



# **Quarterly Financial Report**

**June 2009**

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## Income Statement Converted to Cash - June 2009

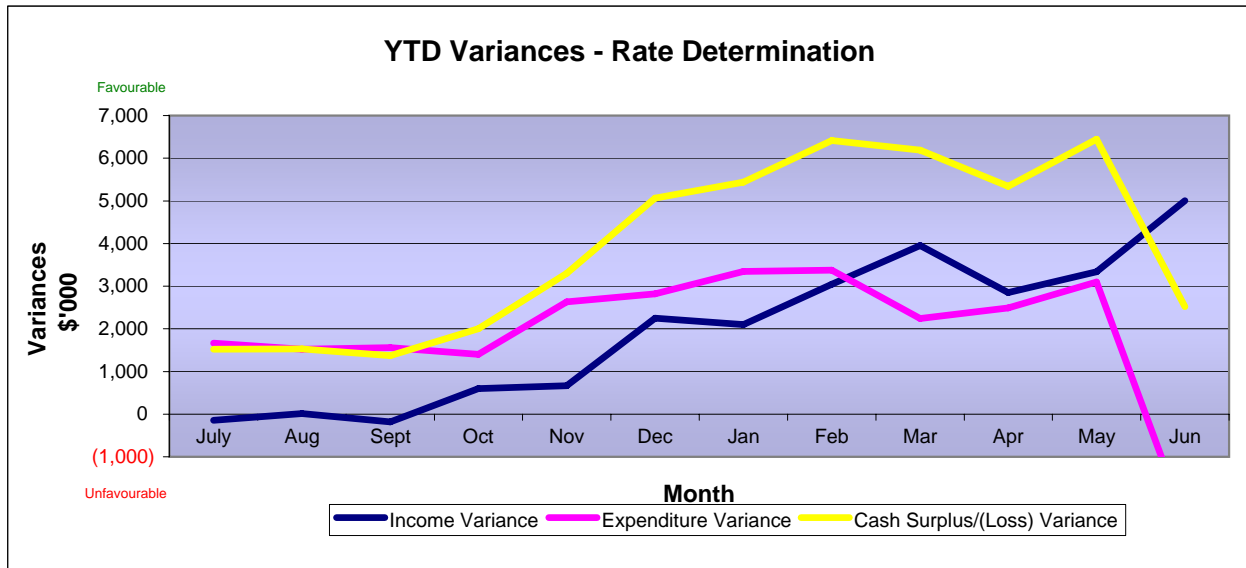
	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>Revenue</b>					
Rates	74,943	74,480	462	74,480	73,680
Parking fees & fines	21,735	21,077	658	21,077	21,827
User charges, fees & fines	13,058	14,154	(1,096)	14,154	14,756
Grants - operating	9,874	8,337	1,537	8,337	8,010
Grants - capital	2,725	630	2,095	630	630
Contributions	3,936	3,800	136	3,800	1,665
Other revenue	9,217	8,520	696	8,520	8,157
Interest	2,039	1,650	389	1,650	1,650
Share of Joint Venture Profits	355	0	355	0	0
Loss on disposal of assets (1)	(6,602)	0	(6,602)	0	0
Contributed Asset Gain (2)	1,960	0	1,960	0	0
<b>Total Revenue</b>	<b>133,239</b>	<b>132,649</b>	<b>590</b>	<b>132,649</b>	<b>130,376</b>
<b>Expenditure</b>					
Employee benefits	46,884	45,993	(891)	45,993	46,128
Contract services	34,029	35,232	1,203	35,232	35,252
Materials & other costs	24,030	24,707	677	24,707	23,925
Borrowing costs	191	191	0	191	191
Impairment Loss	1,737	0	(1,737)	0	0
Depreciation	15,628	13,200	(2,428)	13,200	13,200
<b>Total Expenditure</b>	<b>122,498</b>	<b>119,322</b>	<b>(3,176)</b>	<b>119,322</b>	<b>118,696</b>
<b>Operating Surplus / (Deficit)</b>	<b>10,741</b>	<b>13,326</b>	<b>(2,586)</b>	<b>13,326</b>	<b>11,680</b>
Less Depreciation	15,628	13,200	2,428	13,200	13,200
Less Loss on disposal of assets (1)	6,602	0	6,602	0	0
Less Contributed Asset Gain (2)	(1,960)	0	(1,960)	0	0
<b>Cash Surplus / (Deficit)</b>	<b>31,011</b>	<b>26,526</b>	<b>4,484</b>	<b>26,526</b>	<b>24,880</b>
<b>Capital Expenditure</b>					
Operating - ex capital works	385	0	(385)	0	0
Capital works expenditure	21,370	23,662	2,291	23,662	23,209
Remediation expenditure	77	2,500	2,423	2,500	2,500
Capital carry over 2007/2008	5,460	6,796	1,336	6,796	7,149
Capital expenditure	1,739	2,578	840	2,578	3,068
Transfers to statutory reserves	3,936	3,550	(386)	3,550	1,415
<b>Total Capital Expenditure</b>	<b>32,966</b>	<b>39,086</b>	<b>6,120</b>	<b>39,086</b>	<b>37,341</b>
<b>Cash Surplus / (Deficit) after Capital Works</b>	<b>(1,955)</b>	<b>(12,560)</b>	<b>10,604</b>	<b>(12,560)</b>	<b>(12,461)</b>
<b>Other Items</b>					
Loan repayments	(466)	(466)	0	(466)	(466)
Transfers from statutory reserves	1,723	1,723	0	1,723	1,723
Net transfers (to) / from general reserves	678	3,571	(2,894)	3,571	3,212
<b>Cash Surplus / (Deficit) after Other Items</b>	<b>(20)</b>	<b>(7,731)</b>	<b>7,710</b>	<b>(7,731)</b>	<b>(7,991)</b>
2007/08 Carry Over Surplus/(Deficit)	1,648	1,223	425	1,223	1,223
B/Fwd Surplus to Fund Capital Carry Over	7,149	7,149	0	7,149	7,149
Capital Works Carried Over to 2009/10	(6,801)	0	(6,801)	0	0
<b>Rate Determination Cash Surplus / (Deficit)</b>	<b>1,976</b>	<b>641</b>	<b>1,334</b>	<b>641</b>	<b>381</b>

**NOTE**

(1) Being Woodstock Work In Progress write off at year end.

