

Attachment 4



Quarterly Financial Report

September 2009

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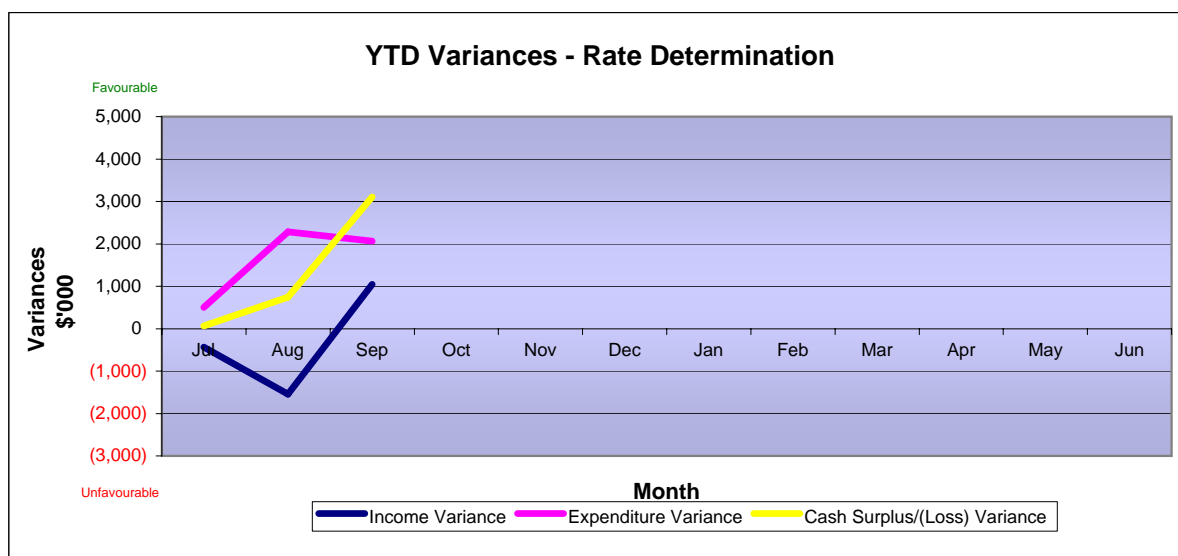
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**Income Statement Converted to Cash
for the three Months Ended 30 September 2009**

	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
Revenue					
Rates	19,318	19,462	(144)	78,293	78,293
Parking fees & fines	5,600	5,146	454	21,540	21,540
User charges, fees & fines	3,440	3,841	(402)	15,028	14,975
Grants - operating	2,119	2,094	25	8,786	8,763
Grants - capital	176	33	143	5,920	5,920
Contributions	850	300	550	1,200	1,200
Other revenue	2,324	2,036	288	8,676	8,753
Interest	377	250	127	1,000	1,000
Profit on Disposal of Assets	1,106	0	1,106	0	0
Total Revenue	35,310	33,161	2,149	140,445	140,445
Expenditure					
Employee benefits	11,553	11,756	203	50,540	50,522
Contract services	7,883	9,182	1,299	35,191	35,196
Materials & other costs	6,176	6,738	562	25,568	25,254
Borrowing costs	43	40	(3)	161	161
Depreciation	3,963	3,623	(340)	14,500	14,500
Total Expenditure	29,618	31,339	1,721	125,961	125,632
Operating Surplus / (Deficit)	5,693	1,822	3,870	14,484	14,813
Less Depreciation	3,963	3,623	340	14,500	14,500
Less Profit on Disposal of Assets	(1,106)	0	(1,106)	0	0
Cash Surplus / (Deficit)	8,549	5,445	3,104	28,984	29,313
Capital Expenditure					
Capital Works Expenditure	2,009	1,570	(439)	26,158	26,148
Remediation Expenditure	0	606	606	4,723	4,723
Capital Carry Over 2008/2009	941	1,882	941	4,619	4,619
Capital Expenditure	294	470	176	2,762	3,101
Transfers (to) Statutory Reserves	850	300	(550)	1,200	1,200
Total Capital Expenditure	4,094	4,828	733	39,463	39,792
Cash Surplus / (Deficit) after Capital Works	4,455	618	3,837	(10,479)	(10,479)
Other Items					
Loan Repayments	(121)	(121)	0	(495)	(495)
Transfers from Statutory Reserves	0	0	0	1,462	1,462
Net Transfers (To) / From General Reserves	(465)	(2,000)	1,535	1,831	1,831
Cash Surplus / (Deficit) after Other Items	3,869	(1,503)	5,372	(7,681)	(7,681)
2008/09 Carry Over Surplus/(Deficit)	1,908	1,908	0	1,908	1,908
B/Fwd Surplus to Fund Council Initiatives	272	272	0	272	272
B/Fwd Surplus to Fund Capital Carry Over	6,869	6,869	0	6,869	6,869
Rate Determination Cash Surplus / (Deficit)	12,918	7,546	5,372	1,368	1,368

Income Statement Converted to Cash for the three Months Ended 30 September 2009



Note - Target for Cash Surplus/(Loss) Variance is zero.

Key Income Variances

Income (excluding profit on sale of asset) has a **favourable** variance of **\$1.043M** and is primarily due to the following offsetting factors:

Contributions are favourable by \$550K due to greater than anticipated developer contributions. The majority of this income has been received in relation to developments in the Port Melbourne area. This income has been transferred to a statutory reserve.

Parking Revenue is favourable by \$454K due to increased parking infringement income (\$361K favourable) with increased staff levels generating greater than anticipated infringement notices. Ticket machine income (\$180K favourable) is also performing well with little down time improving collections from parking machines.

Fees & Charges are unfavourable by \$402K primarily due to reduced utilisation of various child care centres and the West St Kilda child care centre not operating until 2010.

Other Income is favourable by \$288K mainly due to the earlier than anticipated receipt of contributions in relation to the South Melbourne Central / Red Bears development (\$337K).

