



Quarterly Financial Report

March 2010

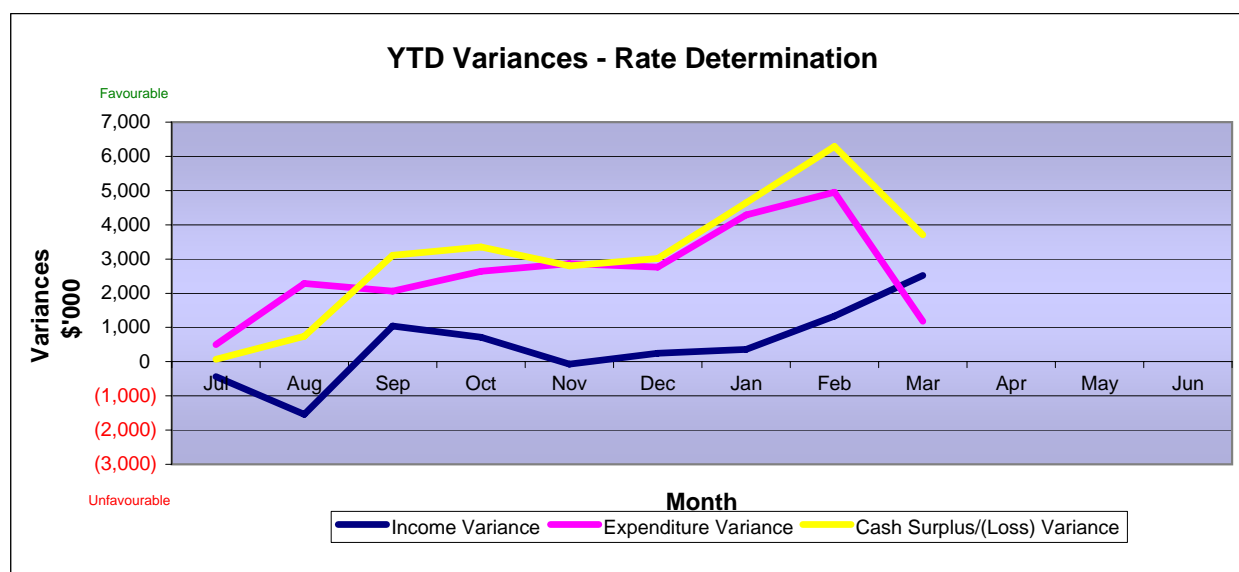
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Income Statement Converted to Cash for the Nine Months Ended 31 March 2010

	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
REVENUE					
Rates	58,395	58,464	(69)	78,193	78,293
Grants - operating	8,526	6,446	2,081	8,512	8,763
Contributions	3,095	900	2,196	1,200	1,200
Parking fees & fines	16,166	16,382	(217)	21,364	21,540
Grants - capital	527	1,857	(1,330)	5,920	5,920
User charges, fees & fines	9,536	10,252	(716)	13,669	14,975
Interest	1,348	1,550	(202)	1,800	1,000
Other revenue	6,315	5,534	781	8,006	8,753
Proceeds on sale of Assets	(436)	0	(436)	0	0
TOTAL REVENUE	103,471	101,383	2,087	138,664	140,445
EXPENDITURE					
Employee benefits	35,508	36,026	518	49,504	50,522
Contract Services	26,008	26,396	388	35,298	35,196
Materials & Other Costs	16,513	16,794	281	24,204	25,254
Depreciation	11,927	10,871	(1,056)	14,500	14,500
Borrowing costs	125	121	(5)	161	161
TOTAL EXPENDITURE	90,081	90,207	126	123,667	125,632
OPERATING SURPLUS / (DEFICIT)	13,389	11,176	2,213	14,997	14,813
Less Depreciation	11,927	10,871	1,056	14,500	14,500
Plus (Profit) / Loss on sale of Assets	436	0	436	0	0
NET OPERATING SURPLUS / (DEFICIT)	25,753	22,047	3,706	29,497	29,313
St Kilda triangle settlement (cash costs)	1,500	1,500	0	1,500	0
Capital Works Expenditure	7,580	10,653	3,073	25,366	26,148
Remediation Expenditure	6	1,817	1,811	4,723	4,723
Capital Carry Over 2008/2009	2,953	4,532	1,579	5,287	4,619
Capital works program underspend	0	0	0	(13,865)	0
Capital Expenditure	1,458	2,260	802	2,808	3,101
Transfers (to) Statutory Reserves	3,095	900	(2,196)	1,200	1,200
TOTAL CAPITAL	16,592	21,663	5,070	27,019	39,792
NET OPERATING SURPLUS / (DEFICIT) AFTER CAPITAL WORKS	9,160	384	8,776	2,478	(10,479)
Loan Repayments	(368)	(368)	0	(495)	(495)
Transfers from Statutory Reserves	1,462	1,462	0	1,462	1,462
Net Transfers (To) / From General Reserves	(1,725)	(1,500)	(225)	1,531	1,831
SURPLUS / (DEFICIT)	8,529	(22)	8,551	4,976	(7,681)
2008/09 Carry Over Surplus/(Deficit)	1,908	1,908	0	1,636	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	7,040	6,869
NET SURPLUS / (DEFICIT)	17,578	9,027	8,551	13,924	1,368

Income Statement Converted to Cash for the Nine Months Ended 31 March 2010



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

Key Income Variances

Income has a **favourable variance of \$2.087M** and is primarily due to the following offsetting factors:

Contributions are favourable by \$2.196M due to greater than anticipated developer contributions. The majority of this income has been received in relation to developments in the Port Melbourne area (\$2.047M). This income has been transferred to a statutory reserve.

Government Grants are favourable by \$2.081M. The majority of this variance is associated with unbudgeted funding received in for Middle Park Beach on going maintenance (\$1.750M). This funding has been transferred to a general reserve.

Capital Grants are unfavourable by \$1.330M. The majority of this unfavourable variance is due to delays in works on the St Kilda Family and Children's Centre (\$1.620M unfavourable).

Fees & Charges are unfavourable by \$716K due to a number of minor variances across the organisation, the most significant being within the Culture & Leisure and Compliance & Parking departments.

Key Expenditure Variances

Expenditure (excluding depreciation) is **favourable by \$1.182M** due to the following factors:

Employee Costs are favourable by \$518K largely due to unfilled positions across the organisation and savings in external labour costs, most significantly within the Compliance & Parking, Finance and Infrastructure Services departments.

Contract Services are favourable by \$388K due to delays in expending the phased budget in various departments across the organisation, most significantly:

- (a) Informations Systems (\$237K favourable) - due to the timing of invoices for the contract management systems project and the data recovery project.
- (b) Infrastructure Services (\$128K favourable) - due to waste management contract savings.