(2) Being the transfer of the land and building of Lady Forster Kindergarten from the State government

## Income Statement Converted to Cash - June 2009



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

### Key Income Variances

**Income (excluding loss on asset sales and contributed asset gains) has a favourable variance of \$5.233M and is primarily due to the following offsetting factors:**

**Capital Grants are favourable by \$2.095M** due to a combination of factors including:

(a) the unbudgeted receipt of grants most predominately those relating to:

- Pedestrian Safety (Clarendon St) \$227K;
- Garden City Reserve - play space upgrade \$182K;
- Catani Gardens play space & picnic area \$110K;
- Jacoby Reserve play space upgrade \$60K;
- Carlisle St Streetscape Improvement - Final \$110K;
- Foreshore Minor Infrastructure Improvement \$90K;
- Murphy Reserve path & fence \$218K.

(b) grant funding relating to the Cleve Plaza / Jacka Crossing (St Kilda's Edge) project exceeded its original budget by \$1.004M.

**Government Grants are favourable by \$1.546M** due to a range of favourable variances split across various departments, the most prevalent including:

(a) Community Services \$204K due to growth in funding for assessments and Property Maintenance as well as indexation of grants \$154K, and a \$30K favourable variance in Vacation Care as a result of increased funding in correlation with the increased number of attendees with additional needs;

(b) Culture & Recreation \$232K due to:

- \$46K increase in funding for Yaluk Willem and St Kilda Film Festivals;
- \$37K increase in JCAAA grant;
- \$100K due to greater than anticipated library grants including \$25K Premiers Reading Challenge, \$35K Wireless Access Program, and increase in based DPCD Grant; and,
- SRV grants for \$10K Drought / Irrigation and \$24K St Kilda Life Saving Club feasibility;

(c) Community Development \$224K due to:

- \$90K unbudgeted Social Inclusion project DPCD Grant;
- \$33K Community Health and Dev't - not budgeted;
- \$30K Metro Access injection of unbudgeted funds from DHS;
- \$20K Isepic injection of unbudgeted funds from DHS;
- \$46K Linking Neighbours - not budgeted; and,
- \$13K Access and Inclusion being tracked;

(d) Finance & Investments \$522K due to receipt of 2009-10 funding from the Victorian Grants Commission in advance.

**Parking is favourable by \$658K** predominately due to Pay Parking exceeding budget forecast by \$630K. Paid parking income has performed far better in the second half of the financial year due to improved contract management, lower petrol prices and favourable weather conditions.

## Income Statement Converted to Cash - June 2009

**Rates are favourable by \$463K** due to:

- general rate income is \$224K favourable largely as a result of supplementary rates;
- Penalty interest on overdue rates is favourable by \$194K.

**Interest is favourable by \$389K** due to extra funds available for investment.

**Fees & Charges are unfavourable by \$1.096M** due to a range of unfavourable variances split across various departments, the most prevalent including:

( a ) Community Services \$595K due to:

- reduced utilisation of the St Kilda & North St Kilda Child Care Centres (\$284K);
- reduced numbers of home-based carers \$102K unfavourable; and,
- Levy income \$88K unfavourable as a result of aforementioned utilisation issues;

( b ) Economic Development & Tourism \$130K due to footpath trading permit fee income being less than forecast.

### Key Expenditure Variances

**Expenditure (excluding depreciation) is \$748K unfavourable and is primarily due to the following factors:**

**Impairment of Assets \$1.737M unfavourable** due to Council recognising an impairment charge on one of the investments it holds (a floating rate note of \$3M with Deutsche Bank which has a maturity date of 23/11/2012). This is an unrealised loss and current expectations are that this loss will be written back in subsequent years as the global financial crisis recedes.

**Employee Costs are unfavourable by \$836K** largely due to the following off-setting variances:

( a ) Redundancy payments \$347K unfavourable due to organisational restructure;

( b ) Building Services \$298K unfavourable due to:

- \$91K unfavourable variance in Meetings and Events casual salaries and wages resulting from increase in the number of meetings and events and additional responsibilities of managing the issues relating to the St Kilda Town Hall; and,
- \$115K unbudgeted external labour costs within Building Maintenance resulting from backfilling requirements to cover vacancies, staff leave and staff working on implementing new policies such as keying systems and electronic security issues;

( c ) Community Services \$252K unfavourable due to:

- \$109K unfavourable variance in Home Care resulting from increased service demand and staffing skill shortages;
- \$197K unfavourable variance in agency costs in long day care centres due to difficulties covering staff absences and delays in the recruitment of permanent staff.

( d ) a favourable adjustment for long service leave (\$160K) recognising the present value of liabilities across the Council.

