



# **2015/2016**

# **Monthly Finance Report**

**9 Months Ended**  
**31 March 2016**



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## Melton City Council

### Monthly Finance Report for the 9 months period ended March 2016.

#### Executive Summary

#### Operating Results

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

The underlying surplus for the March YTD period was \$29.1m. This compared with the profiled budgeted result of \$31.4m resulted in an unfavourable variance of \$2.3m.

Detailed analysis of operating revenue and expenditure variances by line items, are outlined on page 3.1-3.4 of this report.

#### Year-end Forecast

3rd quarter review of operating and capital expenditure as at the end of March 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 2016. This is summarized in the table below.

Comparison of 3rd quarter year-end forecast with approved budget is shown on page 4 with the detail variance commentary in page 4.1-4.4

| 3 <sup>rd</sup> Quarter Forecast Summary                                      |  | \$(000's)        |
|---|--|------------------|
| <b>Operating</b>  |  |                  |
| <b>Forecast favourable variance in Operating Results</b>                      |  | <b>\$22,848</b>  |
| <b>Capital</b>  |  |                  |
| Approved 2015/16 capital budget including carry forwards                      |  | \$39,877         |
| <u>Less</u>   |  |                  |
| Projected 3rd qtr forecast capital expenditure spend by 30 <sup>th</sup> June |  | \$31,944         |
| <b>Forecast unfavourable variance in capital expenditure</b>                  |  | <b>(\$7,933)</b> |

#### Capital Expenditure

The Capital expenditure budget for 2015/16 is \$39.9m including carry forward of unspent capital expenditure from 2014/2015.

The actual capital expenditure for the period was \$22.1m or 55.5% of the annual budget including carry forwards.

A project level analysis of YTD capital expenditure by departments is provided on page 13.

### **Cash on hand and Investments**

Council's total cash position at month end is \$66.2m. This balance includes \$59.7m 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 \$6.5m represents the working capital to meet day-to-day expenses as they fall due.

### **Debtors**

Receivables outstanding totalled \$32.4m (net of doubtful debts provisions) of which \$26.7m relates to rates debtors including instalments not due. Rate revenue received in the YTD period amounted to \$71.0m. Sundry debtors (including land sales) and infringement debtors amounted to \$5.7m.

| <b>Monthly Management Report 2015/2016</b><br><b>Operating Statement by Income / Expenditure line items</b><br><b>for the 9 Months ended 31 March 2016</b> |   |    |                        |                                     |   |  |
|--|---|----|------------------------|-------------------------------------|---|--|
| 2014/2015<br>YTD Actuals<br>(000's)  | Income/Expenditure Type                                     |    | YTD Actuals<br>(000's) | YTD Approved<br>Budget**<br>(000's) | Variance to<br>YTD<br>Approved<br>Budget<br>(000's) | Full Year<br>Approved<br>Budget**<br>(000's) |
|  | <b>Income</b>   |    |                        |                                     |   |  |
| 85,579   | Rates & Charges   | 1  | 92,303                 | 92,822                              | (519)   | 93,517                                       |
| 18,103   | Operating Grants  | 2  | 13,531                 | 19,328                              | (5,797)   | 23,076                                       |
| 6,076  | User Fees & Charges   | 3  | 6,897                  | 6,080                               | 817   | 8,192  |
| 1,361  | Contributions and Reimbursements                            | 4  | 662                    | 572                                 | 90  | 722  |
| 848  | Interest On Investments                                     | 5  | 1,181                  | 1,030                               | 152   | 1,200  |
| 2,285  | Other Revenue   | 6  | 2,497                  | 2,466                               | 30  | 3,413  |
| 114,252  | <b>Total Income</b>   |    | 117,071                | 122,299                             | (5,227)   | 130,120                                      |
|  | <b>Expenditure</b>  |    |                        |                                     |   |  |
| 32,141   | Employee Costs  | 7  | 33,503                 | 35,331                              | 1,827   | 46,946                                       |
| 20,859   | Contract Materials  | 8  | 21,916                 | 22,000                              | 84  | 33,623                                       |
| 8,429  | Program Expenses  | 9  | 8,690                  | 8,945                               | 255   | 12,899                                       |
| 822  | Borrowing Cost  | 10 | 928                    | 928                                 | (0)   | 1,499  |
| 2,237  | Utilities   | 11 | 2,430                  | 2,789                               | 358   | 3,898  |
| 3,956  | Maintenance   | 12 | 2,916                  | 3,220                               | 304   | 4,115  |
| 16,928   | Depreciation  | 13 | 17,543                 | 17,543                              | 0   | 23,727                                       |
| 1,374  | Other Expenses  | 14 | 1,360                  | 1,454                               | 93  | 2,100  |
| 86,746   | <b>Total Expenditure</b>                                    |    | 89,287                 | 92,209                              | 2,922   | 128,807                                      |
|  | <b>Non Operating Income &amp; Expenditure</b>               |    |                        |                                     |   |  |
| 704  | Proceeds from Sale of Assets                                | 15 | 1,718                  | 1,698                               | 20  | 3,160  |
| (136)  | Cost of Assets Sold   | 16 | (369)                  | (369)                               | 0   | (1,381)                                      |
| 568  | <b>Total Gain/(Loss) on Disposals of Assets</b>             |    | 1,349                  | 1,329                               | 20  | 1,779  |
| 28,074   | <b>Underlying Operating Results Surplus/(Deficit)</b>       |    | 29,133                 | 31,418                              | (2,285)   | 3,092  |
|  | <b>Other Cash &amp; Non Cash Contributions</b>              |    |                        |                                     |   |  |
| 4,463  | Developer Cash Contributions                                | 17 | 11,194                 | 10,890                              | 304   | 12,117                                       |
| 3,161  | Developer Contributions - Non Monetary Assets               | 18 | 31,075                 | 30,997                              | 78  | 55,512                                       |
| 0  | Developer Contributions - DCP InKind                        | 19 | (6,795)                | (6,795)                             | (0)   | (19,453)                                     |
| 2,193  | Capital Grants  | 20 | 10,036                 | 4,093                               | 5,943   | 7,217  |
| 9,817  | <b>Total Capital Grants &amp; Cash &amp; Non Cash Contr</b> |    | 45,510                 | 39,185                              | 6,325   | 55,393                                       |
| 37,891   | <b>Total Surplus/Deficit for the Year Before Trfs.</b>      |    | 74,643                 | 70,603                              | 4,040   | 58,485                                       |
|  | <b>Reserve Transfers</b>                                    |    |                        |                                     |   |  |
| 1,982  | Transfers From Reserves                                     | 21 | 4,587                  | 3,005                               | 1,582   | 11,759                                       |
| (5,724)  | Transfer to Reserve   | 22 | (19,875)               | 0                                   | (19,875)  | (2,134)                                      |
| (3,742)  | <b>Total Net Transfers - Income/(Exp)</b>                   |    | (15,288)               | 3,005                               | (18,293)  | 9,625  |
| 34,149   | <b>Total Surplus/(Deficit) Net of Transfers</b>             |    | 59,355                 | 73,609                              | (14,253)  | 68,110                                       |

\* 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 2015/2016<br>Operating Statement - Significant Variance Comments<br>9 Months Ended 31 March 2016 |                    |                    |                                |                                 |   |
|--|--------------------|--------------------|--------------------------------|---------------------------------|---|
| Income/Expenditure Type  | YTD Actual (000's) | YTD Budget (000's) | Variance - Fav/(Unfav) (000's) | 2015/16 Approved Budget (000's) | Significant Variance Comments- YTD actual compared to profiled YTD approved budget  |
| <b>Income</b>  |                    |                    |                                |                                 |   |
| Rates & Charges  | 1 92,303           | 92,822             | (519)                          | 93,517                          | Unfavourable variance is due to:<br>** Lower supplementary rates than predicted in the YTD period due to lower than anticipated growth (\$225k) and<br>** Higher pensioner rebates allowed than budgeted in the YTD period (timing variance) and others (\$294k)  |
| Operating Grants   | 2 13,531           | 19,328             | (5,797)                        | 23,076                          | The unfavourable variance relates to the following:<br>** 50 % of the 2015/16 grant allocation from the Grant Commission was received in advance in June 2015 (\$6.26m)<br>This is partly offset by:<br>** Additional income received in Families and Children in Family Day Care, Maternal Child Health, Occasional Care and Emergency Relief (\$230k) and<br>** unbudgeted program grants of \$235k received to-date. These include:<br>Community Activation (\$78k), Melbourne Water Corridor of Green (\$134k) Road Safety and others(\$23k).   |
| User Fees & Charges  | 3 6,897            | 6,080              | 817                            | 8,192                           | The favourable variance of \$817k is attributable to the following:<br>** Increased fee revenue from Compliance department of \$264k, from animal registration and parking fines due to proactive patrols.<br>** Higher than expected subdivision plan checking fees, property information requests and non standard public lighting fees in Engineering Services (\$306K) due to higher land development than planned.<br>** Higher fees income from Family Day care due to higher level of usage than planned (\$150K).<br>** Higher fee income in operations in Transfer station due to higher level of patronage and others (\$97k) |
| Contributions & Reimbursements   | 4 662              | 572                | 90                             | 722                             | Favourable variance of \$90k is due to<br>** Unbudgeted Contributions from Caroline Springs Sports Club for Vic Health Arts Partnership (\$72k)<br>**Additional valuation contributions income forecast for the year (\$18k)  |
| Interest On Investments  | 5 1,181            | 1,030              | 152                            | 1,200                           | Despite the lower interest rate climate during the year, the year-to-date results is higher than budget. This is mainly due to the higher level of funds available for investment as a result of higher government grants received and lower than budgeted capital expenditure to-date.   |
| Other Revenue  | 6 2,497            | 2,466              | 30                             | 3,413                           |   |
| <b>Total Income</b>  | <b>117,071</b>     | <b>122,299</b>     | <b>(5,227)</b>                 | <b>130,120</b>                  |   |
| <b>Expenditure</b>   |                    |                    |                                |                                 |   |