Materials and Other Costs are favourable by \$281K due to delays in expending the phased budget over various departments, primarily Information Systems (office relocation costs) and Culture & Leisure (misallocation of costs for non capital projects).

Income Statement for the Nine Months Ended 31 March 2010

	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
Revenue					
Rates	58,395	58,464	(69)	78,193	78,293
Parking fees & fines	16,166	16,382	(216)	21,364	21,540
User charges, fees & fines	9,536	10,252	(716)	13,669	14,975
Grants	9,053	8,303	750	14,431	14,683
Contributions	3,095	900	2,195	1,200	1,200
Other revenue	6,313	5,532	781	8,007	8,753
Interest	1,348	1,550	(202)	1,800	1,000
Total revenue	103,906	101,383	2,523	138,664	140,445
Expenditure					
Employee benefits	35,508	36,026	518	49,504	50,522
Contracts and materials	26,683	27,345	662	36,529	36,403
Utility payments	1,521	1,609	88	2,145	2,180
Professional services	2,269	2,710	441	4,283	4,394
Borrowing costs	125	121	(4)	161	161
Depreciation	11,927	10,871	(1,056)	14,500	14,500
Other expenses	17,048	16,525	(523)	21,545	17,473
Total expenditure	95,081	95,207	126	128,667	125,632
(Profit) / loss on disposal of assets	436	0	(436)	0	0
Surplus / (deficit)	8,389	6,176	2,213	9,997	14,813

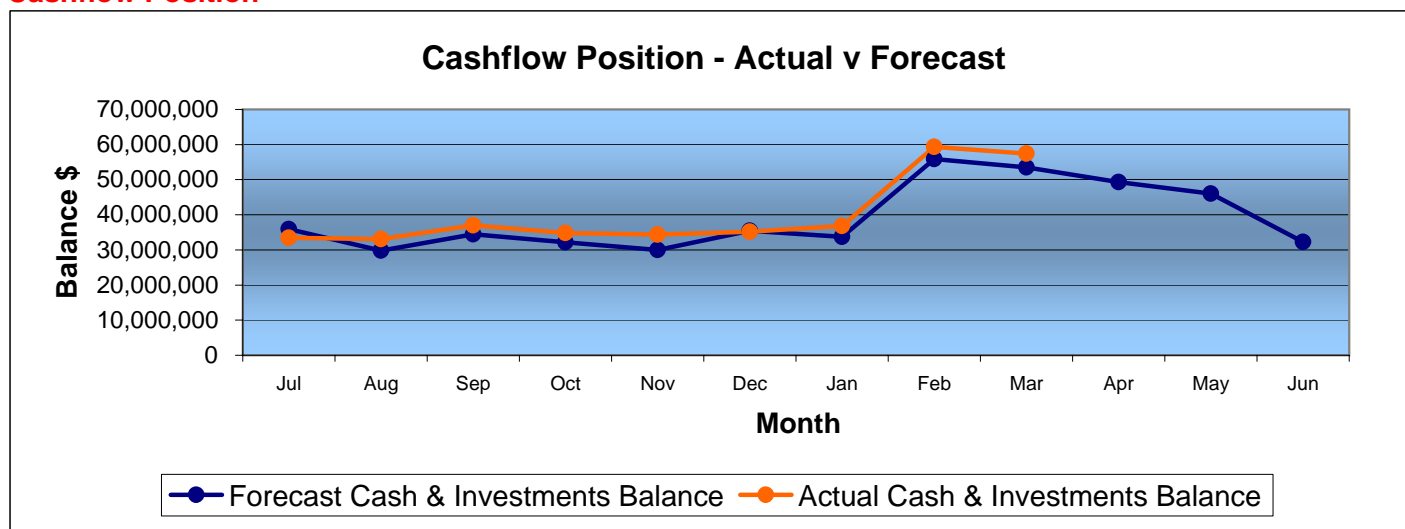
Balance Sheet as at 31 March 2010

	31 March 2010 (\$'000)	31 March 2009 (\$'000)
Current assets		
Cash	4,717	3,752
Receivables	2,524	2,440
Financial assets	49,237	45,216
Other assets	1,152	1,108
Total current assets	57,630	52,517
Non current assets		
Investments	5	5
Receivables	0	0
Property, infrastructure, plant and equipment	1,814,307	1,932,762
Total non current assets	1,814,312	1,932,767
Total assets	1,871,942	1,985,284
Current liabilities		
Payables	7,879	6,746
Provisions	8,826	8,046
Borrowings	410	306
Total current liabilities	17,115	15,098
Non-current liabilities		
Payables	1,500	0
Borrowings	3,029	3,220
Total non-current liabilities	4,529	3,220
Total liabilities	21,644	18,318
Net assets	1,850,298	1,966,966
Equity		
Accumulated surplus	562,512	578,570
Asset Revaluation Reserve	1,261,738	1,368,340
Other reserves	26,048	20,056
Total equity	1,850,298	1,966,966

Notes:

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

Cashflow Position



Council's cash position of \$57.4 million is favourable by \$3.9M against the year to date forecast budget of \$53.5 million. The chief reason for this favourable variance is delays in expending the phased capital works budget.

