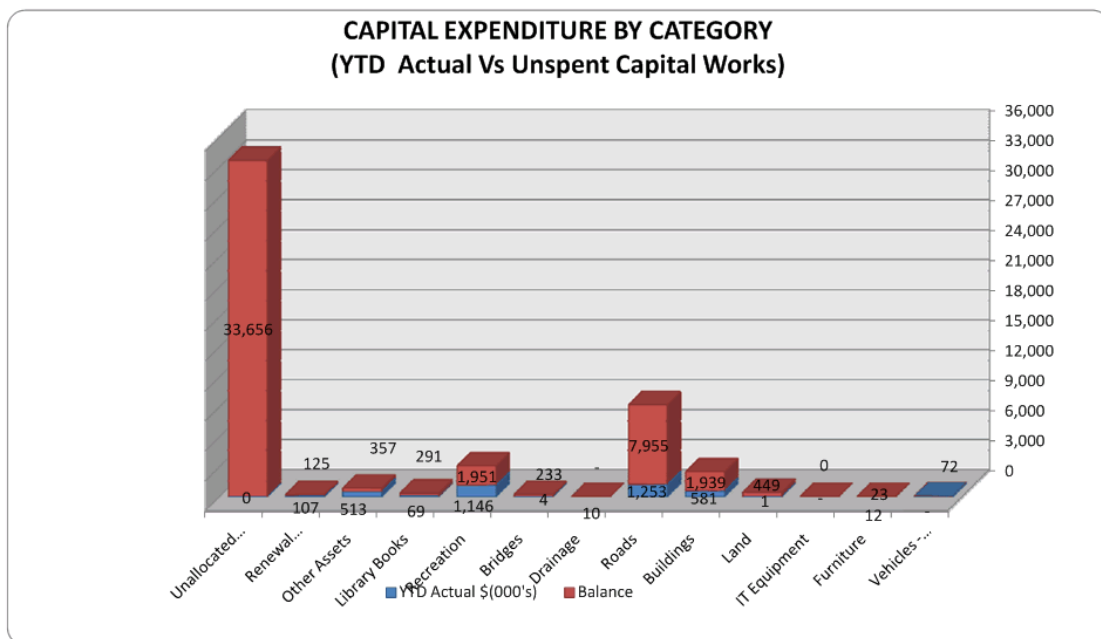
Last Year 2015-16	CASH FLOW STATEMENT	Actuals	This Year
YTD Actual Sep-15 \$(000'S)		2016/2017 As at End Sep-16 \$(000's)	Budget 2016/2017 Annual Budget \$(000's)
	Cash Flow from Operating Activities		
	<u>RECEIPTS</u>		
22,895	Rate & Charges	21,126	97,675
4,782	Statutory Fees & Fines	5,951	12,280
6,075	Government Grants	7,081	25,653
6,938	Contributions	3,498	11,007
509	Interest Received	509	1,710
399	Other Revenue (incl Trust Receipts)	652	2,601
	<u>PAYMENTS</u>		
(19,116)	Payments to Suppliers	(17,496)	(63,256)
(190)	Borrowing Costs	(137)	(1,322)
(10,297)	Payments to Employees	(11,186)	(49,268)
11,995	NET CASH FROM OPERATING ACTIVITIES	9,998	37,081
	CASH FLOW FROM INVESTING ACTIVITIES		
(3,655)	Payments for Acquisition of Non-Current Assets	(3,767)	(50,665)
984	Proceeds from Sale of Non-Current Assets	474	6,736
(2,671)	NET CASH FROM INVESTING ACTIVITIES	(3,293)	(43,929)
	CASH FLOW FROM FINANCING ACTIVITIES		
(547)	Repayment of Loans	(479)	(6,905)
0	Proceeds from Borrowings	0	0
(547)	NET CASH FROM FINANCING ACTIVITIES	(479)	(6,905)
8,777	NET INCREASE/(DECREASE) IN CASH HELD	6,226	(13,753)
	<u>CASH POSITION</u>		
47,768	Cash Balance at Beginning- as at 1st July	77,555	67,261
56,545	Cash Balance at End of Period	83,781	53,508