| Monthly Management Report 2015/2016<br>Operating Statement - Significant Variance Comments<br>9 Months Ended 31 March 2016 |                    |                    |                                |                                 |   |
|--|--------------------|--------------------|--------------------------------|---------------------------------|---|
| Income/Expenditure Type  | YTD Actual (000's) | YTD Budget (000's) | Variance - Fav/(Unfav) (000's) | 2015/16 Approved Budget (000's) | Significant Variance Comments- YTD actual compared to profiled YTD approved budget  |
|  |                    |                    |                                |                                 | <p>Favourable variance in employee cost is the net effect of \$1,758k favourable in salaries and wages and \$69k favourable in payroll oncost. Favourable variance in salaries is attributable to:</p> <p>** Vacant positions unfilled and other budgeted positions not engaged as planned. Organisation restructure leading to rationalisation of vacant positions due to resignations and retirement also contributed to the overall favourable variance across the board amounted to \$1,76m.</p> <p>These are in areas such as Community Care and Inclusion where some vacant positions are being reviewed in line with the advent of Aged Care reform and NDIS. (\$272k), Recreation &amp; Youth (\$333k), City Design &amp; Strategy (\$407k), Families &amp; Children (\$312k), Engineering (\$80k), Planning (\$67k), Customer Engagement (\$108k) and others. Based on the end of year forecast, around \$723k will be a net reduction in Payroll costs compared to original budget by year-end.</p> <p>Favourable variance of \$69k in Oncost expenditure is due timing variance in annual leave loading and Lasplan Superannuation expenses offset by unfavourable variance in work safe Premium for the year due to actual premium amount exceeding budget. This will translate to unfavourable variance at year end.</p> |
| Employee Costs   | 7 33,503           | 35,331             | 1,827                          | 46,946                          |   |
|  |                    |                    |                                |                                 | <p>Favourable variance of \$94k in contracts and materials expenditure due to:</p> <p>** Lower than expected tonnage due to early onset of summer resulting in savings in Kerbside Disposal, Green Processing and decreased transport costs in Transfer Station due to lower tonnage: (\$142k). Other reductions in expenditure compared to budget in Operations include Environmental Reserves, Parks Open Space contracts and Road services contract (\$79k).</p> <p>** Other Timing variances in contracts payments in Compliance in Library Services -Local history book project and Customer Engagement in Website Licence agreements etc (\$18k).</p> <p>** Favourable variance is offset by higher than budgeted expenditure in information services on projects that were unbudgeted such as Telephony Upgrade, Migration to Cloud Technology, Service Desk Improvements, and Managed Network Implementation. (\$155k)</p>  |
| Contract Materials   | 8 21,916           | 22,000             | 84                             | 33,623                          |   |
|  |                    |                    |                                |                                 | <p>Favourable Variance due to</p> <p>**Timing favourable variance in Annual Licence Fees, Printing, Corporate subscriptions, Training and other (\$515k)</p> <p>Offset by Unfavourable variance due to:</p> <p>**Higher program expense in Community Planning matched by unbudgeted external income for Road Safety Admin and Community Activation (\$60K)</p> <p>**Reorientation of Visitors Centre (\$118k).</p> <p>**Retund to Woodgrove for valuation objection upheld by VCAT (\$82k)</p>  |
| Program Expenses   | 9 8,690            | 8,945              | 255                            | 12,899                          |   |
| Borrowing Cost   | 10 928             | 928                | (0)                            | 1,499                           |   |
|  |                    |                    |                                |                                 | <p>Favourable variance is due to :</p> <p>** Fixed phone line costs due to implementation of new telephony system resulting in lower number of lines and reduction in landline costs \$(77k).</p> <p>** Timing favourable variance in Gas (\$62k) and Electricity charges, server hosting and others (\$219k)</p>   |
| Utilities  | 11 2,430           | 2,789              | 358                            | 3,898                           |   |

| Monthly Management Report 2015/2016<br>Operating Statement - Significant Variance Comments<br>9 Months Ended 31 March 2016 |                    |                    |                        |                                 |  |
|--|--------------------|--------------------|------------------------|---------------------------------|--|
| Income/Expenditure Type  | YTD Actual (000's) | YTD Budget (000's) | Variance - Fav/(Unfav) | 2015/16 Approved Budget (000's) | Significant Variance Comments- YTD actual compared to profiled YTD approved budget   |
| Maintenance  | 12 2,916           | 3,220              | 304                    | 4,115                           | ** Favourable variance is mainly due to:<br>** Timing variations in Public lighting expenditure (\$289k), Traffic Signal Maintenance (\$115k) and Line Marking (\$96K).<br>** Favourable variance offset by unbudgeted expenditure on Urban rehabilitation works which will be partly matched by external contributions (\$154k) and others (\$42k)          |
| Depreciation   | 13 17,543          | 17,543             | 0                      | 23,727                          |  |
| Other Expenses   | 14 1,360           | 1,454              | 93                     | 2,100                           |  |
| <b>Total Expenditure</b>   | <b>89,287</b>      | <b>92,209</b>      | <b>2,922</b>           | <b>128,807</b>                  | **Favourable variance in fuel usage and other fleet operating costs in plant operations in the ytd period- (\$128k), mainly due to reduction in fuel costs and plant service maintenance. Some of these are timing related.<br>**Favourable variance is offset by higher than budgeted expenditure on Festivals and events in Customer Engagement (\$35k).   |
| Non Operating Income & Expenditure   |                    |                    |                        |                                 |  |
| Proceeds from Sale of Assets   | 15 1,718           | 1,698              | 20                     | 3,160                           |  |
| Cost of Assets Sold  | 16 (369)           | (369)              | (0)                    | (1,381)                         |  |
| <b>Total Gain/(Loss) on Disposals of Assets</b>  | <b>1,349</b>       | <b>1,329</b>       | <b>20</b>              | <b>1,779</b>                    |  |
| Underlying Operating Results Surplus/(Deficit)   | 29,133             | 31,418             | (2,285)                | 3,092                           |  |
| Other Cash & Non Cash Contributions  |                    |                    |                        |                                 |  |
| Developer Cash Contributions   | 17 11,194          | 10,890             | 304                    | 12,117                          | Developer contributions are higher than budgeted for the year due to an upturn in the construction activity. This is expected improve further in the next quarter, as the year-end forecast is projected at \$2.5m higher than the Budget by year-end. Developer contributions received during the year are transferred to reserve for future capital works. |
| Developer Contributions - Non Monetary Assets  | 18 31,075          | 30,997             | 78                     | 55,512                          | Developer contributed non monetary assets are also ahead of year-to-date target. Actual are based on project completion certificate issued. Bulk of the non monetary assets are recognised at year-end.  |
| Developer Contributions - Non Monetary Assets  | 19 (6,795)         | (6,795)            | (0)                    | (19,453)                        |  |



| Monthly Management Report 2015/2016<br>Operating Statement - Significant Variance Comments<br>9 Months Ended 31 March 2016 |                       |                       |                                   |                                    |   |
|--|-----------------------|-----------------------|-----------------------------------|------------------------------------|---|
| Income/Expenditure Type  | YTD Actual<br>(000's) | YTD Budget<br>(000's) | Variance - Fav/(Unfav)<br>(000's) | 2015/16 Approved Budget<br>(000's) | Significant Variance Comments- YTD actual compared to profiled YTD approved budget  |
|  |                       |                       |                                   |                                    |   |
|  |                       |                       |                                   |                                    | Favourable variance is due to unbudgeted capital grants received to-date. These include<br>** Streetscapes Improvements - Pride of Melton \$2.2m.<br>**No 5 McKenzie Street Redevelopment Stage-1 \$1.8m<br>**Caroline Springs Storm Water Project \$622k<br>** Arnolds Creek Recreation Reserve \$160k.<br>** Atherstone Play Space \$750k<br>** Boundary and Sinclair Road \$96k<br>** Atherstone Hub-6 Multi-Purpose Community Centre and others \$200k.<br>**Ryan Creek Rehabilitation Project \$50k<br>** Kirrip Project and others \$65k. |
| Capital Grants & Contributions   | 20 10,036             | 4,093                 | 5,943                             | 7,217                              |   |
| Total Capital Grants & Cash & Non Cash Contributions   | 45,510                | 39,185                | 6,325                             | 55,393                             |   |
| Total Surplus/(Deficit) for the Year Before Trfs.  | 74,643                | 70,603                | 4,040                             | 58,485                             |   |