Investments as at 31 March 2010

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	0	-	-	At Call
CBA	AA-	A1+	Floating rate note	3,000	21-Jan-08	4.66	296
Deutsche	AA-	A1+	Floating rate note	3,000	28-Feb-08	5.13	968
Bank of Cyprus***			Term Deposit	1,000	08-Jan-10	5.50	8
Citigroup***	A1	A+	Term Deposit	1,000	16-Feb-10	5.08	19
BankWest***	AA-	A1+	Term Deposit	1,000	02-Feb-10	5.50	33
NAB***	AA-	A1+	Term Deposit	1,000	02-Mar-10	5.10	33
Heritage Building Society***	BBB	A2	Term Deposit	1,000	02-Mar-10	5.15	34
Members Equity***	BBB	A2	Term Deposit	1,000	09-Nov-09	5.30	37
IMB***	BBB	A2	Term Deposit	1,000	09-Nov-09	5.50	40
Suncorp***	A1	A2	Term Deposit	1,000	09-Nov-09	5.43	40
Macquarie Bank***	A	A2	Term Deposit	1,000	16-Feb-10	5.50	47
Bank of Queensland***	BBB+	A2	Term Deposit	1,000	05-Jan-10	6.00	65
St George***	A+	A1	Term Deposit	1,000	05-Jan-10	5.95	65
BankWest	AA-	A1+	Term Deposit	2,000	09-Mar-10	5.45	69
St George	A+	A1	Term Deposit	2,000	16-Mar-10	5.18	76
Bendigo Bank***	BBB+	A2	Term Deposit	454	24-Feb-10	5.60	85
NAB (LSL)	AA-	A1+	Term Deposit	5,520	28-Feb-10	5.27	89
Macquarie Bank	A	A2	Term Deposit	1,000	02-Feb-10	6.10	125
Westpac	AA-	A1+	Term Deposit	2,000	03-Feb-10	6.20	125
Westpac	AA-	A1+	Term Deposit	3,000	09-Feb-10	6.20	131
NAB	AA-	A1+	Term Deposit	4,000	11-Feb-10	5.90	133
NAB	AA-	A1+	Term Deposit	2,000	16-Feb-10	6.15	138
Westpac	AA-	A1+	Term Deposit	3,000	18-Feb-10	6.15	140
NAB	AA-	A1+	Term Deposit	2,000	01-Mar-10	6.07	154
NAB	AA-	A1+	Term Deposit	1,000	04-Dec-09	6.80	247
Westpac***	AA-	A1+	Term Deposit	1,000	04-Dec-09	6.80	248
Westpac	AA-	A1+	Term Deposit	2,000	14-Dec-09	6.80	258
Westpac	AA-	A1+	Term Deposit	2,000	04-Feb-09	5.00	675
CBA	AA-	A1+	Term Deposit	1,000	31-Jul-09	5.75	852
Total				50,974		5.67*	164**

* Weighted Average Interest Rate to Maturity

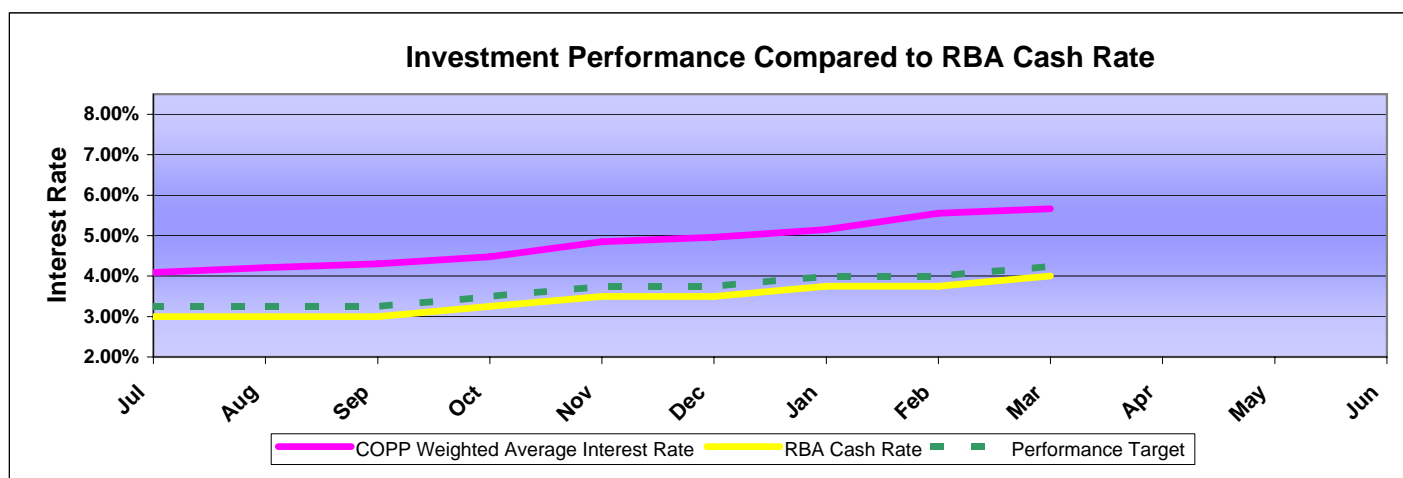
** Weighted Average No. of Days to Maturity from Month End Date

***Principal Government Guaranteed

Cashflow, Investments & Borrowings

Please note there is a \$1M government guarantee per institution. As at 31 March 2010, \$13.5M 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.

Investment Performance



Council's weighted average interest rate on investments at 31 March 2010 of 5.67% is 2.67% greater than the Reserve Bank of Australia cash rate of 4.00%.

Borrowings Status

Financial Institution	Interest Rate %	Debt Principal As At 31/12/2009 (\$'000)	Principal Repaid Jan - Mar (\$'000)	Debt Principal As At 31/03/2010 (\$'000)
CBA Semi Government Loan 2	6.15	2,563	125	2,438
Total		2,563	125	2,438

NOTES:

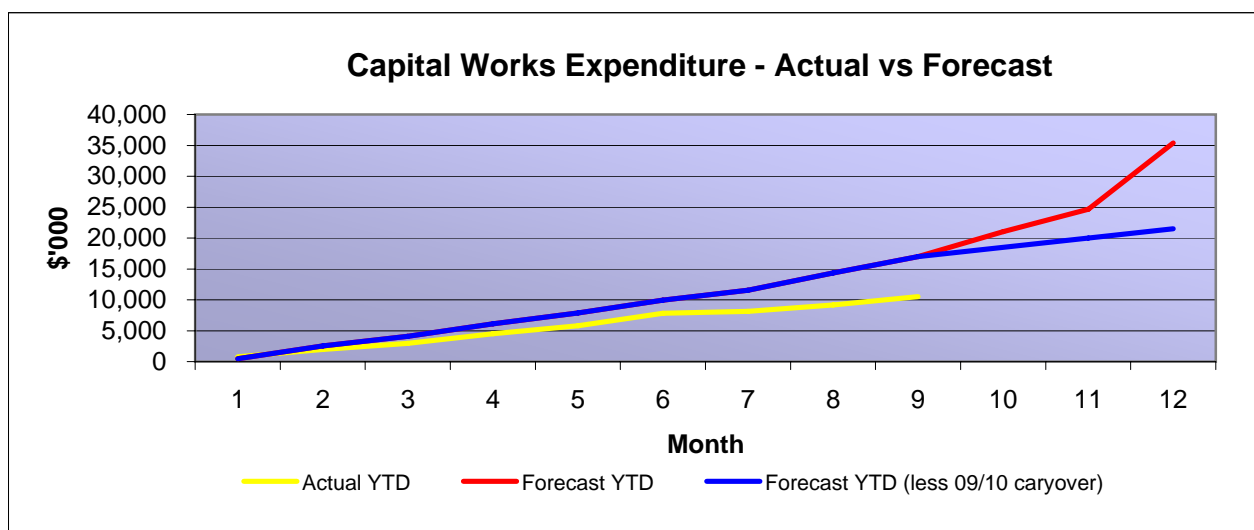
- Loan repayments are made quarterly on both principal and interest components.
- For the period January 2010 to March 2010, \$125K was repaid from the principal and \$39K has been paid in interest.
- This differs from Council's balance sheet due to the inclusion of consolidated loans associated with Council's Streetsahead joint venture.