Key Expenditure Variances

Expenditure (excluding depreciation) is **\$2.061M** favourable due to the following factors:

Contract Services are favourable by \$1.299M primarily due to:

- delays in the receipt of invoices for Building Services works. Delays in payments to contractors (due to contract disputes) also contributes to this favourable variance.
- delays in the allocation of building maintenance costs to child care centres (Community Services)
- works at the South Melbourne Market not matching the phased budget, noting that most of these works are responsive to maintenance needs
- delays in expending the phased budget across numerous other departments across the organisation

Materials and Other Costs are favourable by \$562K primarily due to delays in expending the phased budget for:

- Staff training \$140K - mainly the centralised training budget sitting in People & Culture
- Lease Charges \$91K - St Kilda Festival budget being phased inaccurately
- Utilities \$64K - the Greenpower purchase has not been actioned yet; and
- various other expenditure categories across the organisation

Employee Costs are favourable by \$203K largely due to unfilled positions across the organisation primarily within the Community Services, Governance & Community Relations, Asset Services and Parks & Open Spaces departments.

Income Statement for the Three Months Ended 30 September 2009

	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
Revenue					
Rates	19,318	19,462	(144)	78,293	78,293
Parking fees & fines	5,600	5,146	454	21,540	21,540
User charges, fees & fines	3,440	3,841	(401)	15,028	14,975
Grants	2,295	2,127	168	14,706	14,683
Contributions	850	300	550	1,200	1,200
Other revenue	2,325	2,036	289	8,678	8,754
Interest	377	250	127	1,000	1,000
Total revenue	34,205	33,162	1,043	140,445	140,445
Expenditure					
Employee benefits	11,553	11,756	203	50,540	50,522
Contracts and materials	8,111	9,468	1,357	36,369	36,403
Utility payments	513	577	64	2,180	2,180
Professional services	749	770	21	4,400	4,393
Borrowing costs	43	40	(3)	161	161
Depreciation	3,963	3,623	(340)	14,500	14,500
Other expenses	4,686	5,106	420	17,811	17,473
Total expenditure	29,618	31,340	1,722	125,961	125,632
(Profit) / loss on disposal of assets	(1,106)	0	1,106	0	0
Surplus / (deficit)	5,693	1,822	3,871	14,484	14,813

Balance Sheet as at 30 September 2009

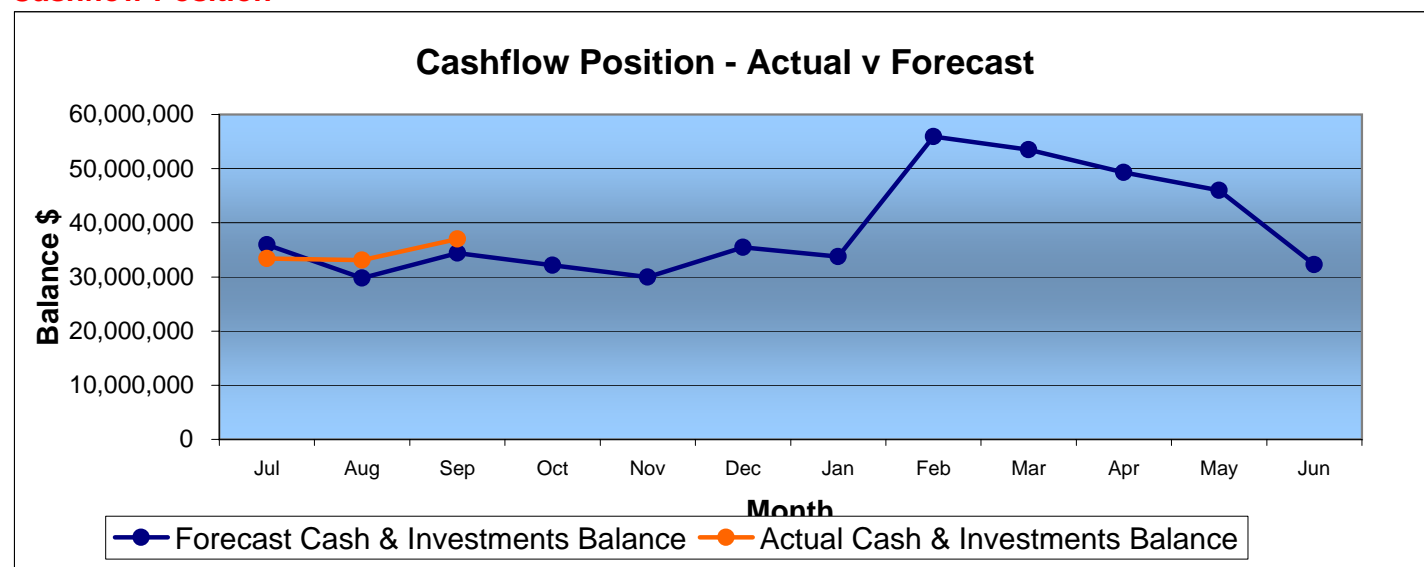
	30 September 2009 (\$'000)	30 September 2008 (\$'000)
Current assets		
Cash	3,111	3,825
Receivables	14,786	13,878
Investments	32,124	27,051
Other	1,606	1,692
Total current assets	51,627	46,446
Non current assets		
Investments	5	5
Receivables	175	198
Property, Infrastructure, Plant and Equipment	1,823,923	1,933,740
Total non current assets	1,824,103	1,933,943
Total assets	1,875,730	1,980,389
Current liabilities		
Creditors	6,597	5,786
Provisions	9,079	8,285
Borrowings	671	549
Total current liabilities	16,347	14,620
Non-current liabilities		
Borrowings	3,029	3,220
Total non-current liabilities	3,029	3,220
Total liabilities	19,376	17,840
Net assets	1,856,354	1,962,549
Equity		
Accumulated surplus	570,566	573,009
Asset Revaluation Reserve	1,261,738	1,368,341
Other reserves	24,050	21,199
Total equity	1,856,354	1,962,549

Notes:

(1) Balance Sheet comparisons are based on corresponding period in prior year due to seasonality of Council's cash flow.

Cashflow, Investments & Borrowings

Cashflow Position



Council's cash position of \$36.9 million is favourable against the year to date forecast budget of \$34.4 million by \$2.5 million.