| <b>3rd Quarter Year-End Forecast</b>                        |    |  |                                 |   |
|---|----|--|---------------------------------|---|
| <b>Forecast Operating Statement by Income / Exp</b>         |    |  |                                 |   |
| <b>for the 9 Months ended 31 March 2016</b>                 |    |  |                                 |   |
| Income/Expenditure Type                                     |    | Full Year<br>Approved<br>Budget**<br>(000's) | 3rd Quarter Forecast<br>(000's) | 3rd Qtr Forecast<br>Variance<br>(000's) |
| <b>Income</b>   |    |  |                                 |   |
| Rates & Charges   | 1  | 93,517                                       | 93,166                          | (351)                                   |
| Operating Grants  | 2  | 23,076                                       | 24,310                          | 1,234                                   |
| User Fees & Charges   | 3  | 8,192  | 9,107                           | 915                                     |
| Contributions & Reimbursements                              | 4  | 722  | 852                             | 130                                     |
| Interest On Investments                                     | 5  | 1,200  | 1,540                           | 340                                     |
| Other Revenue   | 6  | 3,413  | 3,658                           | 245                                     |
| <b>Total Income</b>   |    | <b>130,120</b>                               | <b>132,632</b>                  | <b>2,513</b>                            |
| <b>Expenditure</b>  |    |  |                                 |   |
| Employee Costs  | 7  | 46,946                                       | 45,909                          | 1,036                                   |
| Contract Materials  | 8  | 33,623                                       | 33,558                          | 65                                      |
| Program Expenses  | 9  | 12,899                                       | 13,811                          | (912)                                   |
| Borrowing Cost  | 10 | 1,499  | 1,500                           | (1)                                     |
| Utilities   | 11 | 3,898  | 3,851                           | 47                                      |
| Maintenance   | 12 | 4,115  | 4,328                           | (213)                                   |
| Depreciation  | 13 | 23,727                                       | 23,727                          | 0                                       |
| Other Expenses  | 14 | 2,100  | 2,336                           | (236)                                   |
| <b>Total Expenditure</b>                                    |    | <b>128,807</b>                               | <b>129,020</b>                  | <b>(214)</b>                            |
| <b>Non Operating Income &amp; Expenditure</b>               |    |  |                                 |   |
| Proceeds from Sale of Assets                                | 15 | 3,160  | 6,071                           | 2,911                                   |
| Cost of Assets Sold   | 16 | (1,381)                                      | (3,614)                         | (2,233)                                 |
| <b>Total Gain/(Loss) on Disposals of Assets</b>             |    | <b>1,779</b>                                 | <b>2,457</b>                    | <b>678</b>                              |
| <b>Underlying Operating Results Surplus/(Deficit)</b>       |    | <b>3,092</b>                                 | <b>6,069</b>                    | <b>2,977</b>                            |
| <b>Other Cash &amp; Non Cash Contributions</b>              |    |  |                                 |   |
| Developer Cash Contributions                                | 17 | 12,117                                       | 14,635                          | 2,519                                   |
| Developer Contributions - Non Monetary Assets               | 18 | 55,512                                       | 59,643                          | 4,131                                   |
| Developer Contributions - DCP InKind                        | 19 | (19,453)                                     | (13,473)                        | 5,980                                   |
| Capital Grants & Contributions                              | 20 | 7,217  | 14,459                          | 7,242                                   |
| <b>Total Capital Grants &amp; Cash &amp; Non Cash Contr</b> |    | <b>55,393</b>                                | <b>75,264</b>                   | <b>19,871</b>                           |
| <b>Total Surplus/Deficit for the Year Before Trfs.</b>      |    | <b>58,485</b>                                | <b>81,333</b>                   | <b>22,848</b>                           |

| Monthly Management Report 2015/2016<br>Significant Variance Comments<br>2015/16 Budget vs. 3rd Quarter Forecast |  |  |                                      |  |   |
|---|--|--|--------------------------------------|--|---|
| Income/Expenditure Type   | 2015/16<br>Approved<br>Budget<br>(000's) | 2015/16<br>3rd<br>Quarter<br>Forecast<br>(000's) | Variance -<br>Fav/(Unfav)<br>(000's) | Approved Budget to 3rd Quarter Year-end Forecast Variance Explanations |   |
| Income  |  |  |                                      |  |   |
| Rates & Charges   | 1  | 93,517   | 93,166<br>(351)                      |  | Unfavourable variance is attributable to :<br>***Lower supplementary rates are expected to be lower than budgeted (\$290k)<br>**Based on current trends pensioner rebates are expected to be higher than budget by (\$46k)<br>**EER Rebates are also expected to be marginally higher than budget (15k)   |
| Operating Grants  | 2  | 23,076   | 24,310<br>1,234                      |  | Favourable variance is attributable to higher than budgeted grants for:<br>** Family Services in Family Day Care, Supported Accommodation and Maternal Child Health due to higher utilisation and service levels (\$384k).<br>** The Club Community Benefit and Road Safety Administration in Community Planning (\$173k).<br>** Flexible Aged respite and other in Community Care (37k).<br>In addition there are unbudgeted grants received and receivable by the end of the year, projected at \$641k<br>These include<br>** Melbourne Water Corridor of Green & Waste Management (\$315k). Unspent component of this have to be carried forward to 2016/17 to complete projects.<br>** Occasional care and others in Family Services (\$136k),<br>** Community Activation (\$86) and Indigenous Programs (\$51k)<br>** Design and Traffic Service in Engineering and others (\$53k) |
| User Fees & Charges   | 3  | 8,192  | 9,107<br>915                         |  | Favourable variance due to higher than budgeted income in the 3rd quarter by 915k. This is due to:<br>**Family Day Care - Forecast increase in levy due to higher utilisation than budgeted -(\$177k).<br>**Compliance - In animal registration, information requests and parking fines due to proactive patrols (\$297k).<br>**Operations - In Transfer Station gate fees, tree planting and other fees (\$137k) and .<br>**Engineering- In subdivision plan checking, non standard public lighting and property information requests due to projected rate of growth higher than budgeted \$275k.<br>Other increases in Cemetery Operations, Caroline Springs Indoor Sports and others (\$29K).   |
| Contributions & Reimbursements  | 4  | 722  | 852<br>130                           |  | Favourable variance of \$130k is due to<br>** Additional contributions forecast for Urban Rehabilitation unscheduled works - \$30k<br>** Unbudgeted contributions from Caroline Springs Sports Club for Vic Health Arts Partnership (\$80k)<br>**Additional income from sale of valuation data for the year (\$20k)   |
| Interest On Investments   | 5  | 1,200  | 1,540<br>340                         |  | Additional funds available for investment due to significant amount of unbudgeted grants receivable by year end and projected lower capital expenditure than budget.  |