CAPITAL EXPENDITURE BY CATEGORY

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2016/2017 FINANCIAL YEAR

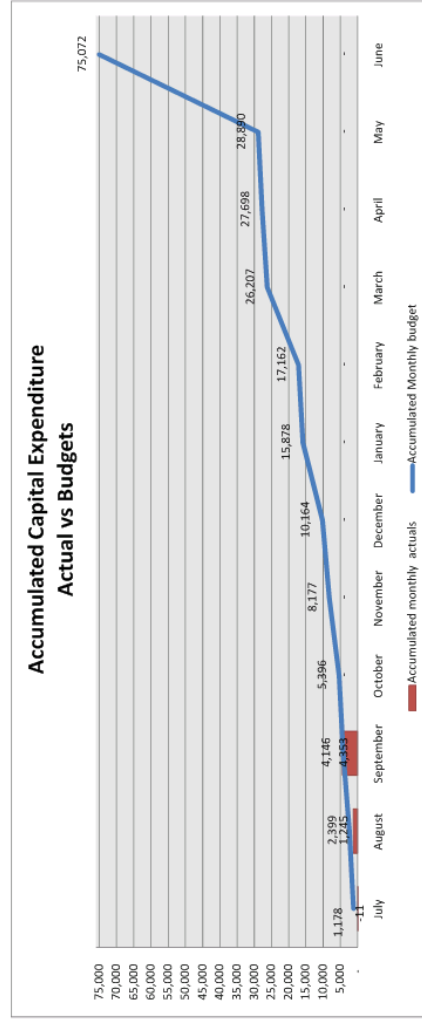
CAPITAL EXPENDITURE	YTD Actual \$(000's)	YTD Budget \$(000's)	YTD Variance \$(000's)	Total Budget \$(000's)
Vehicles - Capital Cost	72	0	(72)	0
Furniture	12	0	(12)	35
IT Equipment	0	0	(0)	0
Land	1	112	111	450
Buildings	581	621	40	2,520
Roads	1,253	1,474	221	9,208
Drainage	10	0	(10)	0
Bridges	4	4	0	237
Recreation	1,146	1,275	129	3,097
Library Books	69	69	0	360
Other Assets	513	5	(508)	870
Renewal Capital Expenditure	107	0	(107)	232
Unallocated Component of Council Capex	0	0	0	33,656
Total capital expenditure B/F Capital DCP In Kind	3,767	3,561	(206)	50,665
Capital DCP in Kind	586	586	0	24,407
Total Capital expenditure	4,353	4,147	(206)	75,072



MONTHLY ANALYSIS OF CAPITAL EXPENDITURE
 2016/2017 FINANCIAL YEAR

CAPITAL EXPENDITURE	Total \$(000's)	JUL \$(000's)	AUG \$(000's)	SEP \$(000's)	OCT \$(000's)	NOV \$(000's)	DEC \$(000's)	JAN \$(000's)	FEB \$(000's)	MAR \$(000's)	APR \$(000's)	MAY \$(000's)	JUN \$(000's)
Vehicles - Capital Cost	70	38	7	25									
Furniture	11	3	8	0									
IT Equipment	0	2	0	(2)									
Land	0	0	0	0									
Buildings	582	7	268	307									
Roads	1,253	(54)	387	920									
Drainage	10	0	6	4									
Bridges	3	0	2	1									
Recreation	1,146	(32)	465	713									
Library Books	69	22	12	35									
Other Assets	514	3	57	454									
Renewal Capital Expenditure	107	0	44	63									
Committed Capital	0	0	0	0									
Capital DCP in Kind	588	0	0	588									
TOTAL CAPITAL EXPENDITURE	4,353	(11)	1,256	3,108	0	0	0	0	0	0	0	0	0