Investments as at 30 September 2009

Financial Institution	S & P Rating		Type of Investment	Principal Investment (\$'000)	Date Of Investment	Interest Rate %	No. of Days to Maturity
	Long (A-)	Short (A2)					
CBA	AA-	A1+	11am Account	500	-	-	At Call
CBA***	AA-	A1+	Floating rate note	3,000	21-Jan-08	3.55	478
Deutsche	AA-	A1+	Floating rate note	3,000	28-Feb-08	4.14	1150
Westpac***	AA-	A1+	Term Deposit	2,000	04-Feb-09	5.00	857
CBA	AA-	A1+	Term Deposit	1,000	31-Jul-09	5.75	1034
Members Equity***	BBB	A2	Term Deposit	1,000	10-Aug-09	4.50	40
IMB***	BBB	A2	Term Deposit	1,000	10-Aug-09	4.30	40
Suncorp***	A1	A	Term Deposit	1,000	12-Aug-09	4.24	43
Bendigo Bank***	BBB+	A2	Term Deposit	444	24-Aug-09	4.50	147
Investec***			Term Deposit	1,000	31-Aug-09	4.49	61
BankWest***	AA-	A1+	Term Deposit	1,000	31-Aug-09	4.25	61
NAB (LSL)***	AA-	A1+	Term Deposit	5,391	31-Aug-09	4.80	150
Westpac	AA-	A1+	Term Deposit	2,000	31-Aug-09	4.20	61
Westpac	AA-	A1+	Term Deposit	1,500	02-Sep-09	4.15	33
Westpac	AA-	A1+	Term Deposit	4,000	09-Sep-09	4.15	40
NAB	AA-	A1+	Term Deposit	2,026	15-Sep-09	3.50	15
My State Credit Union***			Term Deposit	1,000	23-Sep-09	4.45	23
Westpac	AA-	A1+	Term Deposit	3,000	30-Sep-09	4.25	60
Total				30,361		4.30*	181**

* Weighted Average Interest Rate to Maturity

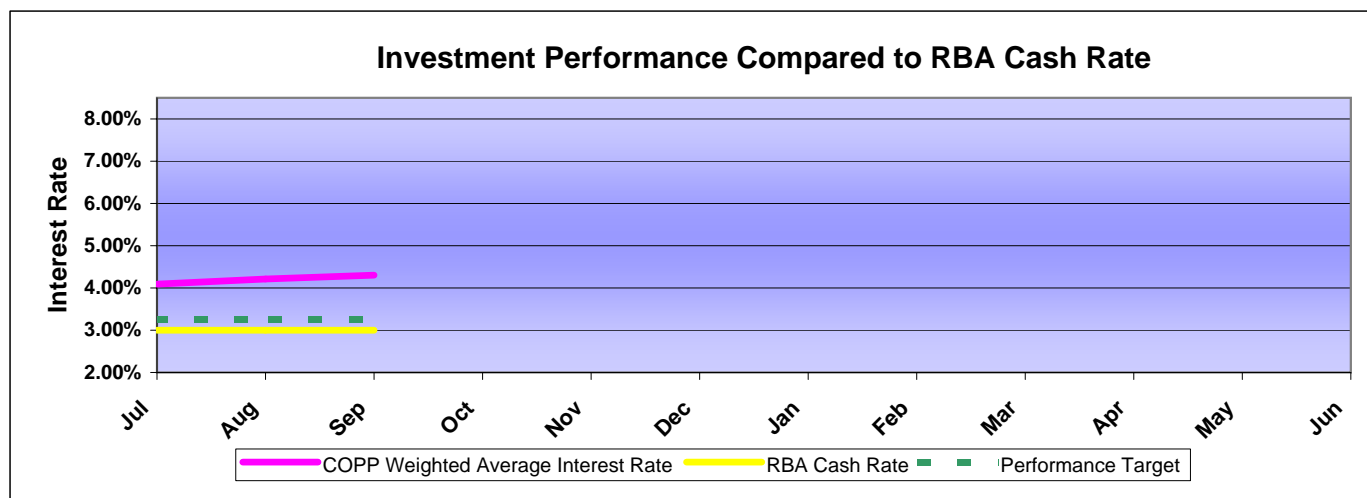
** Weighted Average No. of Days to Maturity from Month End Date

***Principal & Interest Government Guaranteed

Please note there is a \$1M government guarantee per institution. As at 30 September 2009, \$9.444,000 of the investment portfolio is government guaranteed. The investment with Deutsche Bank (non ADI) does not qualify for the government guarantee. Neither do the deposits in excess of \$1M with individual institutions.

Cashflow, Investments & Borrowings

Investment Performance



Council's weighted average interest rate on investments at 30 September 2009 of 4.30% is 1.30% greater than the Reserve Bank of Australia cash rate of 3.00%.

Borrowings Status

Financial Institution	Interest Rate %	Debt Principal As At 31/03/2009 (\$'000)	Principal Repaid Mar - Jun (\$'000)	Debt Principal As At 30/06/2009 (\$'000)
CBA Semi Government Loan 2	6.15	2,807	121	2,686
Total		2,807	121	2,686

NOTES:

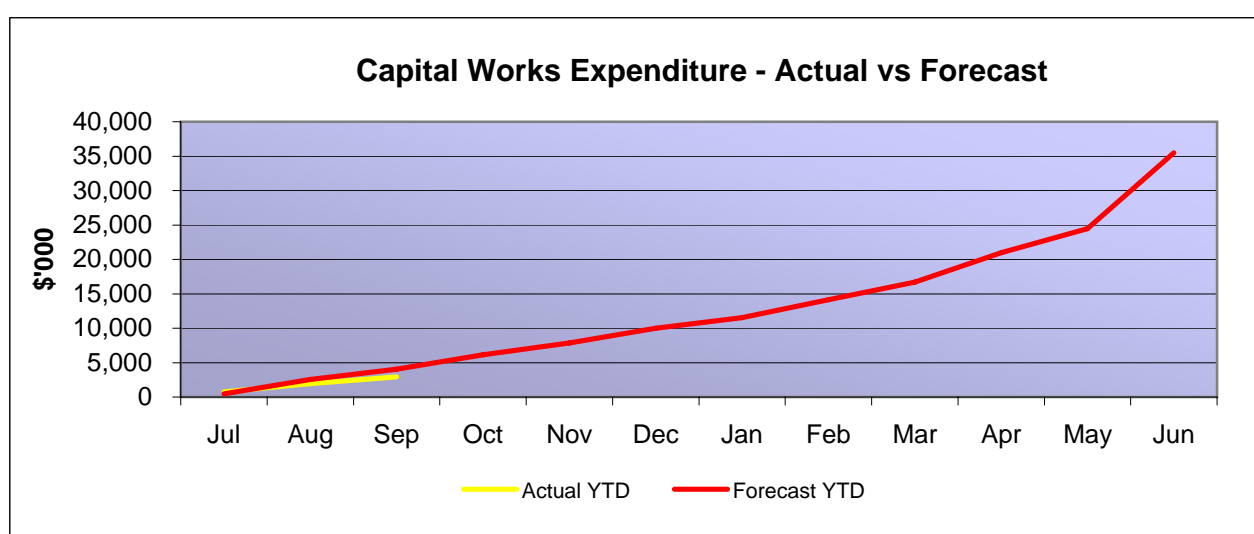
- Loan repayments are made quarterly on both principal and interest components.
- For the period July 2009 to September 2009, \$121K was repaid from the principal and \$43K has been paid in interest.
- This differs from Council's balance sheet due to the inclusion of consolidated loans associated with Council's Streetsahead joint venture.