|                    |    |         |         |       |   |
|--------------------|----|---------|---------|-------|---|
| Other Revenue      | 6  | 3,413   | 3,658   | 245   | Favourable variance due to:<br>** Projected increase in properties hire income due to new facilities available for hire during the year. Community Care (\$84k), Community Planning (\$62k), Families & Children and other (\$29k).<br>** Projected increase in event sponsorship income (\$20k) and Kiosk Income (\$23k) others (\$27k).   |
| Total Income       |    | 130,120 | 132,632 | 2,513 |   |
| Expenditure        |    |         |         |       |   |
| Employee Costs     | 7  | 46,946  | 45,909  | 1,036 | Favourable variance is made up of \$723k unfavourable in Salaries & wages and \$313k favourable in payroll oncosts. Net Favourable variance in Salaries is mainly due to:<br><br>** Vacant positions unfilled and other budgeted positions not engaged as planned due to organisation restructure leading to rationalisation of vacant positions, and also due to resignations and retirements that were not filled or filled later than planned.<br><br>** Projected payroll oncost is favourable by \$313k and this is due to actual expenditure on new staff employed during the year charged directly to individual program area whereas this amount was budgeted under oncost for 500k. The favourable variance is offset by projected unfavourable variance in Work cover premium surcharge (\$69k), Maternity Leave backfilling costs and others (\$118k). |
| Contract Materials | 8  | 33,623  | 33,558  | 65    | Favourable variance is due to variations in contracts payments due to:<br>** Lower than expected tonnage due to early onset of summer resulting in savings in Kerbside Disposal, Green Processing and decreased transport costs in Transfer Station due to lower tonnage (\$315k).<br>This is partly offset by:<br>** Projected increase in Information Services projects such as Telephony Upgrade, Cloud Infrastructure, NBN Phone Transition and Service Desk Improvements (\$199k)<br>** Other projected increase in contracts payments in Compliance in Litter and Public Place Administration, Animal registration and Food Act (\$51k)   |
| Program Expenses   | 9  | 12,899  | 13,811  | (912) | Unfavourable variance of \$912 is attributable to:<br>**Increased Childcare Benefit payment match by higher income due to higher utilisation of Services (\$213k)<br>**Higher program expense in Community Planning matched by unbudgeted external income for Road Safety Admin and Community Activation (\$130K)<br>** Higher professional advisory expenses in City Strategy and others in Reorientation of Visitors Servicing, Transport Strategy, Healthy Promotions project and others (\$362k)<br>** Projected Increase in publicity and promotion expenses (\$60k) and Training (\$33k)<br>**Refund to Woodgrove for valuation objection upheld by VCAT (\$62k) and others (\$32k).  |
| Borrowing Cost     | 10 | 1,499   | 1,500   | (1)   |   |
| Utilities          | 11 | 3,898   | 3,851   | 47    | Favourable variance is due to :<br>** Fixed phone line costs due to implementation of new telephony system resulting in lower number of lines and reduction in landline costs.  |

|  |    |          |          |         |   |  |
|--|----|----------|----------|---------|---|--|
| Maintenance                                    | 12 | 4,115    | 4,328    |         |   | Unfavourable Variance is due to projected increases in:<br>** Photocopier Maintenance due to higher usage (\$50k)  |
| Depreciation                                   | 13 | 23,727   | 23,727   | (213)   | 0 | ** Office Accommodation Improvements due to increase in scope of works than Budgeted (\$40k) and other increase in Building maintenance costs in recreation and Children services facilities (\$62k)<br>**Road works maintenance including Urban Rehabilitation unscheduled works and other (\$61k.)   |
| Other Expenses                                 | 14 | 2,100    | 2,336    | (236)   |   | Unfavourable variance is due to:<br>**The Club Community Benefit expenditure higher than budget matched by additional income (\$100k).<br>**Unfavourable variance in advance income carry forward expenditure which will be offset by transfer from reserves at year end(\$60k).<br>** Projected Increases in Festivals and Events, Hacc Home and Personal care expenses (\$76k) |
| Total Expenditure                              |    | 128,807  | 129,020  | (214)   |   |  |
| Non Operating Income & Expenditure             |    |          |          |         |   |  |
| Proceeds from Sale of Assets                   | 15 | 3,160    | 6,071    | 2,911   |   | 3rd quarter Atherstone land sales forecast is based on latest projections by Lend Lease based on current and projected sales volumes.  |
| Cost of Assets Sold                            | 16 | (1,381)  | (3,614)  | (2,233) |   | **Cost of assets sold has been revised in line with the increase in land sales projections in the 3rd quarter forecast.  |
| Total Gain/(Loss) on Disposals of Assets       |    | 1,779    | 2,457    | 678     |   |  |
| Underlying Operating Results Surplus/(Deficit) |    | 3,092    | 6,069    | 2,977   |   |  |
| Other Cash & Non Cash Contributions            |    |          |          |         |   |  |
| Developer Cash Contributions                   | 17 | 12,117   | 14,635   | 2,519   |   | **On current trends cash contributions for Developer Contributions Plans (DCP), Precinct Structure Plan(PSP) and Community Infrastructure Levy (CIL) are projected exceed budget by \$2.5m.  |
| Developer Contributions - Non Monetary Assets  | 18 | 55,512   | 59,643   | 4,131   |   | Favourable variance is due to:<br>PSP In-kind offset for contributed assets, projected to be lower than budget by \$4.1m   |
| Developer Contributions - DCP InKind           | 19 | (19,453) | (13,473) | 5,980   |   | Based on current projections developer contribution plan in-kind works is estimated to be lower than budget by \$6.0m  |

|  |    |        |        |        |  |
|--|----|--------|--------|--------|--|
|  | 20 | 7,217  | 14,459 | 7,242  | <p>Favourable variance is due to:</p> <p>Unbudgeted Capital grants already received and receivable by the end of year of \$8.36m. This will be partly spent in this financial year and the unspent portion will be carried forwarded to 2016/17 to complete Capital Works. These include:</p> <p>** Pride of Melton Streetscape Improvements - Stage 2 - (\$2.3m)</p> <p>** No 5 McKenzie Street Stage 1 - (\$1.8m)</p> <p>** Boundary and Sinclair Road Black spot Funding - (\$1.4m)</p> <p>** Roads to Recovery - Annual Resurfacing and Reseals - (\$1.0m)</p> <p>** Atherstone Play space (\$750k)</p> <p>** Ryans Creek Rehabilitation Project and others (\$455m)</p> <p>** Arnold's Creek Recreation Reserve (\$160K)</p> <p>** Other (\$495k)</p> <p>Favourable variance is partly offset by unfavourable variance of \$1.12m due from Lend lease on Toolern Hub 6 Bridge Road reserve which will now be received as developer contributions in 2016/17 in the next financial year.</p> |
|  |    |        |        |        |  |
|  |    |        |        |        |  |
|  |    |        |        |        |  |
| Capital Grants & Contributions                       |    |        |        | 19,871 |  |
| Total Capital Grants & Cash & Non Cash Contributions |    | 55,393 | 75,264 |        |  |
| Total Surplus/(Deficit) for the Year Before Trfs.    |    | 58,485 | 81,333 | 22,848 |  |

| LAST YEAR<br>ACTUALS             | BALANCE SHEET                        | Actuals                          |                                  | THIS YEAR                           |
|----------------------------------|--------------------------------------|----------------------------------|----------------------------------|-------------------------------------|
|                                  |                                      | Current Year                     | Last Year                        | BUDGET                              |
| AS AT END<br>Mar-15<br>\$(000's) |                                      | AS AT END<br>Mar-16<br>\$(000's) | AS AT END<br>Jun-15<br>\$(000's) | FULL YEAR<br>2015/2016<br>\$(000's) |
|                                  | <b>CURRENT ASSETS</b>                |                                  |                                  |                                     |
| 6,416                            | CASH ASSETS IN HAND & AT BANK        | 6,507                            | 8,485                            | 2,000                               |
| 1,966                            | INVESTMENT - GENERAL                 | 24,017                           | 1,975                            | 5,500                               |
| 28,703                           | INVESTMENT - RESTRICTED & OTHERS     | 35,682                           | 37,308                           | 31,342                              |
| 71                               | INVENTORIES & OTHER FINANCIAL ASSETS | 89                               | 89                               | 105                                 |
| 28,747                           | DEBTORS - RATES & OTHER              | 32,400                           | 10,132                           | 11,447                              |
| 142                              | ASSETS CLASSIFIED AS HELD FOR SALE   | 543                              | 543                              | 450                                 |
| 0                                | PREPAYMENTS/OTHER ASSETS             | 0                                | 2,568                            | 1,250                               |
| 66,045                           | <b>TOTAL CURRENT ASSETS</b>          | 99,238                           | 61,100                           | 52,094                              |
|                                  | <b>NON CURRENT ASSETS</b>            |                                  |                                  |                                     |
| 1,285,244                        | INFRA, PROPERTY PLANT & EQUIPMENT    | 1,351,376                        | 1,349,642                        | 1,455,125                           |
| 225                              | INVENTORIES                          | 118                              | 118                              | 272                                 |
| 6,000                            | INVESTMENT PROPERTY                  | 6,000                            | 6,000                            | 6,000                               |
| 1,309                            | OTHER FINANCIAL ASSETS               | 1,390                            | 1,390                            | 2,077                               |
| 4,996                            | INTANGIBLES                          | 4,665                            | 4,665                            | 4,336                               |
| 28,791                           | WORK-IN-PROGRESS                     | 22,129                           | 0                                | 0                                   |
| 1,326,565                        | <b>TOTAL NON CURRENT ASSETS</b>      | 1,385,678                        | 1,361,815                        | 1,467,810                           |
| 1,392,610                        | <b>TOTAL ASSETS</b>                  | 1,484,916                        | 1,422,915                        | 1,519,904                           |
|                                  | <b>CURRENT LIABILITIES</b>           |                                  |                                  |                                     |
| 1,951                            | PAYABLES                             | 4,462                            | 13,166                           | 11,506                              |
| 6,570                            | EMPLOYEE BENEFITS                    | 7,012                            | 7,012                            | 7,097                               |
| 10,850                           | INTEREST BEARING LIABILITIES         | 7,262                            | 7,262                            | 6,861                               |
| 149                              | OTHER LIABILITIES                    | 295                              | 3,532                            | 1,837                               |
| 19,520                           | <b>TOTAL CURRENT LIABILITIES</b>     | 19,031                           | 30,972                           | 27,301                              |
|                                  | <b>NON CURRENT LIABILITIES</b>       |                                  |                                  |                                     |
| 2,411                            | EMPLOYEE BENEFITS                    | 2,976                            | 2,900                            | 2,227                               |
| 11,746                           | INTEREST BEARING LIABILITIES         | 18,645                           | 21,218                           | 22,232                              |
| 5,787                            | OTHER LIABILITIES                    | 4,350                            | 2,552                            | 3,250                               |
| 19,944                           | <b>TOTAL NON CURRENT LIABILITIES</b> | 25,971                           | 26,670                           | 27,709                              |
| 39,464                           | <b>TOTAL LIABILITIES</b>             | 45,002                           | 57,642                           | 55,010                              |
| 1,353,146                        | <b>NET ASSETS</b>                    | 1,439,914                        | 1,365,274                        | 1,464,895                           |
|                                  | <b>EQUITY</b>                        |                                  |                                  |                                     |
| 826,948                          | ACCUMULATED SURPLUS                  | 881,701                          | 831,530                          | 909,022                             |
| 34,149                           | OPERATING SURPLUS FOR THE PERIOD     | 59,355                           | 50,174                           | 68,110                              |
|                                  | <b>RESERVES</b>                      |                                  |                                  |                                     |
| 454,704                          | REVALUATION RESERVES                 | 453,194                          | 453,194                          | 454,711                             |
| 37,345                           | OTHER RESERVES                       | 45,664                           | 30,376                           | 33,052                              |
| 1,353,146                        | <b>TOTAL EQUITY</b>                  | 1,439,914                        | 1,365,274                        | 1,464,895                           |