## Income Statement for the Year Ended 30 June 2009

	YTD Actual (\$'000)	YTD Forecast (\$'000)	YTD Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>Revenue</b>					
Rates	74,943	74,480	463	74,480	73,680
Parking fees & fines	21,734	21,077	657	21,077	21,827
User charges, fees & fines	13,058	14,154	(1,096)	14,154	14,756
Grants	11,912	8,967	2,945	8,967	8,640
Contributions	3,936	3,800	136	3,800	1,665
Other revenue	10,655	8,524	2,131	8,524	8,157
Capital Contribution	687	0	687	0	0
Contributed Asset Gain	1,960	0	1,960	0	0
Interest	2,100	1,650	450	1,650	1,650
<b>Total revenue</b>	<b>140,985</b>	<b>132,652</b>	<b>8,333</b>	<b>132,652</b>	<b>130,375</b>
<b>Expenditure</b>					
Employee benefits	49,238	45,995	(3,243)	45,995	46,126
Contracts and materials	33,565	36,658	3,093	36,658	36,542
Utility payments	2,127	2,191	64	2,191	2,191
Professional services	4,775	3,919	(856)	3,919	3,577
Borrowing costs	245	191	(54)	191	191
Depreciation	15,852	13,200	(2,652)	13,200	13,200
Impairment Loss	1,737	0	(1,737)	0	0
Other expenses	16,328	17,171	843	17,171	16,868
<b>Total expenditure</b>	<b>123,867</b>	<b>119,325</b>	<b>(4,542)</b>	<b>119,325</b>	<b>118,694</b>
(Profit) / loss on disposal of assets	6,606	0	(6,606)	0	0
<b>Surplus / (deficit)</b>	<b>10,512</b>	<b>13,327</b>	<b>(2,815)</b>	<b>13,327</b>	<b>11,681</b>

## Balance Sheet as at 30 June 2009

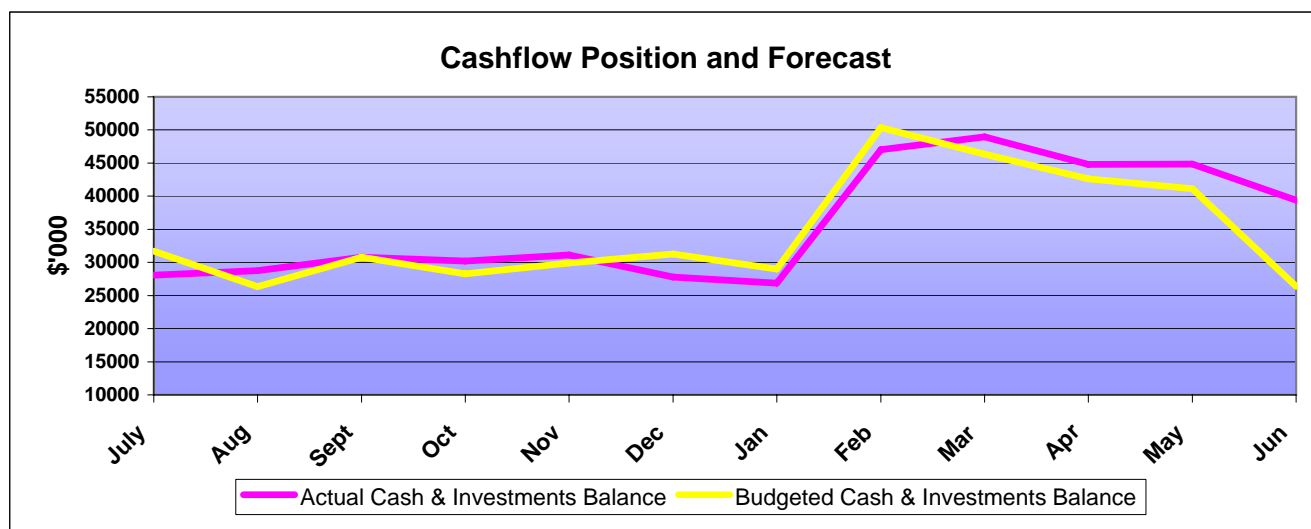
	30 June 2009 (\$'000)	30 June 2008 (\$'000)
<b>Current assets</b>		
Cash	4,407	4,307
Receivables	10,076	10,583
Investments	34,979	33,000
Other	1,465	859
<b>Total current assets</b>	<b>50,927</b>	<b>48,749</b>
<b>Non current assets</b>		
Investments	5	5
Receivables	0	0
Property, Infrastructure, Plant and Equipment	1,854,974	1,936,923
<b>Total non current assets</b>	<b>1,854,979</b>	<b>1,936,928</b>
<b>Total assets</b>	<b>1,905,906</b>	<b>1,985,677</b>
<b>Current liabilities</b>		
Creditors	12,447	12,407
Provisions	8,658	7,944
Borrowings	779	663
<b>Total current liabilities</b>	<b>21,884</b>	<b>21,014</b>
<b>Non-current liabilities</b>		
Borrowings	3,029	3,220
<b>Total non-current liabilities</b>	<b>3,029</b>	<b>3,220</b>
<b>Total liabilities</b>	<b>24,913</b>	<b>24,234</b>
<b>Net assets</b>	<b>1,880,993</b>	<b>1,961,443</b>
<b>Equity</b>		
Accumulated surplus	574,518	571,903
Asset Revaluation Reserve	1,283,740	1,368,340
Other reserves	22,735	21,200
<b>Total equity</b>	<b>1,880,993</b>	<b>1,961,443</b>

**Notes:**

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

## Cash, Investments & Borrowings

### Cashflow position



Council's cash position of \$39.3 million is favourable against the year to date forecast budget of \$26.3 million by \$13 million.