Capital Works

Capital Works Statement for the three months ended 30 September 2009

Asset Class	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)
Buildings	853	876	12,685	12,575
Roads	276	230	5,575	5,575
Drainage	102	10	600	600
Kerb and channel	116	77	800	800
Streetscapes & open spaces	214	415	6,068	6,068
Footpaths	394	302	1,300	1,300
Signage & street works	47	125	200	200
Planning and implementation	6	140	1,233	1,333
Other				
Total 2009/10	2,008	2,175	28,461	28,451
Capital works carried forward from 08/09	941	1,882	7,040	7,040
Total capital works	2,949	4,057	35,501	35,491

Capital Works Expenditure Variance



Capital works expenditure (FY '10) and capital carry over (FY '09) is favourable against YTD budget by **\$1.108M**.

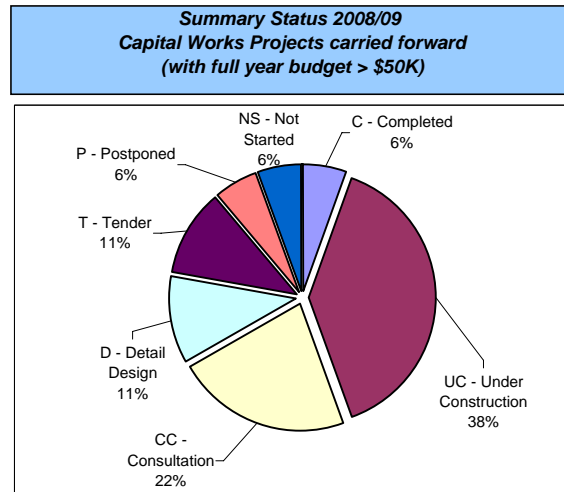
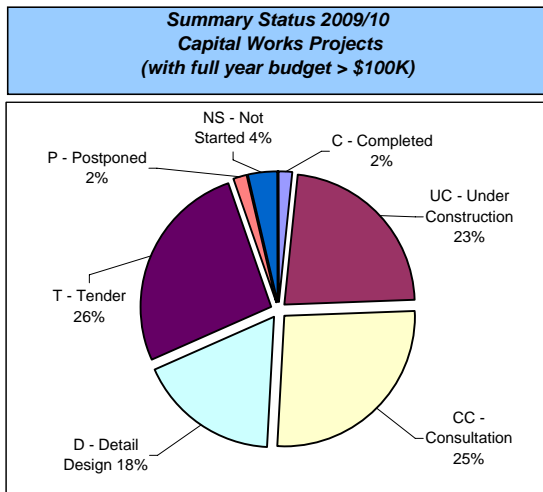
Capital Works Expenditure Status

	YTD Actual Exp \$'000	Full Year Forecast \$'000	% of Total Budget Spent
Capital Works 09/10	2,009	30,881	6.5%
Capital Carry Over	941	4,619	20.4%
	2,950	35,501	8.3%

Capital Works

Capital Works Implementation Status

Implementation of the capital program is monitored by progress of the projects against milestones created at the beginning of the year.



Detailed Capital Works 2009/10 > \$100,000

Description of Project	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Original Budget (\$'000)	Status
Buildings					
90468 Sth Melbourne Market Projects	0	0	100	100	CC
90598 PM & SM Life Saving Club Design	0	0	100	100	CC
90621 Sth Melb Market Rooftop Enviro Wks	0	0	100	100	D
90752 St Kilda Library Detailed Design	0	0	150	150	CC
90659 Environmental Retrofits 2009-10	0	50	200	200	UC
90757 Call Centre Re-Location	0	0	225	225	UC
90658 Sth Melbourne Market Stalls 101-103	4	0	300	300	UC
90596 Public Toilet Strat Middle Park Bea	17	44	330	330	T
90599 SMM Power Substation 09-10	12	0	350	350	T
90620 Sth Melbourne Market Vegi Lane Roof	0	7	400	400	T
90750 Northport Pav Redevelop Stage 2	40	74	420	420	CC
90751 Urban Studies Centre Construction	0	0	1,100	1,100	P
90749 Elwood Park Sports Pavillion	730	700	1,300	1,300	UC
90506 Stk Family & Children's Ctre 09/10	20	0	2,200	2,200	D
90507 Stk Town Hall Precinct Base Carpark	0	0	2,450	2,450	D
90508 Liardet St Family & Children Svs Ct	1	0	2,800	2,800	CC
Roads					
90623 Bridport Montague Pedestrian Safety	0	0	105	105	T
90639 Rd Resurf Princess St Port Melb	0	0	105	105	T
90662 ROW R1655 Elwood-Meredith to Canal	0	0	110	110	T
90625 Traffic Safety Improvements	0	0	130	130	CC
90602 Rd Rehab Lindsay Ave-Southey St-End	27	0	140	140	C
90604 Rd Rehab Pool St-Princess to Nott	0	0	140	140	D
90761 Bike Lane Jacka Boulevard	1	0	150	150	CC
90668 ROW R2843 Sth Melb Adj to 266 Park	0	0	160	160	T
90528 Roads To Recovery (R2R) Progr 09/10	0	0	190	190	UC
90559 Luna Park Interchange 2009-10	1	0	200	200	D
90601 Rd Rehab Smith St-St Vincent-Tribe	0	0	210	210	T
90606 Rd Rehab Park Lane-Mary-West Beach	0	0	230	230	T
90607 Rd Rehab Liardet St-Nott-Princess	0	0	230	230	T
90622 Inkerman Pakington Lane 2009-10	8	10	250	250	T
90624 Improving Walkability Carlisle St	0	0	250	250	D
90759 Bike Lane Beach St Marine Pde Stg 4	3	0	250	250	D
90605 Rd Rehab Station St-Bridge-Ingles	0	0	430	430	T
90756 Bike Lane Cecil Street	0	0	550	550	CC