## 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 31 March 2016 was \$66.2m. This represents an increase of \$18.4m from the \$47.8m cash position as at 1 July 2015. Details of inflow and outflow of funds are detailed in the Cash Flow Statement on page 8.

|  | \$'000's   | \$'000's        |
|--|------------|-----------------|
| Cash at 1 <sup>st</sup> July 2015                    |            | \$47,768        |
| Plus: Net Inflow/(Outflow) from operating activities | \$42,608   |                 |
| Less Net Inflow/(Outflow) from Investing activities  | (\$20,411) |                 |
| Less Net Inflow/(Outflow) from financing activities  | (\$3,759)  |                 |
| Net Increase/(decrease) in cash held                 |            | \$18,438        |
| <b>Cash and Investments on hand at 31 March 2016</b> |            | <b>\$66,206</b> |

### Receivables:

Total receivables outstanding as at 31 March 2016 amounted to \$32.4m, which included rate debtors of \$26.8m. The total outstanding receivables comprised: -

| Receivables   | 31 March<br>2016<br>(000's) | 30 June<br>2015<br>(000's) |
|---|-----------------------------|----------------------------|
| Rate Debtors  | \$26,762                    | \$5,489                    |
| Infringements & Local Laws Debtors(net of provision for doubtful debts) | \$996                       | \$287                      |
| Sundry & other debtors net of provision for doubtful debts              | \$4,642                     | \$4,262                    |
| <b>Total Receivables</b>  | <b>\$32,400</b>             | <b>\$10,038</b>            |



### Non Current Assets:

#### Infrastructure, Plant & Equipment

The value of Council's property, plant & equipment has increased by \$1.7m. This increase is the net of depreciation charge for the period of \$17.5 and the total gifted assets taken up in March adding up to \$19.3m. 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 \$4.7m 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 (\$1,437) 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 \$10.7m from the June 2015 balance, to \$4.5m 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 \$7.0m, with the non-current at \$2.9m. Any transfers to and from employee benefit will occur at year end.

#### Interest Bearing Liabilities:

Total loan liability as at 31 March 2016 is \$25.9m. Principal repayment for the 3rd quarter amounted to \$2.8m.

#### 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 as at balance date is 1:5.2 (after removing the impact of rate debtors is 1:3.8)

| Last Year<br>2014-15              | CASH FLOW STATEMENT  | Actuals<br>2015/2016             |                                 | This Year<br>Budget                     |
|-----------------------------------|--|----------------------------------|---------------------------------|---|
| YTD Actual<br>Mar-15<br>\$(000's) |  | As at End<br>Mar-16<br>\$(000's) | FORECAST<br>Mar-16<br>\$(000's) | 2015/2016<br>Annual Budget<br>\$(000's) |
|                                   | Cash Flow from Operating Activities                              |                                  |                                 |   |
|                                   | <u>RECEIPTS</u>  |                                  |                                 |   |
| 65,338                            | Rate Revenue   | 71,030                           | 67,000                          | 92,167                                  |
| 24,448                            | Government Grants and Contributions(Incl Dev Cash Contributions) | 34,614                           | 29,141                          | 38,854                                  |
| 8,536                             | Fees & Charges   | 6,211                            | 5,288                           | 11,050                                  |
| 746                               | Interest Received  | 1,019                            | 1,210                           | 1,650                                   |
| 4,475                             | Other Revenue(incl Movement in trust)                            | 5,727                            | 5,683                           | 2,244                                   |
|                                   | <u>PAYMENTS</u>  |                                  |                                 |   |
| (44,796)                          | Payments to Suppliers  | (42,566)                         | (40,025)                        | (60,033)                                |
| (32,128)                          | Payments to Employees  | (33,427)                         | (35,931)                        | (46,714)                                |
| 26,619                            | NET CASH FROM OPERATING ACTIVITIES                               | 42,608                           | 32,366                          | 39,219                                  |
|                                   | CASH FLOW FROM INVESTING ACTIVITIES                              |                                  |                                 |   |
| (25,630)                          | Payments for Acquisition of Non-Current Assets                   | (22,129)                         | (27,341)                        | (36,454)                                |
| 704                               | Proceeds from Sale of Non-Current Assets                         | 1,718                            | 2,367                           | 3,160                                   |
| (24,926)                          | NET CASH FROM INVESTING ACTIVITIES                               | (20,411)                         | (24,974)                        | (33,294)                                |
|                                   | CASH FLOW FROM FINANCING ACTIVITIES                              |                                  |                                 |   |
| (9,531)                           | Repayment of Loans   | (2,831)                          | (2,831)                         | (7,237)                                 |
| (822)                             | Borrowing Costs  | (928)                            | (1,024)                         | (1,499)                                 |
| 7,500                             | Proceeds from Borrowings   | 0                                | 0                               | 7,850                                   |
| (2,853)                           | NET CASH FROM FINANCING ACTIVITIES                               | (3,759)                          | (3,855)                         | (886)                                   |
| (1,160)                           | NET INCREASE/(DECREASE) IN CASH HELD                             | 18,438                           | 3,537                           | 5,039                                   |
|                                   | <u>CASH POSITION</u>   |                                  |                                 |   |
| 38,245                            | Cash Balance at Beginning-as at 1st July                         | 47,768                           | 47,768                          | 33,803                                  |
| 37,085                            | Cash Balance at End of Period                                    | 66,206                           | 51,305                          | 38,842                                  |