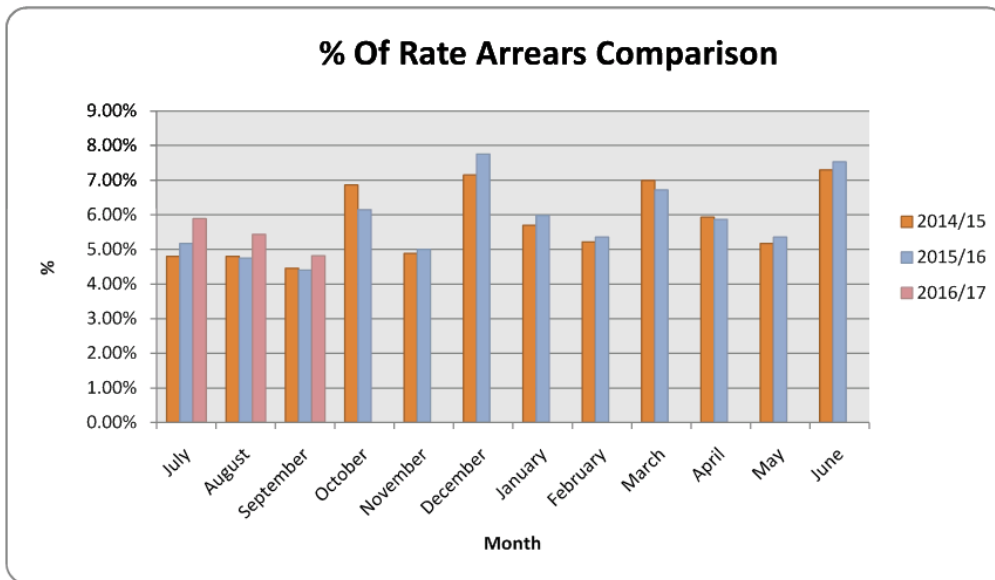
* Public Art Expenditure on Projects are charged to the respective projects. Any additional expenditure will be transferred out of reserves at year end.



Analysis of Overdue Instalment Rate Debtors - September 2016
 (Excluding Fire Service Levy)

<i>Overdue Rate Debtors</i>	<i>No of Properties</i>	<i>Debts Outstanding (\$)</i>
<i>Owings</i>		
<i>Less Than \$1000</i>	2,141	844,632
<i>\$1000 to \$1999</i>	467	647,775
<i>\$2000 to \$4999</i>	486	1,508,379
<i>\$5000 to \$10,000</i>	154	1,076,202
<i>Greater Than 10,000</i>	45	841,666
Total	3,293	4,918,654

**There are 232 properties in credit . Total credit amounts to \$292,610



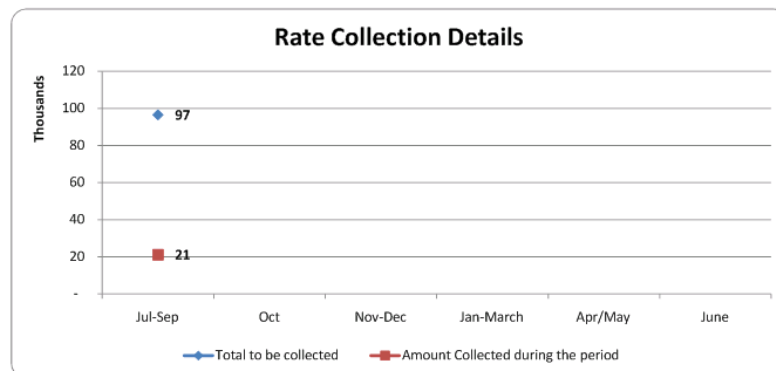
Summary of Overdue Rate Debt Arrears & Recovery Actions - September 2016

SUMMARY OF OVERDUE RATE DEBT ARREARS & RECOVERY AS AT 30 September 2016	NO OF PROPERTIES	RATE DEBTS OUTSTANDING \$'000'S
Summons issued	217	629
Judgements issued	64	240
Summons for Oral Examination	268	1532
Legal Arrangements	197	370
Other action - Demand Letters etc	415	1004
Total Debt Recovery Action In Progress	1161	3775
Arrangements in place - Non Legal	320	269
Properties with no recovery/arrangements in place	1812	875
TOTAL	3293	4919