LEGEND

CC = Consultation, D = Detail Design, T = Tender, UC = Under Construction, C = Completed, NS = Not Started, P = Postponed

Capital Works

Detailed Capital Works 2009/10 > \$100,000 (continued)

Description of Project	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Original Budget (\$'000)	Status
Kerb and Channel					
90702 Kerb&Chnrl Bertie St-Woodruff - End	1	0	320	320	T
Drainage					
90654 Drainage CCTV	0	0	100	100	UC
90655 Minor Drainage Works 2009/10	53	10	100	100	UC
90653 Elwood Flood Mitigation Works	8	0	80	125	CC
90651 Drainage Program Bertie Street	0	0	150	150	T
Streetscape & Open Spaces					
90748 Irrigation Systems Renewal	3	0	100	100	D
90731 Pocket Parks Asworth	0	36	120	120	CC
90766 Foreshore Minor Infrastructure Impr	0	20	125	125	CC
90735 Park Furniture & Signage 2009-10	15	0	150	150	UC
90762 West Beach Balustrade Stage 2	0	0	150	150	UC
90732 St Kilda Botanical Garden Gates	0	0	200	200	D
90747 Manage Climate Change in Open Space	0	50	200	200	CC
90753 Play Space Alma Park Tree House	1	6	200	200	CC
90754 Play Space Renewal Danks St Median	0	5	250	250	CC
90763 West Beach Landscaping	0	0	250	250	D
90767 Garden City Reserve Final Stage	114	160	590	590	UC
90765 Elwood Foreshore Stage 3	19	10	790	790	CC
90734 Gasworks Park Remediation 2009/10	0	0	2,300	2,300	NS
Footpath Works					
Various Total Footpath Works	394	302	1,300	1,300	UC
Signage and Street Furniture					
90529 Street Signage & Furni Prog 2009/10	46	125	200	200	UC
Planning & Implementation					
90466 Future Capital Wks Concept/Designs	0	0	400	500	NS
90467 Soil Contamination & Investigation	6	0	300	300	UC
90758 Sustainable Public Lighting	0	140	530	530	T

Detailed Capital Works Carried Over from Prior Financial Year > \$50,000

Description of Project	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)	Status
90434 Port Melb Streetscape Wks Rouse St	2	9	60	60	D
90533 Liardet St Family & Children's Ctr	2	5	78	78	CC
90044 Tree Planting St Kilda Rd	7	21	78	78	UC
90438 St Kilda Library Upgrade Concept De	0	0	78	78	D
90405 SouthPort Lifesaving Club Stage 2	0	12	96	96	CC
90421 Garden City Rsv Play Space Upgrade	80	76	101	101	UC
90442 West Beach Promenade Balustrade	0	65	115	115	UC
90199 Tree Plant St Kilda Rd - Dand'ng Rd	116	0	117	117	UC
90413 Tree Planting Final Stage StKildaRd	11	0	120	120	UC
90408 Albert Park VRI Replace Synthetic	8	10	135	135	CC
90425 Carlisle St Streetscape Impro Final	0	0	219	219	T
90406 Urban Studies Cnt EmeraldHill Libra	10	12	351	351	P
90419 Sandridge Beach Promenande FinalStg	3	0	456	456	UC
9383 STK Skate Park	0	5	477	477	T
90206 Pedestrian Safety Clarendon St	13	286	572	572	UC
90426 Cleve Plaza & Jacka Crossing StkEde	645	697	697	697	C
90444 Land Purchase St Kilda Family&Child	0	0	750	750	CC
90416 Gasworks Park Remediation 08/09	0	606	2,423	2,423	NS

LEGEND

CC = Consultation, D = Detail Design, T = Tender, UC = Under Construction, C = Completed, NS = Not Started, P = Postponed

Divisional Operating Statement
for the Three Months Ended 30 September 2009

	Year To Date Surplus / (Loss)			Full Year Surplus / (Loss)		
	YTD Actual	YTD Forecast	YTD Variance	Full Year Forecast	Full Year Original Budget	Variance
	(\$ '000)	(\$ '000)	(\$ '000)	(\$ '000)	(\$ '000)	(\$ '000)
CORPORATE SERVICES (cs)						
Communications	(216)	(199)	(17)	(727)	(727)	0
Gen Mgr - Corporate Services	(77)	(100)	22	(421)	(421)	0
Information Management Group	(1,273)	(1,287)	14	(4,980)	(4,641)	(339)
Manager Corp Planning & Performance	(157)	(188)	30	(792)	(792)	0
Manager Finance & Investments	19,237	19,250	(13)	77,272	77,272	0
Manager People And Culture	(538)	(434)	(105)	(1,803)	(1,803)	0
Mgr Governance & Risk Management	(1,034)	(912)	(122)	(3,767)	(3,822)	55
Total CS	15,941	16,131	(190)	64,782	65,066	(284)
CHIEF EXECUTIVE OFFICER (CEO)						
Office of the Chief Executive Officer	(141)	(223)	82	(949)	(777)	(173)
Internal Audit	(49)	0	(49)	0	0	0
Total CEO	(190)	(223)	33	(949)	(777)	(173)
CULTURAL & COMMUNITY DEVELOPMENT (CCD)						
Gen Mgr - Cultural & Comm Developmt	(24)	0	(24)	0	0	0
Manager - Culture & Recreation	(1,575)	(1,748)	174	(6,931)	(6,931)	0
Manager Community Services	(1,062)	(1,344)	283	(6,122)	(6,122)	0
Manager Customer Services	(396)	(558)	161	(2,406)	(2,406)	0
Mgr - Comm Development & Engagement	(812)	(896)	84	(2,874)	(2,890)	16
Total CCD	(3,869)	(4,546)	677	(18,333)	(18,349)	16
ENVIRONMENT & PLANNING (EP)						
Gen Mgr - Environment & Planning	(466)	(509)	42	(860)	(860)	0
Manager City Development	(520)	(608)	88	(3,128)	(3,128)	0
Manager Environment & Renewal	(137)	(451)	314	(1,556)	(1,674)	118
Mgr Economic Development & Tourism	62	73	(11)	(84)	(78)	(6)
Mgr Parking, Health & Enforcement	3,349	2,786	563	12,301	12,301	0
Total EP	2,288	1,292	996	6,672	6,560	112
CITY & INFRASTRUCTURE SERVICES (CIS)						
Gen Mgr - City & Infrast Services	(98)	(121)	23	(516)	(516)	0
Manager Asset Services	(497)	(689)	192	(2,873)	(2,873)	0
Manager Building Services	(1,162)	(1,529)	367	(6,442)	(6,442)	0
Manager Infrastructure Services	(3,611)	(3,615)	3	(14,715)	(14,715)	0
Manager Parks & Open Space Services	(1,878)	(2,017)	138	(7,201)	(7,201)	0
Manager South Melbourne Market	599	429	170	1,440	1,440	0
Total CIS	(6,647)	(7,542)	894	(30,308)	(30,308)	0
Grand Total	7,523	5,113	2,411	21,864	22,193	(329)