Capital Works

Capital Works Statement for the Nine Months Ended 31 March 2010

Asset Class	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)
Buildings	1,964	3,718	12,535	12,575
Roads	2,122	3,086	5,735	5,575
Drainage	409	415	600	600
Kerb and channel	718	550	800	800
Streetscapes & open spaces	914	1,606	5,788	6,068
Footpaths	1,099	1,177	1,300	1,300
Signage & street works	140	192	200	200
Planning and implementation	214	(90)	708	1,333
Total 2009/10	7,580	10,653	27,666	28,451
Capital works carried forward from 08/09	2,959	6,349	7,710	7,040
Total capital works	10,539	17,003	35,376	35,491

Capital Works Expenditure Variance



Capital works expenditure (FY '10) and capital carry over (FY '09) is favourable against YTD budget by **\$6.463M**. This is due to delays in expending the Gasworks Remediation budget, the St Kilda Childa Care Centre and the Library and Heritage Centre.

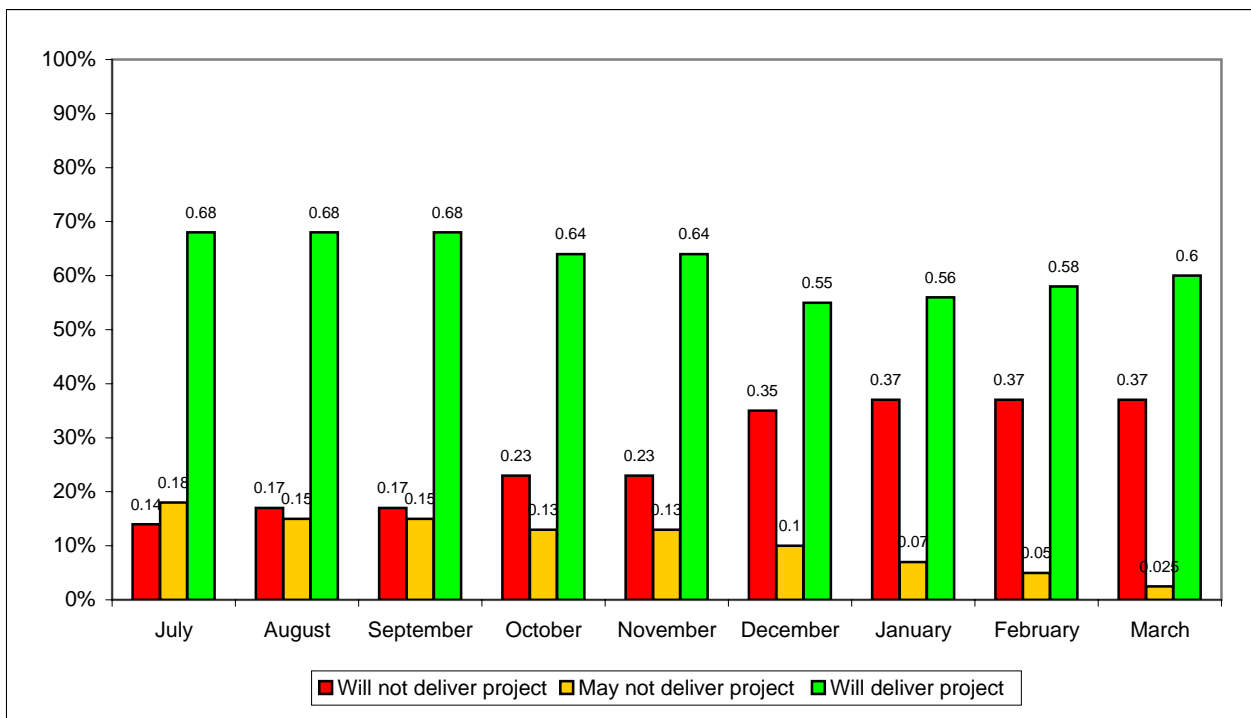
Capital Works

Capital Works Expenditure Status

Capital Works 09/10
 Remediation Expenditure
 Capital Carry Over

YTD Actual Exp (\$'000)	Full Year Forecast (\$'000)	% of Total Forecast Spent
7,580	25,366	29.9%
6	4,723	0.1%
2,953	5,287	55.9%
10,539	35,376	29.8%

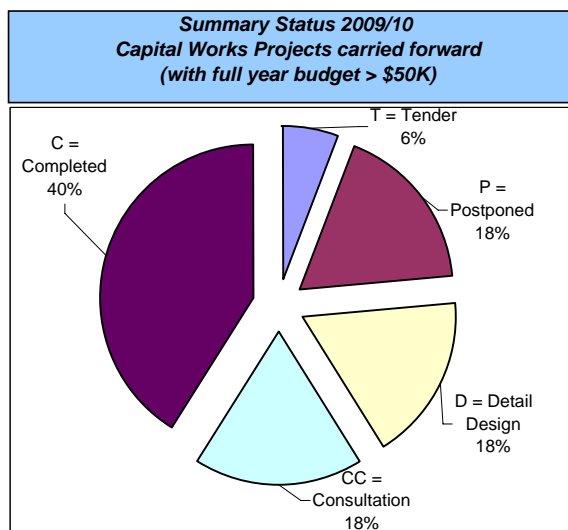
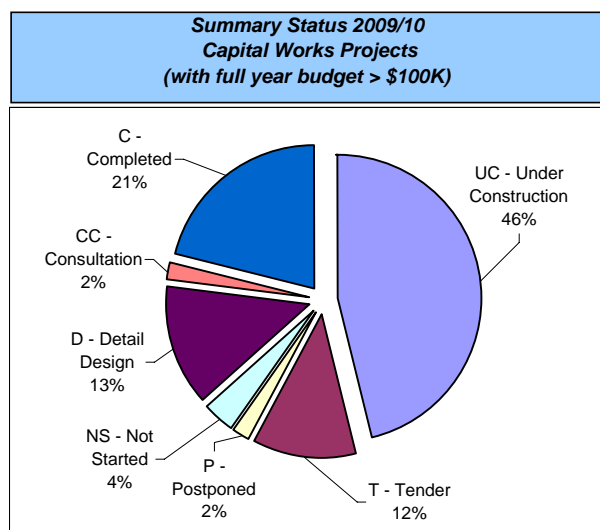
Capital Works - Projected Rollover Percentage (funding)