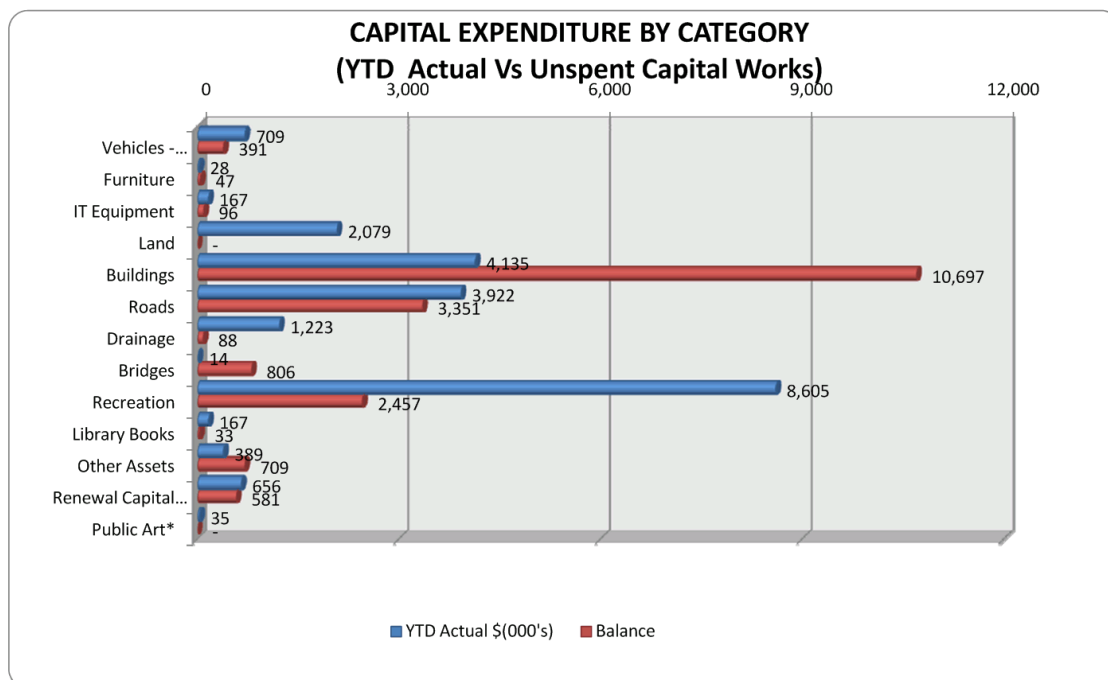
## CAPITAL EXPENDITURE BY CATEGORY

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2015/2016 FINANCIAL YEAR

| CAPITAL EXPENDITURE              | YTD Actual<br>\$(000's) | YTD Budget<br>\$(000's) | YTD Variance<br>\$(000's) | Total Budget<br>\$(000's) |
|----------------------------------|-------------------------|-------------------------|---------------------------|---------------------------|
| Vehicles - Capital Cost          | 709                     | 709                     | 0                         | 1,100                     |
| Furniture                        | 28                      | 56                      | 28                        | 75                        |
| IT Equipment                     | 167                     | 160                     | (7)                       | 263                       |
| Land                             | 2,079                   | 200                     | (1,879)                   | 606                       |
| Buildings                        | 4,135                   | 4,326                   | 191                       | 14,832                    |
| Roads                            | 3,922                   | 4,433                   | 510                       | 7,273                     |
| Drainage                         | 1,223                   | 861                     | (362)                     | 1,311                     |
| Bridges                          | 14                      | 15                      | 1                         | 820                       |
| Recreation                       | 8,605                   | 8,405                   | (199)                     | 11,062                    |
| Library Books                    | 167                     | 150                     | (17)                      | 200                       |
| Other Assets                     | 389                     | 597                     | 208                       | 1,098                     |
| Renewal Capital Expenditure      | 656                     | 745                     | 89                        | 1,237                     |
| Public Art*                      | 35                      | 0                       | (35)                      | 0                         |
| <b>TOTAL CAPITAL EXPENDITURE</b> | <b>22,129</b>           | <b>20,658</b>           | <b>(1,472)</b>            | <b>39,877</b>             |

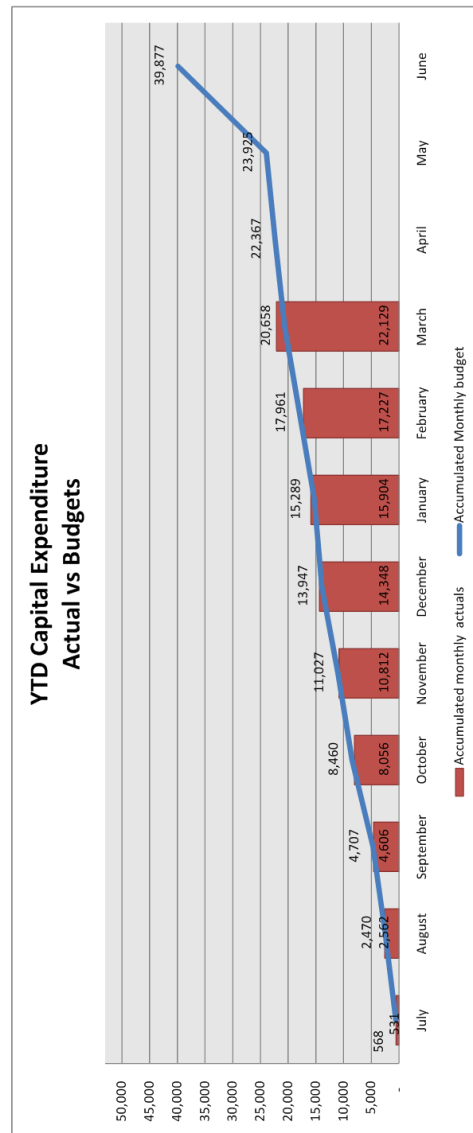
\* Public Art Expenditure on Projects are charged to the respective projects. Any additional expenditure will be transferred out of reserves at year end.



# MONTHLY ANALYSIS OF CAPITAL EXPENDITURE 2015/2016 FINANCIAL YEAR

| CAPITAL EXPENDITURE              | Total<br>\$(000's) | JUL<br>\$(000's) | AUG<br>\$(000's) | SEP<br>\$(000's) | OCT<br>\$(000's) | NOV<br>\$(000's) | DEC<br>\$(000's) | JAN<br>\$(000's) | FEB<br>\$(000's) | MAR<br>\$(000's) | APR<br>\$(000's) | MAY<br>\$(000's) | JUN<br>\$(000's) |
|----------------------------------|--------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Vehicles - Capital Cost          | 709                | 135              | 29               | 142              | 58               | 53               | 94               | 82               | 3                | 113              |                  |                  |                  |
| Furniture                        | 28                 | 0                | 1                | 2                | 2                | 12               | 0                | 4                | 4                | 3                |                  |                  |                  |
| IT Equipment                     | 168                | 35               | 77               | 31               | 9                | 0                | 2                | 2                | 2                | 10               |                  |                  |                  |
| Land                             | 2,079              | 0                | 4                | 151              | 0                | 167              | 518              | 0                | 5                | 1,234            |                  |                  |                  |
| Buildings                        | 4,135              | 42               | 602              | 834              | 784              | 820              | 531              | 206              | 125              | 191              |                  |                  |                  |
| Roads                            | 3,922              | 99               | 259              | 322              | 199              | 169              | 376              | 197              | 236              | 2,065            |                  |                  |                  |
| Drainage                         | 1,223              | 103              | 13               | 103              | 2                | 1                | 413              | 401              | 187              | 0                |                  |                  |                  |
| Bridges                          | 14                 | 0                | 0                | 0                | 12               | 0                | 0                | 2                | 0                | 0                |                  |                  |                  |
| Recreation                       | 8,605              | 103              | 1,025            | 362              | 2,182            | 1,338            | 1,487            | 551              | 532              | 1,025            |                  |                  |                  |
| Library Books                    | 167                | 14               | 13               | 17               | 29               | 21               | 13               | 20               | 21               | 19               |                  |                  |                  |
| Other Assets                     | 388                | 0                | 5                | 38               | 36               | 61               | 29               | 35               | 82               | 102              |                  |                  |                  |
| Renewal Capital Expenditure      | 656                | 0                | 3                | 41               | 137              | 114              | 73               | 50               | 119              | 119              |                  |                  |                  |
| Public Art*                      | 35                 | 0                | 0                | 1                | 0                | 0                | 0                | 6                | 7                | 21               |                  |                  |                  |
| <b>TOTAL CAPITAL EXPENDITURE</b> | <b>22,129</b>      | <b>531</b>       | <b>2,031</b>     | <b>2,044</b>     | <b>3,450</b>     | <b>2,756</b>     | <b>3,536</b>     | <b>1,556</b>     | <b>1,323</b>     | <b>4,902</b>     | <b>0</b>         | <b>0</b>         | <b>0</b>         |

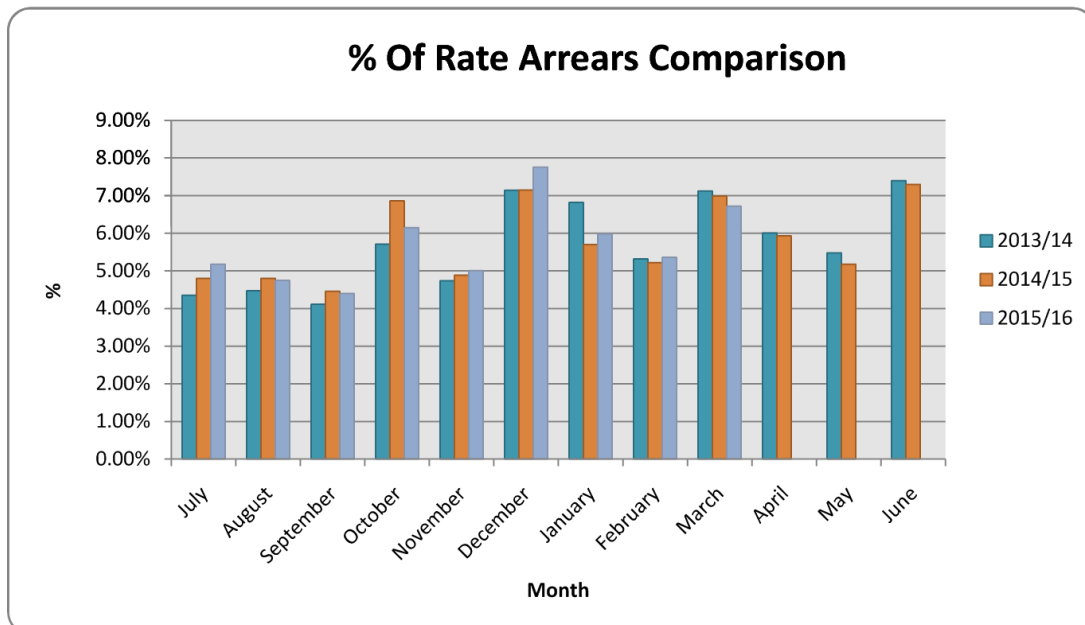
\* Public Art Expenditure on Projects are charged to the respective projects. Any additional expenditure will be transferred out of reserves at year end.