Number of Financial Hardship applications received in September equals to 10

Rate Balances & Collection Details

Rate Collection Details	Jul-Sep	Oct	Nov-Dec	Jan-March	Apr/May	June
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
Outstanding Balance as at 1 July 201	0					
Rates raised in 2016-2017	99,312					
Interest raised to date	129					
Rebates & Adjustment	(3,836)					
Supplementary rates raised	993					
Total to be collected	96,598					
Amount Collected during the period	21,126					
Balance to be collected	75,472					



Capital Projects Report for the Month of September 2016

Activity	Council Ward	YTD Actuals	YTD Budgets	YTD Variance	Gate 1 Planning Approval 2016/17	Gate 2 Delivery Approval 2016/17	2016/17 Total Budget	Council Budget 2016/17	1st Quarter Forecast 2016/17	2016/17 Budget Spent	Planned Start Date	Planned Completion Date	Progress	Assessment	Notes
01605 - Plant Purchases/Replacement		71,568.47	0	-71,568.47	0	0	0	1,100,000			01-Jul-16	30-Jun-17	●		
02033 - Annual Computer Replacement Project		0.00	0	0.00	0	0	0	320,000			01-Jul-16	30-Jun-17	●		
02305 - Library Collection		0.00	0	0.00	0	360,000	360,000	360,000			01-Jul-16	30-Jun-17	●		
03010 - Minor Traffic Control Works		68,864	88,864	20,750	0	0	0	300,000			01-Jul-16	30-Jun-17	●		
03090 - Major Traffic Control Works		0.00	0	0.00	0	0	0	300,000			01-Jul-16	30-Jun-17	●		
03110 - Shared/Bicycle Paths Construction Program		0.00	0	0.00	0	0	0	800,000			01-Jul-16	30-Jun-17	●		
03124 - River Foregates Construction Program		0.00	0	0.00	0	0	0	250,000			01-Jul-16	30-Jun-17	●		
03140 - Footpaths Maintenance/Replacement		0.00	0	0.00	0	0	0	1,650,000			01-Jul-16	30-Jun-17	●		
03170 - Annual Resurfacing/Pavement Reseals		161,058.44	0	-161,058.44	0	0	0	3,000,000			01-Jul-16	30-Jun-17	●		
03196 - Bridge/Works Construction Westwood Dr Bridge		3,460.00	0	-3,460.00	0	0	0	2,400,000			01-Jul-16	14-Apr-18	●		
03197 - Bridge/Works - Pedestrian		0.00	0	0.00	0	256,583	256,583	256,583			01-Jul-16	30-Jun-17	●		
02735 - Land Acquisition/Bridge Road		255.75	0	-255.75	0	450,000	450,000	450,000			01-Jul-16	30-Jun-17	●		
04531 - Alamy Road Bridge Construction		0.00	0	0.00	0	0	0	2,200,000			01-Jul-16	30-Jun-17	●		
04533 - Alamy Road- Toolem Creek to Ferns Road		0.00	0	0.00	0	4,616,022	4,616,022	4,616,022			01-Jul-16	30-Jun-17	●		
08017 - Inigation System Renewal Program		0.00	0	0.00	0	0	0	200,000			01-Jul-16	30-Jun-17	●		
07115 - Tree Planting		0.00	0	0.00	0	0	0	500,000			01-Jul-16	30-Jun-17	●		
08392 - Melton Bowling Greens Restoration		0.00	0	0.00	0	0	0	200,000			01-Jul-16	30-Jun-17	●		
08705 - St McKenzie St. Redevelopment-Stage 1		0.00	4,998	4,998.00	0	2,350,000	2,350,000	2,350,000			01-Jul-16	22-Dec-17	●		
08719 - Caroline Springs Sub Regional Tennis Centre-Design		0.00	0	0.00	0	0	0	250,000			01-Jul-16	20-Dec-19	●		
08727 - Tennis Court Upgrade		0.00	0	0.00	0	208,000	208,000	208,000			01-Jul-16	30-Jun-17	●		