### Investments as at 30 June 2009

Please Note:

\* Weighted Average Interest Rate to Maturity

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

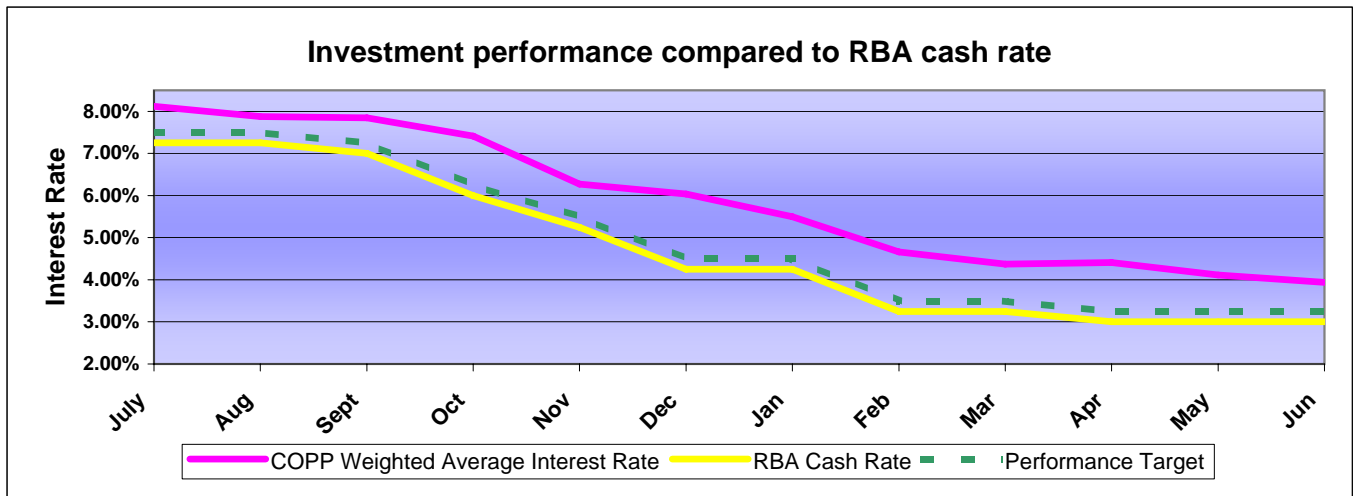
\*\*\*Principal & Interest Government Guaranteed

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	5,000	-	-	At Call
Macquarie Bank (LSL)**	A	A2	Term Deposit	5,280	03-Mar-09	4.25	153
Investec			Term Deposit	1,000	02-Jun-09	3.46	2
St George	A	A1	Term Deposit	1,000	02-Jun-09	3.46	2
Citibank	A1	A+	Term Deposit	1,000	14-Apr-09	4.45	13
Members Equity	BBB	A2	Term Deposit	1,000	14-Apr-09	4.30	13
BankWest	AA-	A1+	Term Deposit	1,000	21-May-09	3.80	20
Bendigo Bank	BBB+	A2	Term Deposit	1,000	02-Mar-09	4.25	30
BankWest	AA-	A1+	Term Deposit	1,000	12-May-09	4.00	41
IMB	BBB	A2	Term Deposit	1,000	12-May-09	4.00	41
Suncorp	A1	A	Term Deposit	1,000	11-May-09	4.10	42
NAB	AA-	A1+	Term Deposit	2,000	18-May-09	4.00	47
Bankwest	AA-	A1+	Term Deposit	436	24-Feb-09	3.70	55
Westpac	AA-	A1+	Term Deposit	2,000	30-Jun-09	4.15	59
NAB	AA-	A1+	Term Deposit	2,000	02-Jun-09	4.22	62
Westpac	AA-	A1+	Term Deposit	2,000	02-Jun-09	4.15	64
Bank of Cyprus			Term Deposit	1,000	12-May-09	4.10	71
Westpac	AA-	A1+	Term Deposit	2,000	04-Feb-09	5.00	949
CBA	AA-	A1+	Floating rate note	3,000	21-Jan-08	3.55	570
Deutsche	AA-	A1+	Floating rate note	3,000	28-Feb-08	4.14	1242
<b>Total</b>				<b>36,716</b>		<b>3.94*</b>	<b>88**</b>

Please note there is a \$1M government guarantee per institution. As at 30 June 2009, \$17,280,000 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.

## Cash, Investments & Borrowings

### Investment performance



Council's weighted average interest rate on investments at 30 June 2009 of 3.94% is 0.94% 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	2,925	119	2,806
<b>Total</b>		<b>2,925</b>	<b>119</b>	<b>2,806</b>

#### NOTES:

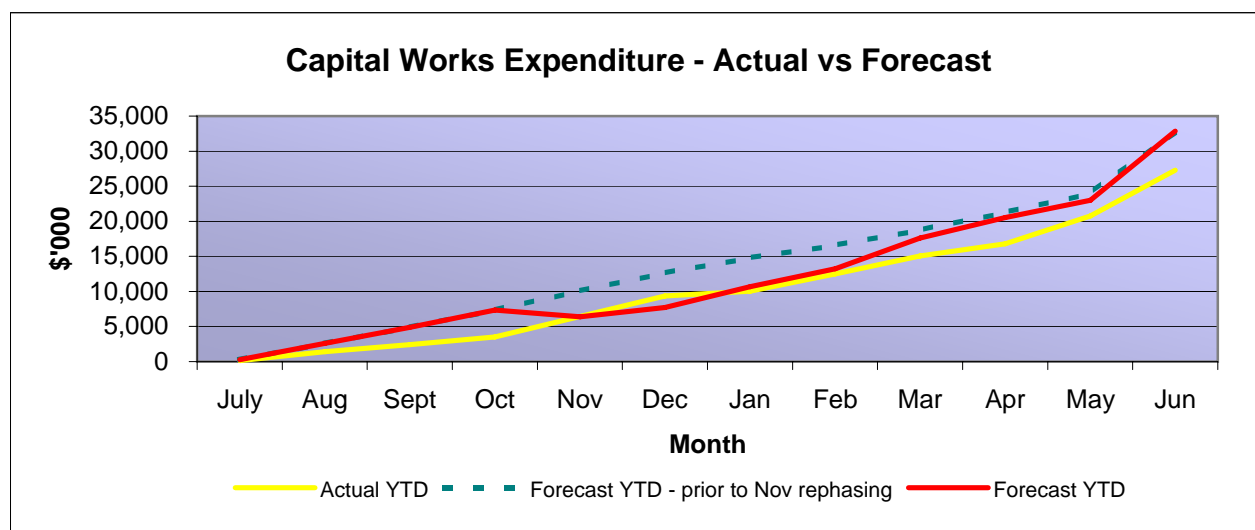
- Loan repayments are made quarterly on both principal and interest components.
- For the period March 2009 to June 2009, \$119K was repaid from the principal and \$45K has been paid in interest.