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

| <i>Overdue Rate Debtors</i>  | <i>No of Properties</i> | <i>Debts Outstanding (\$)</i> |
|------------------------------|-------------------------|-------------------------------|
| <b>Owings</b>                |                         |                               |
| <b>Less Than \$1000</b>      | 3,123                   | 1,370,319                     |
| <b>\$1000 to \$1999</b>      | 946                     | 1,315,229                     |
| <b>\$2000 to \$4999</b>      | 586                     | 1,841,448                     |
| <b>\$5000 to \$10,000</b>    | 168                     | 1,170,383                     |
| <b>Greater Than \$10,000</b> | 53                      | 1,000,124                     |
| <b>Total</b>                 | 4,876                   | 6,697,503                     |

\*\*There are 1,035 properties in credit . Total credit amounts to \$552,861



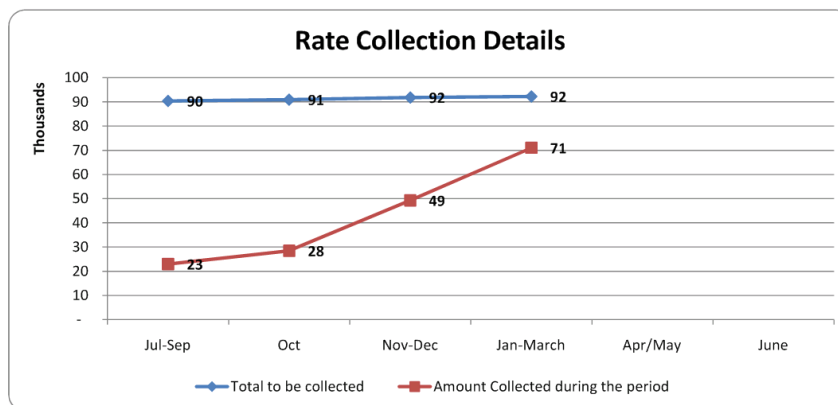
**Summary of Overdue Rate Debt Arrears & Recovery Actions - March 2016**

| SUMMARY OF OVERDUE RATE DEBT ARREARS & RECOVERY AS AT 31 March 2016 | NO OF PROPERTIES | RATE DEBTS OUTSTANDING \$'000'S |
|---|------------------|---------------------------------|
| Summons issued  | 163              | 946                             |
| Judgements issued   | 57               | 176                             |
| Summons for Oral Examination  | 287              | 1565                            |
| Legal Arrangements  | 329              | 172                             |
| Other action - Demand Letters etc                                   | 2239             | 1105                            |
| <b>Total Debt Recovery Action In Progress</b>                       | <b>3075</b>      | <b>3964</b>                     |
| <b>Arrangements in place - Non Legal</b>                            | <b>1483</b>      | <b>1214</b>                     |
| <b>Properties with no recovery/arrangements in place</b>            | <b>318</b>       | <b>2556</b>                     |
| <b>TOTAL</b>  | <b>4876</b>      | <b>7734</b>                     |

Number of Financial Hardship applications received in March equals to 14

**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 2015     | 0             |               |               |               |          |          |
| Rates raised in 2015-2016                 | 92,710        |               |               |               |          |          |
| Interest raised to date                   | 65            | 90            | 133           | 86            |          |          |
| Rebates & Adjustment                      | (3,651)       | 326           | 316           | 107           |          |          |
| Supplementary rates raised                | 1,290         | 167           | 396           | 270           |          |          |
| <b>Total to be collected</b>              | <b>90,414</b> | <b>90,997</b> | <b>91,842</b> | <b>92,305</b> |          |          |
| <b>Amount Collected during the period</b> | <b>22,959</b> | <b>28,429</b> | <b>49,284</b> | <b>71,030</b> |          |          |
| Balance to be collected                   | 67,455        | 62,568        | 42,558        | 21,275        |          |          |