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					
Sth Melbourne Market Projects	5	0	100	100	UC
PM & SM Life Saving Club Design	0	0	100	100	P
Sth Melb Market Rooftop Enviro Wks	0	0	100	100	D
Clarendon Street Child Care Centre	3	(10)	50	0	CC
St Kilda Library Detailed Design	0	0	150	150	P
Environmental Retrofits 2009-10	11	150	200	200	UC
Call Centre Re-Location	145	225	225	225	C
Sth Melbourne Market Stalls 101-103	4	0	300	300	UC
SMM Power Substation 09-10	44	228	350	350	UC
Public Toilet Strat Middle Park Bea	29	136	380	330	UC
Sth Melbourne Market Vegi Lane Roof	78	14	400	400	UC
Northport Pav Redevelop Stage 2	182	288	420	420	D
Library & Heritage Centre Construction	0	1,100	1,100	1,100	NS
Elwood Park Sports Pavilion	1,172	750	1,172	1,300	C
Stk Family & Children's Ctre 09/10	154	190	2,200	2,200	T
Stk Town Hall Precinct Base Carpark	0	605	2,450	2,450	T
Liardet St Family & Children Svs Ct	0	30	2,800	2,800	D
Roads					
Bridport Montague Pedestrian Safety	2	30	65	105	C
ROW R1655 Elwood-Meredith to Canal	96	30	110	110	UC
Traffic Safety Improvements	11	59	130	130	C
Rd Rehab Lindsay Ave-Southey St-End	135	140	140	140	C
Rd Rehab Pool St-Princess to Nott	0	0	140	140	T
Bike Lane Jacka Boulevard	1	0	150	150	UC
ROW R2843 Sth Melb Adj to 266 Park	0	60	160	160	T
Roads To Recovery (R2R) Progr 09/10	163	0	190	190	UC
Luna Park Interchange 2009-10	88	0	200	200	C
Rd Rehab Smith St-St Vincent-Tribe	1	210	210	210	T
Rd Rehab Park Lane-Mary-West Beach	153	180	230	230	UC
Rd Rehab Liardet St-Nott-Princess	76	160	230	230	UC
Inkerman Pakington Lane 2009-10	9	250	250	250	UC
Improving Walkability Carlisle St	18	75	250	250	UC
Bike Lane Beach St Marine Pde Stg 4	5	10	250	250	UC
Rd Rehab Station St-Bridge-Ingles	365	300	430	430	UC
Bike Lane Cecil Street	2	0	550	550	D

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					
Kerb&Chnnl Bertie St-Woodruff - End	322	250	322	320	C
Drainage					
Drainage CCTV	0	60	100	100	UC
Minor Drainage Works 2009/10	114	100	130	100	C
Drainage Program Bertie Street	158	120	158	150	C
Streetscape & Open Spaces					
Irrigation Systems Renewal	98	100	100	100	C
Pocket Parks Asworth	0	120	120	120	UC
Foreshore Minor Infrastructure Impr	24	60	125	125	UC
Park Furniture & Signage 2009-10	77	125	150	150	UC
St Kilda Botanical Garden Gates	61	130	200	200	D
Manage Climate Change in Open Space	61	120	200	200	UC
Play Space Alma Park Tree House	2	17	200	200	D
Play Space Renewal Danks St Median	2	1	250	250	D
West Beach Landscaping	3	50	250	250	C
Garden City Reserve Final Stage	244	360	540	590	UC
Elwood Foreshore Stage 3	25	10	790	790	NS
Gasworks Park Remediation 2009/10	6	0	2,300	2,300	T
Footpath Works					
Various Total Footpath Works	1,099	1,177	1,300	1,300	UC
Signage and Street Furniture					
Street Signage & Furni Prog 2009/10	140	192	200	200	UC
Planning & Implementation					
Soil Contamination & Investigation	75	0	300	300	UC
Sustainable Public Lighting	140	200	370	530	UC

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
Port Melb Streetscape Wks Rouse St	0	12	60	60	D
Liardet St Family & Children's Ctr	46	78	78	78	D
Tree Planting St Kilda Rd	73	78	78	78	C
St Kilda Library Upgrade Concept De	16	24	78	78	P
SouthPort Lifesaving Club Stage 2	17	48	96	96	P
Garden City Rsv Play Space Upgrade	159	101	159	101	C
West Beach Promenade Balustrade	115	115	115	115	C
Tree Plant St Kilda Rd - Dand'ng Rd	121	117	121	117	C
Tree Planting Final Stage StKildaRd	120	111	130	120	C
Albert Park VRI Replace Synthetic	8	135	135	135	CC
Carlisle St Streetscape Impro Final	100	73	219	219	UC
Library & Heritage Centre EmeraldHill Libra	126	351	351	351	P
Sandridge Beach Promenade FinalStg	3	456	456	456	T
STK Skate Park	13	24	477	477	CC
Pedestrian Safety Clarendon St	612	572	612	572	C
Cleve Plaza & Jacka Crossing StkEde	1,351	1,357	1,357	697	C
Land Purchase St Kilda Family&Child	0	750	750	750	CC
Gasworks Park Remediation 08/09	0	1,817	2,423	2,423	D