Divisional Operating Statement Incorporating Overheads for the Three Months Ended 30 September 2009

Year To Date			
Actual Surplus/ (Deficit)			
YTD Result <u>before</u> Overheads (\$'000)	Internal Overhead Income (\$'000)	Internal Overhead (Expenses) (\$'000)	YTD Result <u>after</u> Overheads (\$'000)

CORPORATE SERVICES (CS)

Communications	(216)	14	(27)	(229)
Gen Mgr - Corporate Services	(77)		(28)	(106)
Information Management Group	(1,273)	944	(64)	(393)
Manager Corp Planning & Performance	(157)		(32)	(189)
Manager Finance & Investments	19,237	853	(149)	19,941
Manager People And Culture	(538)	266	(35)	(307)
Mgr Governance & Risk Management	(1,034)	235	(110)	(909)
Total CS	15,941	2,312	(446)	17,807

CHIEF EXECUTIVE OFFICER (CEO)

Office of the Chief Executive Officer	(141)		(9)	(150)
Internal Audit	(49)			(49)
Total CEO	(190)	0	(9)	(199)

CULTURAL & COMMUNITY DEVELOPMENT (CCD)

Gen Mgr - Cultural & Comm Developmt	(24)			(24)
Manager - Culture & Recreation	(1,575)		(470)	(2,045)
Manager Community Services	(1,062)		(830)	(1,892)
Manager Customer Services	(396)	339	(83)	(140)
Mgr - Comm Development & Engagement	(812)		(119)	(932)
Total CCD	(3,869)	339	(1,502)	(5,033)

ENVIRONMENT & PLANNING (EP)

Gen Mgr - Environment & Planning	(466)			(466)
Manager City Development	(520)		(213)	(732)
Manager Environment & Renewal	(137)		(95)	(232)
Mgr Economic Development & Tourism	62		(36)	26
Mgr Parking, Health & Enforcement	3,349		(286)	3,063
Total EP	2,288	0	(630)	1,658

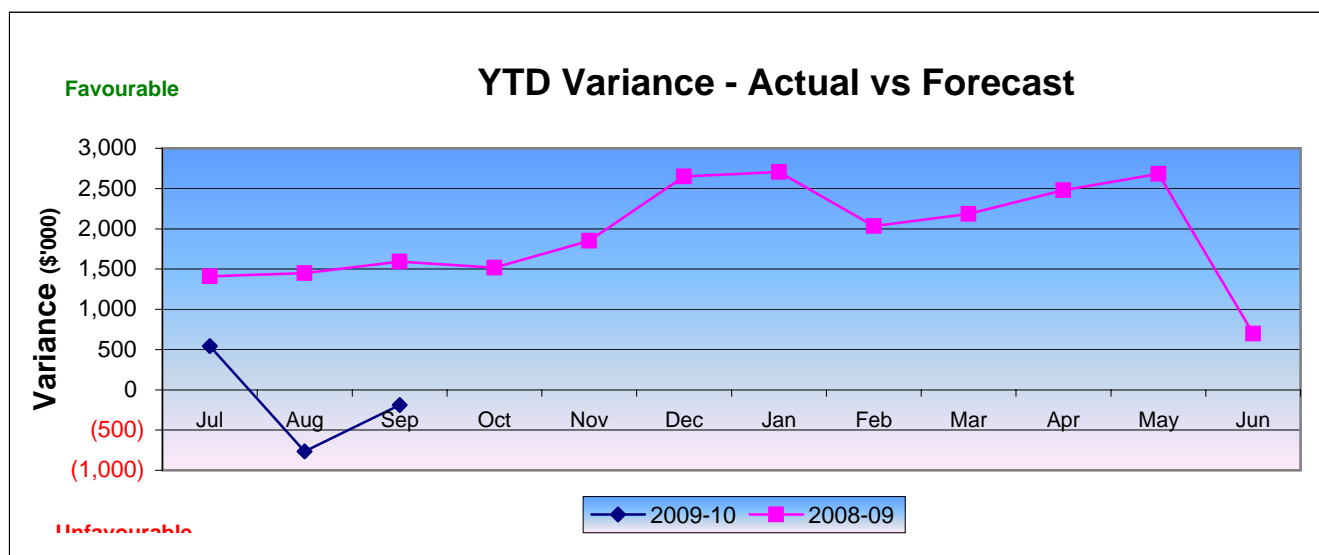
CITY & INFRASTRUCTURE SERVICES (CIS)

Gen Mgr - City & Infrast Services	(98)		(10)	(108)
Manager Asset Services	(497)		(73)	(570)
Manager Building Services	(1,162)	640	(116)	(638)
Manager Infrastructure Services	(3,611)		(265)	(3,877)
Manager Parks & Open Space Services	(1,878)		(101)	(1,979)
Manager South Melbourne Market	599		(138)	461
Total CIS	(6,647)	640	(703)	(6,710)

Grand Total

7,523	3,290	(3,290)	7,523
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Corporate Services



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Three Months Ended 30 September 2009

Operating Surplus/(Loss)