## Capital Projects Report for the Month of March 2016

| Activity   | Council Ward | 2015/16 YTD Actuals | 2015/16 YTD Budget | 2015/16 YTD Variance | 2015/16 Total Budget | 2015/16 QTR Forecast | 2015/16 QTR Forecast Variance | Possible Carry Forward | 2015/16 Percent of Budget Spent | Planned Start Date | Planned Completion Date | Progress | Disbursed | Approved | Spent | Procurement | Construction | Design | Detailed                           |
|--|--------------|---------------------|--------------------|----------------------|----------------------|----------------------|-------------------------------|------------------------|---------------------------------|--------------------|-------------------------|----------|-----------|----------|-------|-------------|--------------|--------|------------------------------------|
| <b>Grand Total</b>   |              | <b>22,129,363</b>   | <b>20,657,554</b>  | <b>-1,471,809</b>    | <b>39,877,375</b>    | <b>31,943,992</b>    | <b>7,933,383</b>              | <b>15,456,765</b>      |                                 |                    |                         |          |           |          |       |             |              |        |                                    |
| 01605 - Plant Purchases/Replacement                        | n/a          | 708,778             | 709,000            | 222                  | 1,100,000            | 1,100,000            | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 02905 - Library Collection                                 | n/a          | 167,392             | 149,940            | -17,442              | 200,000              | 200,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 03010 - Minor Traffic Control Works                        |              | 172,768             | 48,685             | -124,083             | 48,685               | 244,058              | -195,373                      | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 03110 - Shared/Bicycle Paths Construction Program          | All Wards    | 212,251             | 212,251            | 0                    | 208,000              | 212,251              | -4,251                        | 0                      |                                 | 01-Jul-15          | 31-Mar-16               |          |           |          |       |             |              |        |                                    |
| 03124 - New Footpaths Construction Program                 | All Wards    | 515,137             | 408,755            | -106,382             | 408,755              | 584,508              | -175,753                      | 0                      |                                 | 01-Jul-15          | 31-Mar-16               |          |           |          |       |             |              |        |                                    |
| 03140 - Footpaths Maintenance/Replacement                  | All Wards    | 280,255             | 288,200            | 7,945                | 500,000              | 500,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 03170 - Annual Resurfacing Periodic Reseals                | All Wards    | 2,068,996           | 2,806,144          | 737,148              | 2,400,000            | 2,915,416            | -515,416                      | 0                      |                                 | 01-Jul-15          | 31-Mar-16               |          |           |          |       |             |              |        |                                    |
| 03197 - Bridge/works - Pedestrian                          | Coburn       | 110,648             | 218,812            | 108,164              | 245,000              | 233,812              | 11,188                        | 0                      |                                 | 01-Jul-15          | 31-Dec-15               |          |           |          |       |             |              |        |                                    |
| 03276 - CEEP Street Lighting                               | All Wards    | 271,553             | 368,489            | 96,936               | 491,465              | 491,465              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 03733 - Land Acquisition-Bridge Road                       | Coburn       | 21,071              | 124,950            | 103,879              | 500,000              | 500,000              | 450,000                       | 450,000                |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 04531 - Abbey Road Bridge Construction                     | Coburn       | 0                   | 0                  | 0                    | 800,000              | 800,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 04533 - Abbey Road - Toolern Creek to Ferris Road          | Coburn       | 0                   | 0                  | 0                    | 446,944              | 446,944              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 04538 - Boundary and Sinclair Road Blackspot Funding       |              | 286,150             | 4,103              | -282,047             | 0                    | 1,533,558            | -1,533,558                    | 0                      |                                 | 01-Jul-15          | 01-Jul-16               |          |           |          |       |             |              |        |                                    |
| 07115 - Tree Planting                                      | All Wards    | 150,053             | 148,875            | -1,178               | 200,000              | 210,000              | -10,000                       | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08612 - Caroline Springs Stormwater Project                |              | 474,163             | 0                  | -474,163             | 0                    | 705,765              | -705,765                      | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08705 - 5 McKenzie St. Redevelopment-Stage 1               | Coburn       | 208,918             | 260,000            | 51,082               | 2,292,811            | 776,491              | 1,516,320                     | 2,350,000              |                                 | 01-Jul-15          | 01-Jul-16               |          |           |          |       |             |              |        |                                    |
| 08707 - Burnside Heights Children's Community Centre       | Cambridge    | 3,144,733           | 3,222,548          | 77,815               | 3,308,000            | 3,308,000            | 0                             | 0                      |                                 | 01-Jul-15          | 31-Jan-16               |          |           |          |       |             |              |        |                                    |
| 08716 - Sports Facilities & Ground Lighting Maintenance Pr | All Wards    | 860                 | 56,730             | 55,870               | 215,000              | 165,000              | 50,000                        | 50,000                 |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08721 - Atherton Rec Res Design Athletic/Hockey Facility   | Coburn       | 638,690             | 638,890            | -1,900               | 638,890              | 638,890              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08723 - Minns Road Retarding Basin Development             | Coburn       | 738,939             | 747,520            | 8,581                | 1,175,000            | 1,090,924            | 84,076                        | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08737 - Streetscape Improvements                           | Coburn       | 262,962             | 233,953            | -29,009              | 2,174,000            | 336,000              | 1,838,000                     | 4,116,765              |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08744 - Abbey Road(Y1-Service Reloc & Native Veg Permits)  | Coburn       | 82,303              | 194,651            | 112,348              | 665,000              | 665,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08747 - Mt Cottrell Recreation Reserve - Native Vegetation | Cambridge    | 53,214              | 43,244             | -9,970               | 340,000              | 340,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08748 - Diggers Rest Bowling Club (Stan Payne Res)Upgrade  |              | 212,517             | 184,729            | -27,788              | 184,729              | 221,000              | -36,271                       | 0                      |                                 | 01-Jul-15          | 30-Nov-15               |          |           |          |       |             |              |        |                                    |
| 08759 - Melton Council Office Space Development            | Coburn       | 0                   | 0                  | 0                    | 6,620,000            | 6,620,000            | 0                             | 6,620,000              |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08761 - Melton Civic Centre Redevelopment - Year 1(Design) | Coburn       | 0                   | 0                  | 0                    | 1,170,000            | 1,170,000            | 0                             | 1,170,000              |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08763 - Taylors Hill West PSP-2 Senior Football / Cricket  | Cambridge    | 14,533              | 500                | -14,033              | 400,000              | 100,000              | 300,000                       | 300,000                |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08783 - Resale Centre Expansion INCL Car Park              | Cambridge    | 58,631              | 190,057            | 131,426              | 500,000              | 500,000              | 0                             | 100,000                |                                 | 01-Jul-15          | 31-Mar-16               |          |           |          |       |             |              |        |                                    |
| 08790 - Passive Reserve Development Program                | Cambridge    | 271,530             | 240,000            | -31,530              | 382,284              | 382,284              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08797 - Melton Rec Reserve, Netball, Tennis                | Coburn       | 162,672             | 222,300            | 59,628               | 222,300              | 212,300              | 10,000                        | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08798 - Ryans Creek Rehabilitation Project                 | Coburn       | 14,788              | 128,950            | 114,162              | 506,684              | 555,500              | -48,816                       | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08811 - Toolern Hub 6 - Bridge Road Reserve - Athletics Fa | Coburn       | 6,520,588           | 6,522,754          | 2,166                | 7,700,000            | 7,550,000            | 150,000                       | 150,000                |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08818 - Mount Cottrell Recreation Reserve - Rehabilitation | Cambridge    | 700                 | 700                | 0                    | 200,000              | 200,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08826 - Moranton Homestead, Taylors Hill YCB               | Watts        | 5,070               | 72,475             | 67,405               | 250,000              | 250,000              | 0                             | 0                      |                                 | 01-Jul-15          | 30-Jun-16               |          |           |          |       |             |              |        |                                    |
| 08848 - Atherton Play Space                                |              | 48,550              | 0                  | -48,550              | 0                    | 600,000              | -600,000                      | 150,000                |                                 | 01-Jan-16          | 30-Jun-17               |          |           |          |       |             |              |        |                                    |
| <b>Combined Projects With a Budget Below \$200,000</b>     | All Wards    | 4,249,981           | 2,211,389          | -2,038,592           | 3,385,808            | 3,826,806            | -440,998                      | 0                      |                                 |                    |                         |          |           |          |       |             |              |        |                                    |
|  |              |                     |                    |                      |                      |                      |                               |                        |                                 |                    |                         |          |           |          |       |             |              |        | currently on schedule or complete  |
|  |              |                     |                    |                      |                      |                      |                               |                        |                                 |                    |                         |          |           |          |       |             |              |        | up to 2 months behind schedule     |
|  |              |                     |                    |                      |                      |                      |                               |                        |                                 |                    |                         |          |           |          |       |             |              |        | more than 2 months behind schedule |

**Reports by Exception (projects with variance in red or traffic light red/amber)**

|  |   |
|--|---|
| <b>03010 - Minor Traffic Control Works</b>                             | Increase in forecast expenditure is partially offset by decrease in forecast expenditure for 3080 Major Traffic Control Works from \$155k to \$25k.   |
| <b>02305 - Library Collection</b>                                      | Library book purchases are ahead of budget profiling.   |
| <b>03124 - New Footpaths Construction Program</b>                      | Works are currently proceeding according to schedule. Contracts payments are ahead of budget profiling. Increased forecast is due to insufficient carry forward from 2014/15 due to delays.   |
| <b>03170 - Annual Resurfacing Periodic Reseals</b>                     | Increase in forecast is due to an increase in Road to Recovery funding from \$1,200,000 to \$2,199,812. The increase in forecast is more than offset by the additional funding resulting in a reduction in the cost to Council from \$1,200,000 to \$484,396. Program is complete. Final contract payments will occur in April.   |
| <b>03197 - Bridgeworks - Pedestrian</b>                                | Reduction in 2nd quarter forecast is due to favourable tender prices. Project is running on schedule. Contract payment are behind budget profiling.   |
| <b>03676 - CEEP Street Lighting</b>                                    | Project is being delivered by Powercor. Contract payments are behind the planned schedule.  |
| <b>03733 - Land Acquisition-Bridge Road</b>                            | 2nd quarter forecast has been reduced as settlement of the land acquisition claim is likely to occur in 2016/17.  |
| <b>04538 - Boundary and Sinclair Road Blackspot Funding</b>            | Blackspot funding received after budget approval fully offsetting 2nd quarter forecast expenditure.   |
| <b>08612 - Caroline Springs Stormwater Project.</b>                    | Melbourne Water funding received after budget approval fully offsetting 2nd quarter forecast expenditure.   |
| <b>08705 - 5 McKenzie St. Redevelopment-Stage 1</b>                    | Revised budget of \$3,126,491 approved at Council meeting Jan 2016. Project will commence in February with unspent funds carried forward to 2016/17. Council received \$1.8M of unbudgeted grant money towards the project and as a result the cost to Council reduces from \$2,352,811 to \$1,326,491 resulting in a saving of \$1,026,320. Carry forward reflects funding received. |
| <b>08707 - Burnside Heights Children's Community Centre</b>            | Project is complete. Contractor payments slightly behind of budget profiling.   |
| <b>08716 - Sports Facilities &amp; Ground Lighting Maintenance Pr</b>  | Project delayed resulting in revised 2nd quarter forecast and possible carry forward to 2016/17.  |
| <b>08737 - Streetscape Improvements</b>                                | Project will commence in April 2016 and finish in November. 2nd quarter forecast and carry forward reflects profiled expenditure and funding received.  |
| <b>08744 - Abbey Road(Yr1-Service Relocn &amp; Native Veg Permits)</b> | Project has been awarded. Commencement has been delayed due to staff resourcing issues.   |
| <b>08748 - Diggers Rest Bowling Club (Stan Payne Res)Upgrade</b>       | Project costs exceeded budget due to adverse ground conditions. 2nd quarter forecast revised to reflect increase costs.   |
| <b>08759 - Melton Council Office Space Development</b>                 | Project on hold.  |
| <b>08761 - Melton Civic Centre Redevelopment - Year 1(Design)</b>      | Project on hold.  |
| <b>08783 - Resale Centre Expansion INCL Car Park</b>                   | Project is running on schedule. Contractor payments are behind budget profiling.  |
| <b>08790 - Passive Reserve Development Program</b>                     | Project is proceeding ahead of schedule.  |
| <b>08797 - Melton Rec Reserve, Netball, Tennis</b>                     | Project is running on schedule and nearing completion. Contractor payments are behind budget profiling.   |
| <b>08798 - Ryans Creek Rehabilitation Project</b>                      | Project is running on schedule. Contractor payments are behind budget profiling.  |
| <b>08811 - Toolern Hub 6 - Bridge Road Reserve - Athletics Fa</b>      | Project is running ahead of schedule. Contractor payments slightly behind of budget profiling. Small carry forward required to finalise contract.   |
| <b>08826 - Moreton Homestead: Taylors Hill YCB</b>                     | Project is running on schedule. Contractor payments are behind budget profiling.  |
| <b>08848 - Atherstone Play Space</b>                                   | Interface Growth funding received after budget approval fully offsetting 2nd quarter forecast expenditure.  |