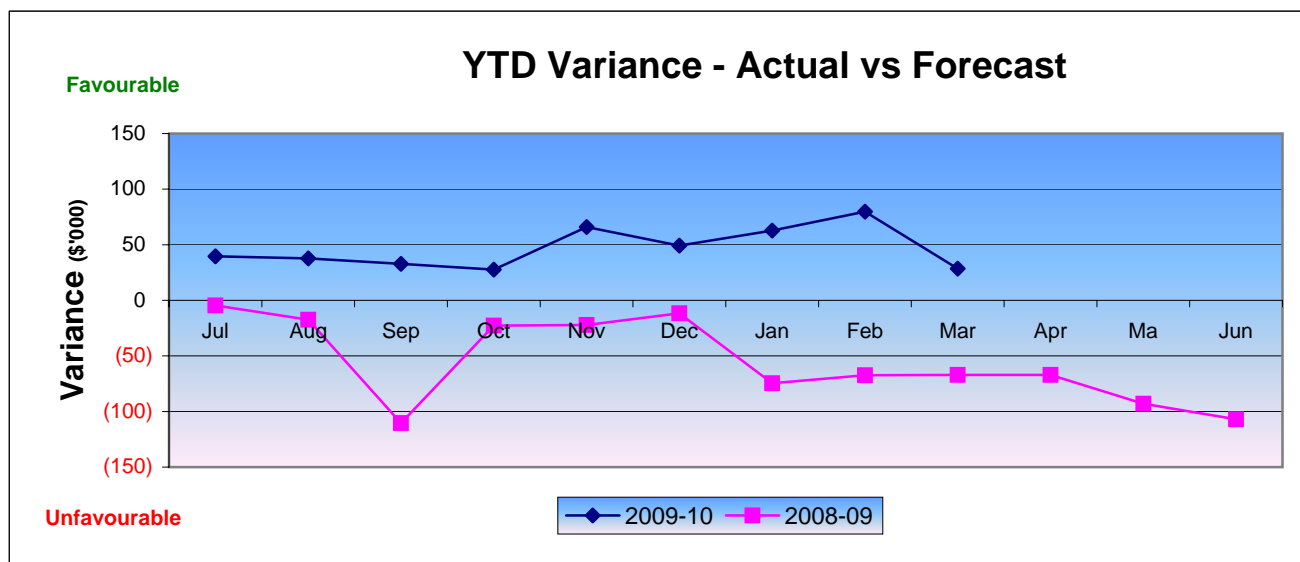
LEGEND

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

Divisional Operating Statement for the Nine Months Ended 31 March 2010

	Year To Date Surplus / (Loss)			Full Year Surplus / (Loss)		
	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)	Variance (\$'000)
CORPORATE SERVICES (CS)						
Gen Mgr - Corporate Services	(232)	(310)	78	(421)	(421)	0
Information Management Group	(3,457)	(3,840)	383	(5,002)	(4,165)	(838)
Community & Councillor Support	(2,074)	(2,181)	107	(3,040)	(3,335)	295
Finance & Investments	57,662	58,767	(1,105)	78,027	77,011	1,015
People & Organisational Development	(1,546)	(1,879)	332	(2,306)	(1,721)	(585)
Governance & Engagement	(4,960)	(5,048)	88	(6,959)	(7,151)	192
Total CS	45,393	45,509	(116)	60,299	60,220	80
CHIEF EXECUTIVE OFFICER (CEO)						
Office of the Chief Executive Officer	(5,522)	(5,498)	(24)	(5,736)	(777)	(4,959)
Internal Audit	(178)	(231)	53	(261)	(121)	(140)
Total CEO	(5,700)	(5,729)	29	(5,997)	(898)	(5,099)
CULTURAL & COMMUNITY DEVELOPMENT (CCD)						
Gen Mgr - Cultural & Comm Development	(186)	(240)	55	(240)	0	(240)
Culture & Leisure	(4,662)	(4,635)	(27)	(6,304)	(6,307)	3
Family, Youth & Children	(2,644)	(2,668)	24	(4,706)	(4,388)	(317)
Community Development	(1,418)	(1,439)	21	(1,881)	(1,860)	(21)
Community Services *	14	0	14	0	(778)	778
Diversity & Ageing	(1,550)	(1,723)	173	(2,309)	(2,056)	(252)
Total CCD	(10,447)	(10,706)	259	(15,440)	(15,390)	(49)
ENVIRONMENT & PLANNING (EP)						
Gen Mgr - Environment & Planning	(579)	(638)	58	(739)	(860)	121
City Development	(538)	(739)	202	(1,157)	(636)	(521)
City Strategy	(1,310)	(1,514)	204	(1,939)	(2,304)	365
Compliance & Parking	9,441	9,623	(183)	11,974	11,824	150
Sustainability	(447)	(457)	10	(680)	(929)	249
Total EP	6,566	6,275	292	7,459	7,095	364
CITY & INFRASTRUCTURE SERVICES (CIS)						
Gen Mgr - City & Infrast Services	(228)	(298)	70	(439)	(440)	1
Engineering Services	(2,032)	(2,143)	111	(2,966)	(3,156)	190
Infrastructure Services	(14,625)	(14,788)	163	(20,126)	(19,775)	(351)
Parks & Open Space Services	(3,432)	(5,239)	1,807	(7,210)	(7,201)	(9)
Property Services	1,636	1,409	227	1,798	1,739	59
Total CIS	(18,681)	(21,059)	2,377	(28,944)	(28,834)	(111)
Grand Total	17,131	14,290	2,840	17,377	22,193	(4,815)

Chief Executive Officer



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Nine Months Ended 31 March 2010

Operating Surplus/(Loss)

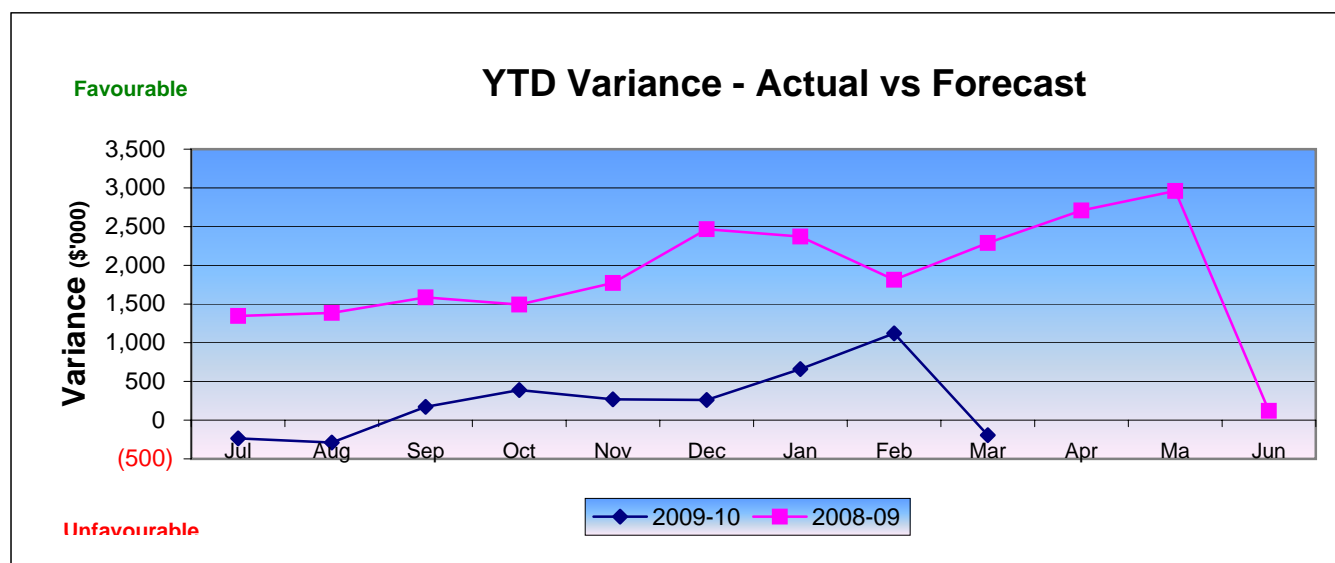
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			(Favourable) Neutral (Unfavourable) (\$'000)		
March	(5,700)	(5,729)	29	(5,997)	(898)
December	(496)	(545)	49	(1,071)	(898)

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Professional Services	33	Due to lower than anticipated consultancy fees.	Monitor expenditure.