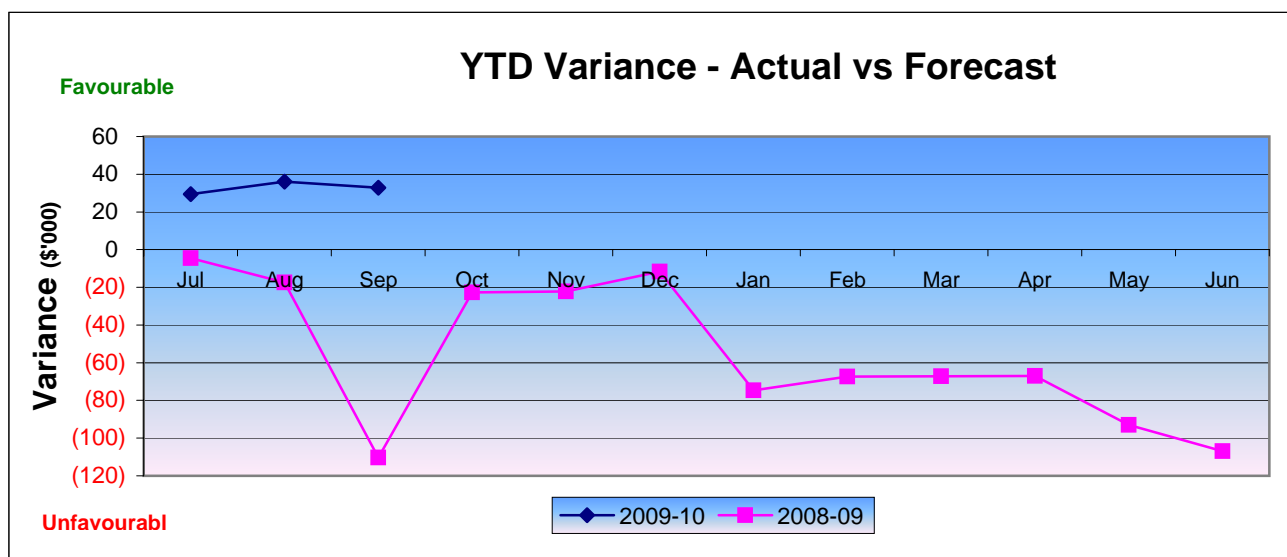
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral		
			(Unfavourable)		
			(\$'000)		
September	15,941	16,131	(190)	64,782	65,066

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Rates	(144)	Lower than budgeted supplementary rates and inaccurate phasing of the rates budget.	Further investigations required to determine full year impact.
Interest Income	120	Interest earned is \$120K favourable due to investment of surplus funds available as a result of delays in expending the capital and operating budgets.	Interest income performance will continue to improve due to increases in interest rates. Seek to maximise returns on surplus funds.
Government Grants	(133)	This is due to the Victorian Grants Commission (VGC) paying Council one of its 2009/10 instalments in the 2008/09 financial year. The expected full year unfavourable variance is \$522K.	Flag variance as one which may require a forecast adjustment.
Wages And Salaries	(87)	Due to unbudgeted expenditure associated with the organisational restructure. This is partially offset by unfilled positions across the division.	

(244)

Chief Executive Officer



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Three Months Ended 30 September 2009

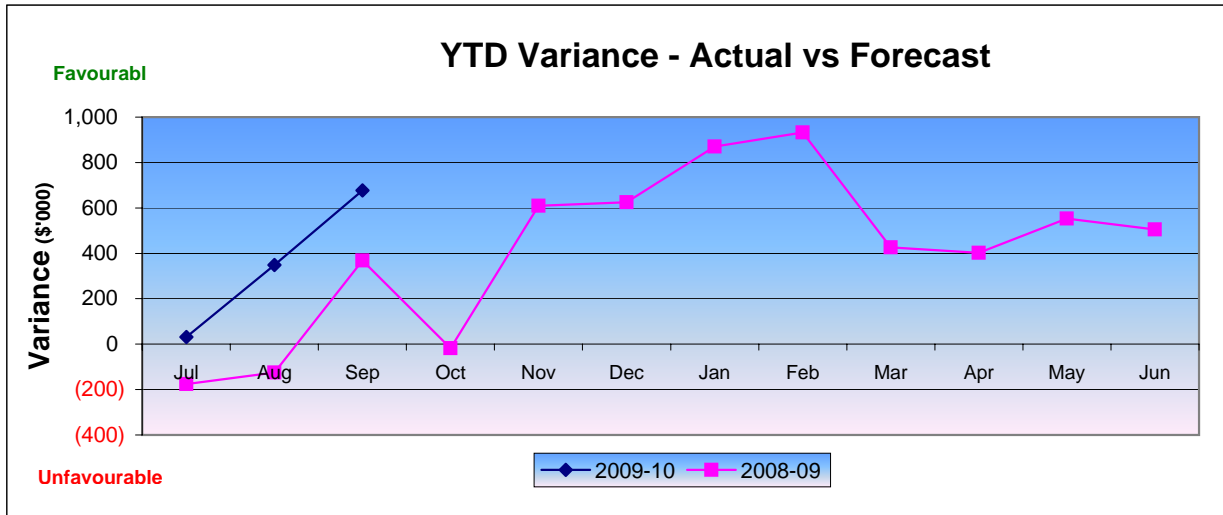
Operating Surplus/(Loss)

	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral		
			(Unfavourable)		
			(\$'000)		
September	(190)	(223)	33	(949)	(777)

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Wages And Salaries	(12)	Due to the appointment of Manager, Internal Audit not included in the original budget.	Flag variance as one which will require a forecast adjustment.
Professional Services	29	Due to delays in progression of the St Kilda Triangle review.	Progress the St Kilda Triangle review as necessary.

Cultural & Community Development



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Three Months Ended 30 September 2009

Operating Surplus/(Loss)

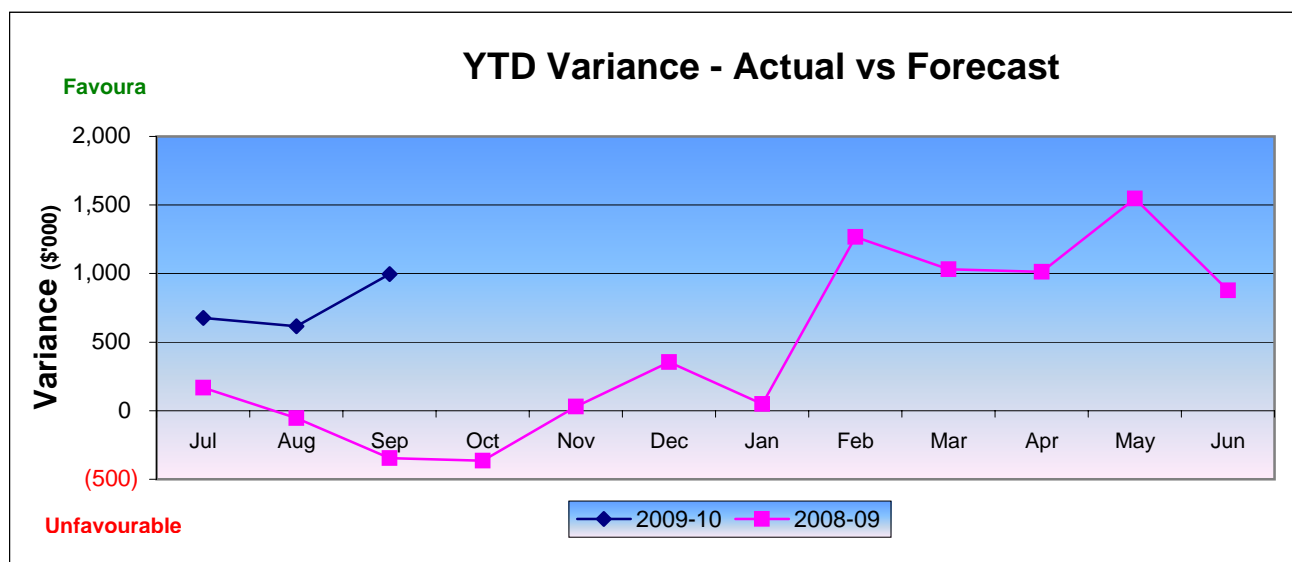
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral		
			(Unfavourable)		
			(\$'000)		
September	(3,869)	(4,546)	677	(18,333)	(18,349)