## Capital Works

### Capital Works Statement as at 30 June 2008

Asset Class	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)
Buildings	5,967	6,625	6,625	6,130
Roads	7,469	7,119	7,119	6,815
Drainage	769	700	700	700
Kerb and channel	680	645	645	800
Streetscapes & open spaces	4,998	8,497	8,497	8,710
Footpaths	1,292	1,300	1,300	1,300
Signage & street works	294	265	265	265
Planning and implementation	2	2	2	239
Land	0	750	750	750
Other	(25)	259	259	0
<b>Total 2008-09</b>	<b>21,447</b>	<b>26,162</b>	<b>26,162</b>	<b>25,709</b>
Capital works carried forward from 07/08	5,460	6,796	6,796	7,149
<b>Total capital works</b>	<b>26,907</b>	<b>32,958</b>	<b>32,958</b>	<b>32,858</b>

### Capital Works Expenditure Variance



Capital works expenditure (FY '09) and capital carry over (FY '08) is favourable by **\$6.050M**.

### Capital Works Expenditure Status

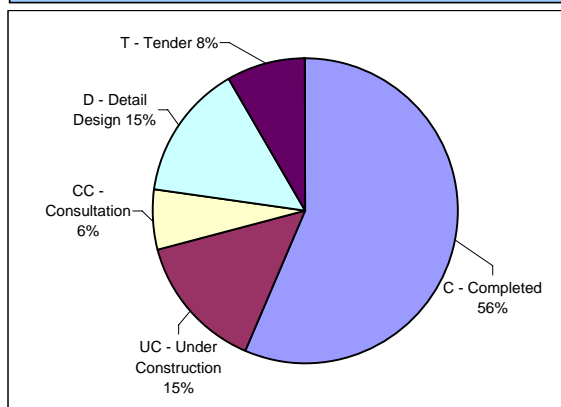
	YTD Actual Exp \$'000	Full Year Forecast \$'000	% of Total Budget Spent
Capital Works 08/09	21,447	26,162	82.0%
Capital Carry Over	5,460	6,796	80.3%
	<b>26,907</b>	<b>32,958</b>	<b>81.6%</b>

## Capital Works

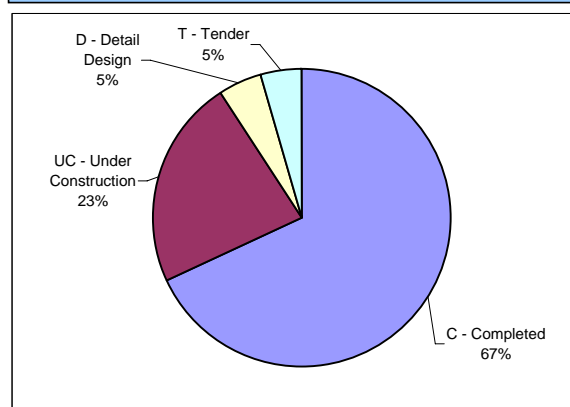
### Capital Works Implementation Status

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

**Summary Status 2008/09  
Capital Works Projects  
(with full year budget > \$100K)**



**Summary Status 2007/08  
Capital Works Projects carried forward  
(with full year budget > \$50K)**



### Detailed Capital Works 2008/09 > \$100,000

Description of Project	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Original Budget (\$'000)	Status
<b>Buildings</b>					
90399 Betty Day Comm Centre Redeve 08-09	2,000	1,850	1,850	1,600	C
90400 Elwood Park Sports Pavillion Redeve	1,435	1,369	1,369	1,000	UC
90401 St Kilda Family & Children's Ctre	301	1,000	1,000	1,000	D
90403 Public Toilet Strat - MiddlePkBeach	79	94	94	330	D
90404 SMM Power Substation	431	300	300	300	T
90405 SouthPort Lifesaving Club Stage 2	54	150	150	150	D
90406 Urban Studies Cnt EmeraldHill Libra	149	500	500	500	T
90415 Gasworks Performing Arts UpgradeDes	78	100	100	100	D
90438 St Kilda Library Upgrade Concept De	22	100	100	100	D
90439 Build Condition Audit Rectify 08/09	1,335	1,000	1,000	1,000	C
<b>Roads</b>					
90426 Cleve Plaza & Jacka Crossing StkEde	3,242	2,950	2,950	2,950	UC
90427 Stk Edge ForeshoreConnec Bike Lanes	313	300	300	300	C
90435 Pedestrian Safety & Walk Station St	45	110	110	110	C
90443 Fitzroy St Masterplan Impl Stage 1	7	15	15	130	C
90450 Roads To Recovery (R2R) Progr 08/09	141	180	180	180	C
90453 Rd Rehab Spray St Elwood-Foam-StK	94	94	94	120	C
90454 Rd Rehab Little Ingles St-Ingles-Pi	109	109	109	140	C
90455 Rd Rehab Canterbury Pl-Nimmo-Armstr	165	165	165	210	C
90456 Rd Rehab Heath St-Bridge to Spring	114	150	150	200	C
90457 Rd Rehab Erindale Ave-Fuller to End	153	135	135	140	C
90460 Road Resurfacing Program 08/09	0	234	234	1,350	C
90471 ROW R1565 Ormond Rd to OrmEsplanade	169	245	245	250	C
<b>Drainage</b>					
90440 Drainage Enhancement Works 08/09	398	432	432	500	C
90441 Drainage Minor Improve Prog 08/09	371	268	268	200	C
<b>Kerb and Channel</b>					
90462 Kerb&Chnnl Austin St-Ten'son-Mitfor	167	160	160	160	C
90463 Kerb&Chnnl Liardet-Esplanade-Dow	154	155	155	190	C
90464 Kerb&Chnnl Page St-Kerferd-Phillips	139	175	175	250	C
90465 Kerb&Chnnl York St-Cowderoy-Deakin	162	130	130	175	C