33

Corporate Services



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Nine Months Ended 31 March 2010

Operating Surplus/(Loss)

	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable Neutral (Unfavourable) (\$'000)		
March	45,393	45,509	(116)	60,299	60,220
December	30,020	29,671	349	59,265	60,220

Summary of Key Variances

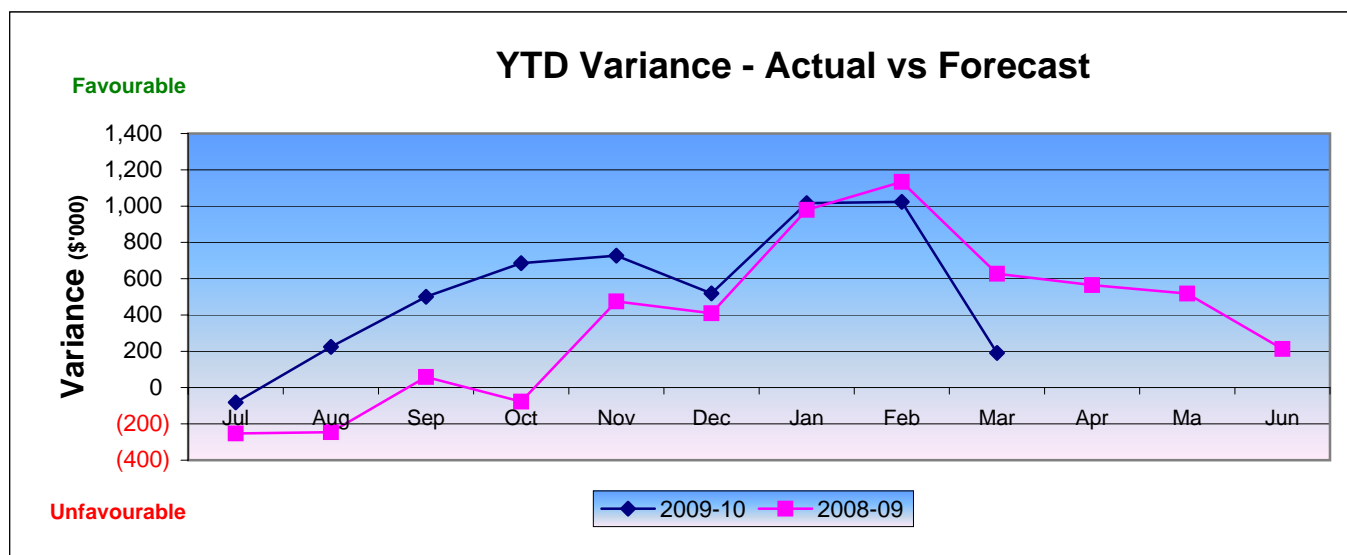
Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Interest Income	(226)	The full year interest income forecast has been increased from the original budget of \$1M to \$1.8M in March (with the change phased in March). At this stage council is on track to deliver the full year interest forecast.	Continue to monitor interest revenue.
Government Grants	162	Primarily due to earlier than phased receipt of council's third instalment from the Victorian Grants Commission. Full year forecast is in line with projected full year revenue from this source.	Monitor
Wages And Salaries	422	Due to various unfilled positions across the division.	

Corporate Services

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Contract Payments	300	Due delays in the receipt of Contract Management Systems project and Data Recovery Architect invoices.	Invoices received next month will resolve this variance by June.
Materials	161	Primarily due to office relocation costs (IT costs - cabling & switches) being budgeted for in March but incurred in later months.	Invoices received next month will resolve this variance by June.
Other Expenses	(1,125)	Based on preliminary advice from Deutsche Bank, a forecast adjustment to write back \$1.2M against a provision previously charged against an investment has been phased in March.	Year end confirmation of the fair value of Council's investment in Deutsche Bank to be obtained and the book value of the investment to be adjusted accordingly.

(307)

Cultural & Community Development



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Nine Months Ended 31 March 2010

Operating Surplus/(Loss)

	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable Neutral (Unfavourable) (\$'000)		
March	(10,447)	(10,706)	259	(15,440)	(15,390)
December	(6,887)	(7,296)	410	(15,374)	(15,390)

Summary of Key Variances

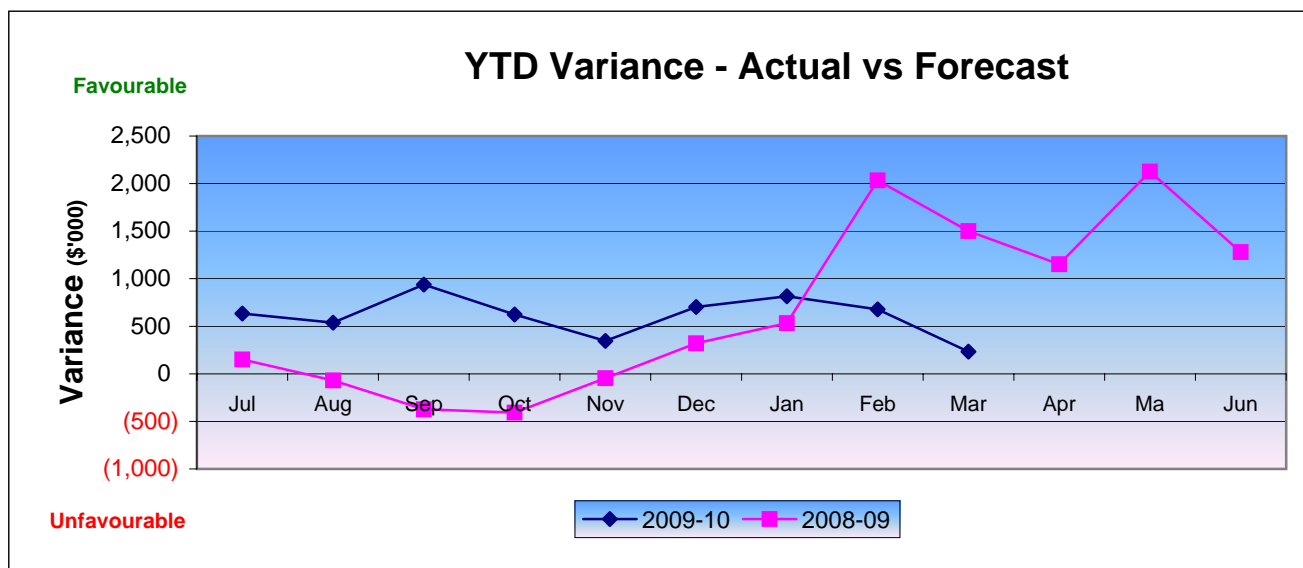
Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Government Grants	160	Primarily relates to earlier than anticipated receipt of Poets Grove kindergarten funding and Indexation across all services in Community Care.	Timing Issue. No action required.
Wages And Salaries	(355)	Primarily due to reductions in the full year forecast (due to unfilled positions - Family, Youth & Children, Culture & Leisure) processed in March. The reason the variance exists is that the forecast change was phased 100% in March. This variance will reduce accordingly in the last quarter.	Monitor
External Labour	226	Due to budgeted external labour costs for the St Kilda Festival being costed to contract payments. Note that these offset each other.	More accurately budget for this expenditure in future years.
Contract Payments	(355)	Due to costs for the St Kilda Festival being charged to contract payments but budgeted against other accounts structures (ie. professional services, external labour). Note that these offset each other.	More accurately budget for this expenditure in future years.