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Other Income Total	(188)	Child care fees not meeting expectations due to reduced utilisation and the West St Kilda centre not being operational until 2010. Reduced home care fees also contributes to this unfavourable variance.	Assess full year impact as a result of reduced utilisation and non operation of West St Kilda Child care centre
Government Grants	148	Due to the receipt of grant income earlier than anticipated. This specifically relates to grant funding from Arts Victoria, Film Victoria and the State Government's joint collaborative procurement project.	None required.
Wages And Salaries	172	Due to unfilled positions across the division and the West St Kilda child care centre not yet operating.	Assess full year impact as a result of reduced utilisation and non operation of West St Kilda Child care centre
Contract Payments	340	Delays in expending the phased budget across various departments, most noticeably Community Services (building maintenance costs), Customer Services (contract disputes) and Culture & Recreation.	Accrue expenditure when works have been completed when there are delays with contractors providing invoices.
Other Expenses	168	Primarily due to delays in expenditure within the Festivals, Libraries and Sports/Youth business units.	Rephase budgets to reflect changed circumstances.

640

Environment & Planning



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Three Months Ended 30 September 2009

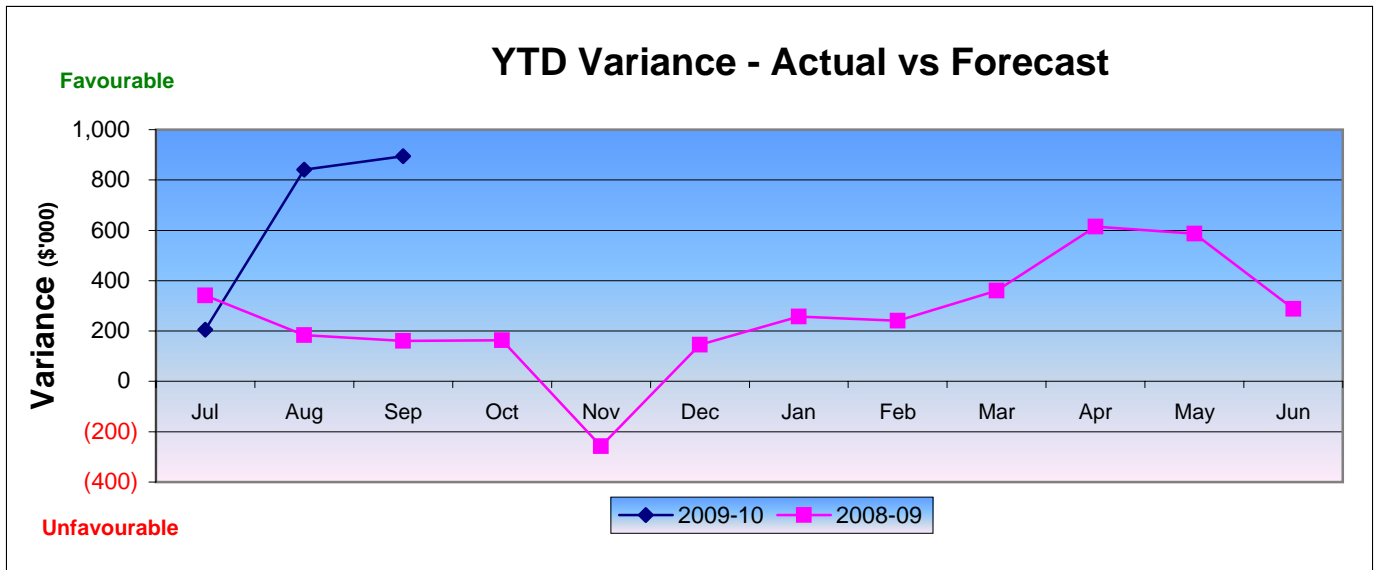
	Operating Surplus/(Loss)				
	YTD Actuals	YTD Forecast	Variance	Full Year Forecast	Full Year Budget
			Favourable		
	(\$'000)	(\$'000)	Neutral	(\$'000)	(\$'000)
			(Unfavourable)		
		(\$'000)			
September	2,288	1,292	996	6,672	6,560

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Other Income Total	413	Mainly due to the recognition of contributions relating to the South Melbourne Central / Red Bears development (\$337K).	
Parking Revenue	454	Due to an increase in parking infringement notices and the continued strong performance of paid parking. The increase in parking infringement notices is attributable to optimal staffing levels.	Continue to review to ensure this meets expectations over the warmer months.
Wages And Salaries	133	Due to unfilled positions across the division particularly within the Statutory Planning, Strategic Planning and Local Laws business units.	

1,000

City & Infrastructure Services



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Three Months Ended 30 September 2009

	Operating Surplus/(Loss)				
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral		
(Unfavourable)					
	(\$'000)	(\$'000)	(\$'000)	(\$'000)	(\$'000)
September	(6,647)	(7,542)	894	(30,308)	(30,308)

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Wages And Salaries	156	Due to unfilled positions across the division particularly within the Asset Services and Parks & Open Spaces departments.	
Contract Payments	648	Delays in expending the phased budget across various departments, most noticeably within Building Services (delays in receiving contractors invoices), Parks & Open Spaces (invoice delays) and South Melbourne Market (unpredictable reactive maintenance).	Accrue expenditure when works have been completed when there are delays with contractors providing invoices.

804