#### LEGEND

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

## Capital Works

### Detailed Capital Works 2008/09 > \$100,000 (continued)

Description of Project	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Original Budget (\$'000)	Status
<b>Streetscape &amp; Open Spaces</b>					
90398 North Port Oval Master Plan Impleme	102	250	250	250	D
90408 Albert Park VRI Replace Synthetic	15	150	150	150	CC
90411 Elwood Foreshore Mgmt Plan 08-09	1,141	1,129	1,129	1,000	C
90412 Greening P'Phillip Tree Plant 08/09	199	200	200	200	C
90413 Tree Planting Final Stage StKildaRd	0	120	120	120	UC
90414 Irrigation System Upgrade/WaterSavi	115	125	125	125	C
90416 Gasworks Park Remediation 08/09	77	2,500	2,500	2,500	CC
90417 Stk Foreshore Promenade & Pier 08/09	1,050	1,173	1,173	1,473	C
90418 Garden City Reserve Upgrade Stage 1	337	280	280	280	UC
90419 Sandridge Beach Promenande FinalStg	0	456	456	456	CC
90420 Advent Playgrounds Update Pro 08/09	211	250	250	250	UC
90421 Garden City Rsv Play Space Upgrade	81	156	156	156	UC
90422 Catani Gdns Play Space & Picnic Are	112	110	110	110	UC
90425 Carlisle St Streetscape Impro Final	21	130	130	130	T
90429 PARKS Signs & Furniture NEW 08/09	103	100	100	100	C
90430 Pocket Parks for People	202	200	200	200	C
90431 PARKS Signs & Furniture RENEWAL	97	100	100	100	C
90433 Beacon Cove Landscape Works	399	400	400	400	C
90434 Port Melb Streetscape Wks Rouse St	40	100	100	100	D
90442 West Beach Promenade Balustrade	135	250	250	250	T
90445 Foreshore Minor Infra Improv 08/09	100	100	100	100	C
<b>Footpath Works</b>					
Various Total Footpath Works	1,292	1,300	1,300	1,300	C
<b>Signage and Street Furniture</b>					
90428 Street Signs & Furniture NEW 08/09	100	100	100	100	C
90448 Street Signage Renewal Prog 08/09	140	115	115	115	C

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

Description	YTD Actual (\$'000)	YTD Forecast (\$'000)	Full Year Forecast (\$'000)	Full Year Original Budget (\$'000)	Status
09383 STK Skate Park	1	478	478	478	T
09752 West Beach Pavilion L'scape Wks	49	50	50	300	D
09757 Adventure Playgnds Upgrade & Refurb	116	117	117	117	C
09872 SM Market Complete Stg1 UpGrade	2	98	98	98	C
09881 THalls Strategy-Sth Melb Town Hall	2,130	2,308	2,308	2,308	C
90028 Sandridge Beach Masterplan Stage 4	183	202	202	202	UC
90029 Elwood Foreshore Mgmt Plan Stage 2	1,217	1,217	1,217	1,217	C
90038 Middle Park Beach Long Term Renouri	301	300	300	300	C
90044 Tree Planting St Kilda Rd	12	91	91	91	UC
90096 Rd Rehab Elwood Beach Car Park	191	191	191	191	C
90174 Elwood Pk Sports Pavilion Maj Redev	100	100	100	100	C
90175 51 Broadway Elwood Comm Ctre Refurb	203	197	197	294	C
90188 Alma Park Senior Playground StKilda	210	208	208	184	C
90189 StKilda/Brighton Rd S'scape Plan	57	98	98	98	UC
90190 Port Melb LightRail Reserve Stage 5	27	28	28	88	C
90199 Tree Plant St Kilda Rd - Dand'ng Rd	0	117	117	117	UC
90202 Beach Road Bike Lanes 3 & 4	46	129	129	129	C
90205 Pedestrian Safety Byron Tennyson St	83	84	84	100	C
90206 Pedestrian Safety Clarendon St	35	212	212	200	UC
90276 Stategic Drainage Study	139	200	200	200	C
90397 Rd Rehab Blessington-Smith-Herbert	47	47	47	50	C
90479 SMM Upgrade Cecil St Awnings	41	52	52	52	C