Cultural & Community Development

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Professional Services	201	Due to budgeted professional services costs for the St Kilda Festival being costed to contract payments. Note that these offset each other.	More accurately budget for this expenditure in future years.
Other Expenses	223	Due to delays in expending the phased budget across the following departments - Family, Youth & Children, Diversity & Ageing and Culture & Leisure.	Variances should reduce with increased expenditure over the last quarter.

100

Environment & Planning



Note - Target for YTD Variance against Forecast is zero.

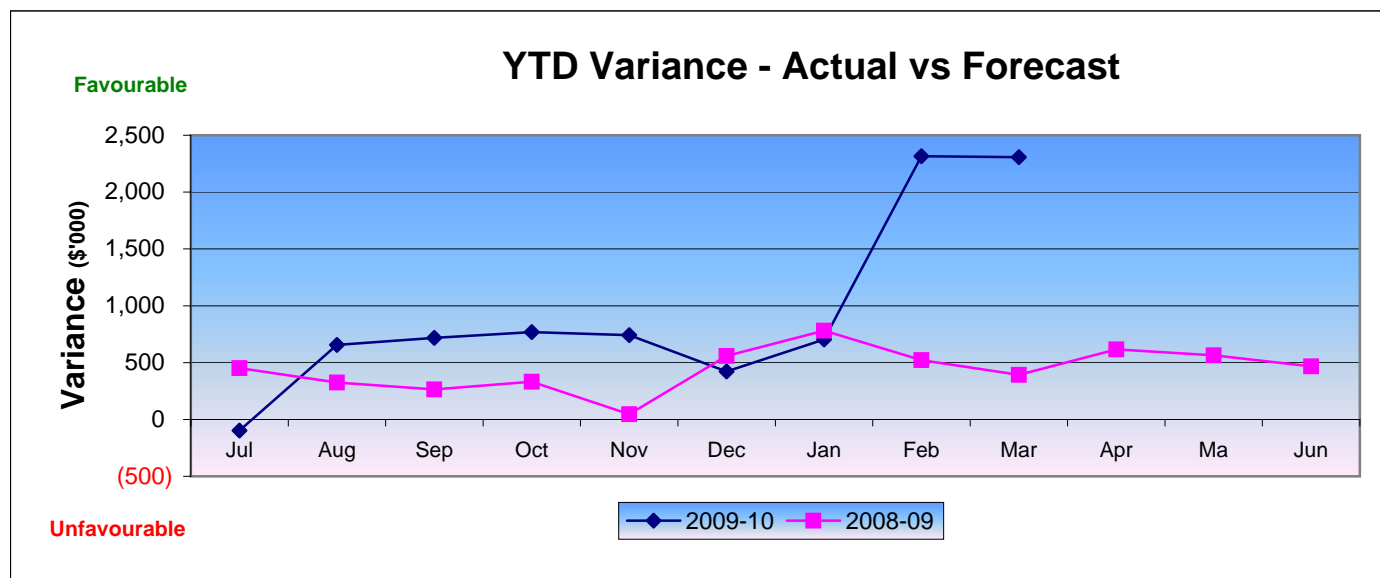
Financial Performance - Nine Months Ended 31 March 2010

	Operating Surplus/(Loss)				
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral		
			(Unfavourable)		
			(\$'000)		
March	6,566	6,275	292	7,459	7,095
December	4,287	3,461	826	7,129	7,095

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Parking Revenue	(217)	Due to a decrease in New Pins income and phasing of anticipated ticket machine income not aligning with actuals.	Ticket machine income forecast has been increased by \$450K as part of the quarterly review. Pins forecast has been reduced by \$90K in this process.
Wages & Salaries	151	Due to unfilled positions across the Division, particularly within Compliance & Parking.	Continue to actively recruit for vacant positions.
Professional Services	128	Primarily relates to savings or timing of expenditure within Non Capital Projects across the Division.	Review of all Non Capital projects has occurred within April 2010 forecast adjustments of \$132K.
Lease Charges (external)	(164)	Inclusion of March forecast adjustment of \$150K within Sustainability Department for motor vehicle lease charges (offset by savings across the organisation).	No action required.
Other Expenses	103	Delays in expending the phased budget across various departments, most noticeably City Development and Sustainability.	

City & Infrastructure Services



Note - Target for YTD Variance against Forecast is zero.

Financial Performance - Nine Months Ended 31 March 2010

	Operating Surplus/(Loss)				
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
			Favourable		
			Neutral (Unfavourable)		
March	(18,681)	(21,059)	2,377	(28,944)	(28,834)
December	(13,501)	(13,970)	469	(28,273)	(28,834)

Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Other Income Total	275	The majority of this favourable variance is due to phased commercial income within Property Services, exceeding the forecast target.	No action.
Government Grants	1,751	\$1.75M was received from the Department of Sustainability and Environment for Middle Park Beach maintenance.	Nil - This will sit in reserves and be spent over 15 years as the beach sand requires renourishing.
Wages And Salaries	158	Largely due to unfilled positions across the division, particularly within Infrastructure Services and Engineering Services.	Variance is partially offset by external labour unfavourable variance. Continue to actively recruit for vacant positions.
Professional Services	102	Largely due to expenditure relating to Catani Gardens non capital project expensed incorrectly against contract payments.	Journal to correct misposting has been actioned in April.

2,287