08727 - Streetscape Improvements		0.00	0	0.00	0	4,443,765	4,443,765	4,443,765			01-Jul-16	30-Dec-22	●		
08759 - Melton Council Office Space Development		8,303.26	0	-8,303.26	0	0	0	6,620,000			01-Jul-16	30-Jun-17	●		
08761 - Melton Civic Centre Redevelopment - Year 1 (Osapah)		0.00	0	0.00	0	0	0	1,170,000			01-Jul-16	31-Oct-19	●		
08763 - Taylors Hill West PSP-2 Senior Football/ Cricket		0.00	0	0.00	823,000	0	825,000	1,227,925	1,427,925		01-Jul-16	30-Jun-17	●		
08770 - Buildings - Community Centre / Pavilion Annual Ren		37,827.00	206,166	-168,339.00	0	0	0	1,208,000			01-Jul-16	24-Nov-16	●		
08772 - Sports Road (West)		3,542.00	0	-3,542.00	0	0	0	255,000			01-Jul-16	30-Jun-17	●		
08778 - Mims Rd Construction		0.00	0	0.00	0	0	0	1,820,000			01-Jul-16	30-Jun-17	●		
08782 - Bridge Road		0.00	0	0.00	0	0	0	580,000			01-Jul-16	17-May-17	●		
08790 - Passive Reserve Development Program		0.00	0	0.00	0	0	0	695,000			01-Jul-16	30-Jun-17	●		
08799 - Taylors Hill West PSP - Pavilion		203,539.72	0	-203,539.72	0	0	0	200,000			01-Jul-16	31-Oct-19	●		
08812 - Mt Cottrell Road Widening (Stage 2)		93,561.65	0	-93,561.65	0	0	0	3,490,188			01-Jul-16	15-May-17	●		
08818 - Mount Cottrell Recreation Reserve - Rehabilitation		0.00	0	0.00	0	200,000	200,000	500,000			01-Jul-16	15-Dec-17	●		
08833 - Rehab Landfill Site - Shaktamaker Dr		0.00	0	0.00	0	300,000	300,000	300,000			01-Jul-16	30-Jun-17	●		
08834 - Mims Road Construction (Gisborne to Cronon)		36,017.22	0	-36,017.22	0	0	0	900,000			01-Jul-16	30-Jun-17	●		
08835 - Creebank Pt Flood Protection Work		2,250.00	0	-2,250.00	0	0	0	200,000			01-Jul-16	30-Jun-17	●		
08848 - Athertonstone Play Space		1,050.00	0	-1,050.00	0	900,000	900,000	1,520,000			01-Jul-16	01-Oct-18	●		
08855 - Fraser Street Reserve Upgrade		8,103,925.71	8,103,925.71	0	0	570,150	570,150	582,574			01-Jul-16	07-Dec-16	●		
08851 - Unallocated Recurrent Budget		0	0	0.00	0	0	0	0			01-Jul-16	07-Dec-16	●		
08852 - Unallocated Capital Carry Forwards		0	0	0.00	0	0	0	0			01-Jul-16	07-Dec-16	●		
08854 - Unallocated New Initiatives for Capital works		0	0	0.00	0	0	0	0			01-Jul-16	07-Dec-16	●		
08854 - Unallocated New Initiatives for Capital works		0	0	0.00	0	0	0	0			01-Jul-16	07-Dec-16	●		
08856 - Melton Council Office Dev- Transfer to Reserve		8,482	5,465	-3,017	0	0	0	7,790,000			01-Jul-16	07-Dec-16	●		
Combined Projects with a Budget Below \$200,000	All Wards	2,042,906	2,465,098	-422,192	115,000	664,000	769,000	3,367,168	769,000						
Grand Total as per Capital Works Schedule		3,786,672	3,561,488	-205,185	930,000	15,298,520	50,664,598	50,664,598	50,664,598						
Capital DCP-In-Kind		585,874	586,000	126	0	0	24,407,019	24,407,019	28,888,843						
Total Capital Expenditure		4,352,547	4,147,488	-205,059	930,000	15,298,520	75,071,617	75,071,617	79,553,241						

Currently on schedule or complete
Up to 2 months behind schedule
More than 2 months behind schedule