#### LEGEND

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

## Divisional Operating Statement for the Year Ended 30 June 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)
<b>Chief Executive Officer</b>						
Chief Executive Officer	(636)	(529)	(107)	(479)	(479)	0
<b>Total CEO</b>	<b>(636)</b>	<b>(529)</b>	<b>(107)</b>	<b>(479)</b>	<b>(479)</b>	<b>0</b>
<b>Community Assets &amp; Services</b>						
Director Community Assets & Svcs	(466)	(543)	77	(543)	(469)	(74)
Manager Asset Services	(2,658)	(2,788)	130	(2,788)	(2,788)	(0)
Manager Building Services	(6,348)	(6,351)	3	(6,351)	(6,351)	0
Manager Community Services	(5,571)	(5,720)	149	(5,720)	(5,232)	(488)
Manager Infrastructure Services	(13,973)	(14,509)	536	(14,509)	(14,509)	0
Manager Parks & Open Space Services	(6,517)	(6,397)	(120)	(6,397)	(6,397)	0
Manager South Melbourne Market	1,333	1,671	(338)	1,671	1,671	0
<b>Total CAS</b>	<b>(34,200)</b>	<b>(34,637)</b>	<b>437</b>	<b>(34,637)</b>	<b>(34,076)</b>	<b>(561)</b>
<b>Community Developmnt &amp; Planning</b>						
Director Community Devpmt & Plnng	(864)	(967)	103	(967)	(967)	0
Manager - Culture & Recreation	(6,390)	(6,281)	(109)	(6,281)	(6,186)	(95)
Manager City Development	(2,269)	(2,280)	11	(2,280)	(2,652)	372
Manager Community Development	(2,488)	(2,715)	227	(2,715)	(2,712)	(3)
Manager Environment & Renewal	(1,441)	(2,042)	601	(2,042)	(2,056)	14
Mgr Economic Development & Tourism	(269)	(51)	(218)	(51)	(57)	6
Mgr Parking, Health & Enforcement	12,985	12,501	484	12,501	13,161	(660)
<b>Total CDP</b>	<b>(736)</b>	<b>(1,835)</b>	<b>1,099</b>	<b>(1,835)</b>	<b>(1,469)</b>	<b>(366)</b>
<b>Finance</b>						
Manager Finance & Investments	74,728	74,187	541	74,187	73,185	1,002
Consolidations	(6)	0	(6)	0	0	0
<b>Total Finance</b>	<b>74,722</b>	<b>74,187</b>	<b>535</b>	<b>74,187</b>	<b>73,185</b>	<b>1,002</b>
<b>Organisation Systems &amp; Support</b>						
Communications	(755)	(777)	22	(827)	(864)	37
Corporate Allocations	0	0	0	0	0	0
Director Org Systems & Support	(410)	(491)	81	(491)	(491)	0
Information Management Group	(4,840)	(4,742)	(98)	(4,742)	(4,161)	(581)
Manager Corp Planning & Performance	(722)	(748)	26	(748)	(798)	50
Manager Customer Service	(2,324)	(2,459)	135	(2,459)	(2,381)	(78)
Manager People And Culture	(2,257)	(1,923)	(334)	(1,923)	(1,729)	(194)
Mgr Governance & Risk Management	(3,492)	(3,951)	459	(3,951)	(4,151)	200
<b>Total OSS</b>	<b>(14,800)</b>	<b>(15,091)</b>	<b>291</b>	<b>(15,141)</b>	<b>(14,575)</b>	<b>(566)</b>
<b>Grand Total</b>	<b>24,350</b>	<b>22,095</b>	<b>2,255</b>	<b>22,095</b>	<b>22,586</b>	<b>(491)</b>

## Divisional Operating Statement for the Year Ended 30 June 2009 (including overheads)

### Chief Executive Officer

Chief Executive Officer

#### Total CEO

### Community Assets & Services

Director Community Assets & Svcs

Manager Asset Services

Manager Building Services

Manager Community Services

Manager Infrastructure Services

Manager Parks & Open Space Services

Manager South Melbourne Market

#### Total CAS

### Community Developmnt & Planning

Director Community Devpmt & Plnng

Manager - Culture & Recreation

Manager City Development

Manager Community Development

Manager Environment & Renewal

Mgr Economic Development & Tourism

Mgr Parking, Health & Enforcement

#### Total CDP

### Finance

Manager Finance & Investments

Consolidations

#### Total Finance

### Organisation Systems & Support

Communications

Corporate Allocations

Director Org Systems & Support

Information Management Group

Manager Corp Planning & Performance

Manager Customer Services

Manager People And Culture

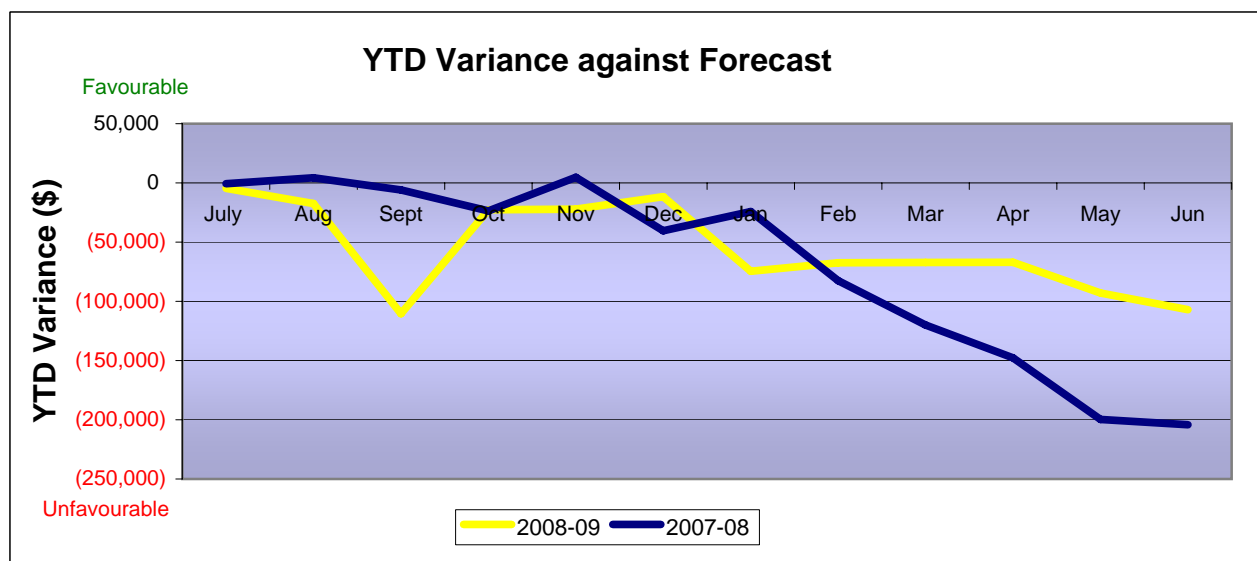
Mgr Governance & Risk Management

#### Total OSS

### Grand Total

Year To Date Actual Surplus/ (Deficit)			
YTD Result before Overheads (\$'000)	Internal Overhead Income (\$'000)	Internal Overhead Expenses (\$'000)	YTD Result after Overheads (\$'000)
(636)	0	(36)	(672)
<b>(636)</b>	<b>0</b>	<b>(36)</b>	<b>(672)</b>
(466)	0	(40)	(506)
(2,658)	0	(293)	(2,951)
(6,348)	2,559	(466)	(4,255)
(5,571)	0	(3,320)	(8,891)
(13,973)	0	(1,061)	(15,034)
(6,517)	0	(403)	(6,920)
1,333	0	(551)	782
<b>(34,200)</b>	<b>2,559</b>	<b>(6,132)</b>	<b>(37,774)</b>
(864)	0	0	(864)
(6,390)	0	(1,881)	(8,271)
(2,269)	0	(850)	(3,119)
(2,488)	0	(478)	(2,966)
(1,441)	0	(382)	(1,823)
(269)	0	(146)	(415)
12,985	0	(1,142)	11,844
<b>(736)</b>	<b>0</b>	<b>(4,878)</b>	<b>(5,614)</b>
74,728	3,412	(597)	77,543
(6)	0	0	(6)
<b>74,722</b>	<b>3,412</b>	<b>(597)</b>	<b>77,537</b>
(755)	54	(108)	(809)
0	0	0	0
(410)	0	(113)	(523)
(4,840)	3,777	(257)	(1,320)
(722)	0	(128)	(850)
(2,324)	1,354	(331)	(1,301)
(2,257)	1,065	(140)	(1,332)
(3,492)	941	(441)	(2,993)
<b>(14,800)</b>	<b>7,191</b>	<b>(1,518)</b>	<b>(9,127)</b>
<b>24,350</b>	<b>13,161</b>	<b>(13,161)</b>	<b>24,350</b>

## Chief Executive Officer



Note - Target for YTD Variance against Forecast is zero.

### Financial Performance - Year Ended 30 June 2009

Operating Surplus/(Loss)					
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>June</b>	(636)	(529)	(107)	(479)	(479)
<b>March</b>	(427)	(360)	(67)	(479)	(479)

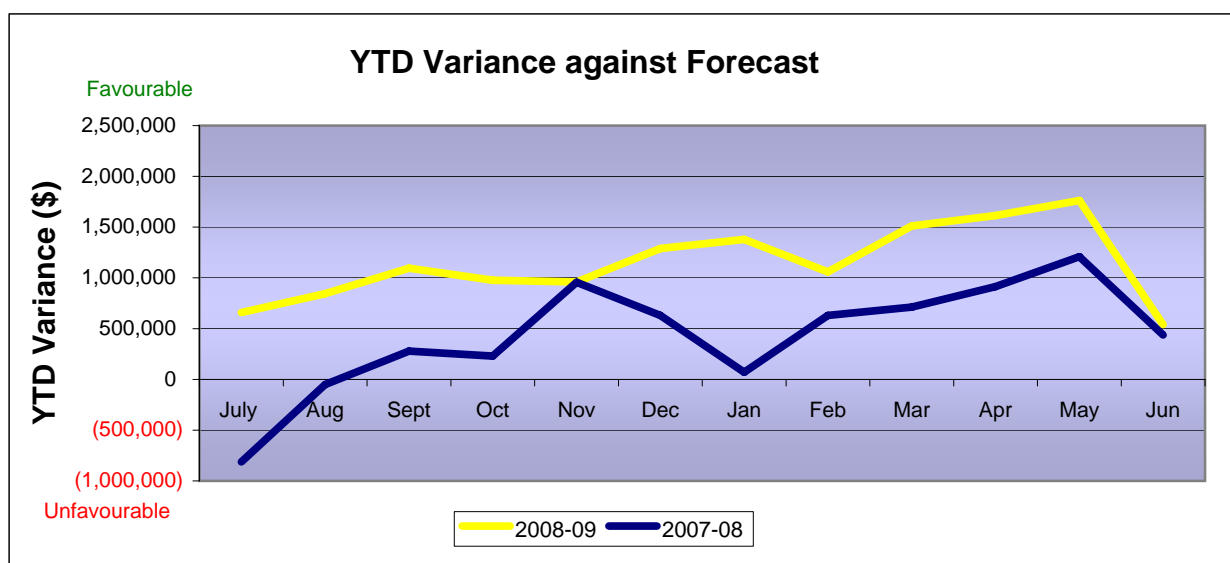
**NB** The Communications Department was transferred to OSS

### Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Professional Services	(58)	Due to the review of Council's governance practices.	No action.
Other Expenses	(30)	Various minor unfavourable variances, the largest of which is \$14K being unbudgeted Council donation to Victorian Bushfire appeal.	No action.

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## Finance



Note - Target for YTD Variance against Forecast is zero.

### Financial Performance - Year Ended 30 June 2009

	Operating Surplus/(Loss)				
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>June</b>	74,728	74,187	541	74,187	73,185
<b>March</b>	57,432	56,065	1,366	74,188	73,185

### Summary of Key Variances

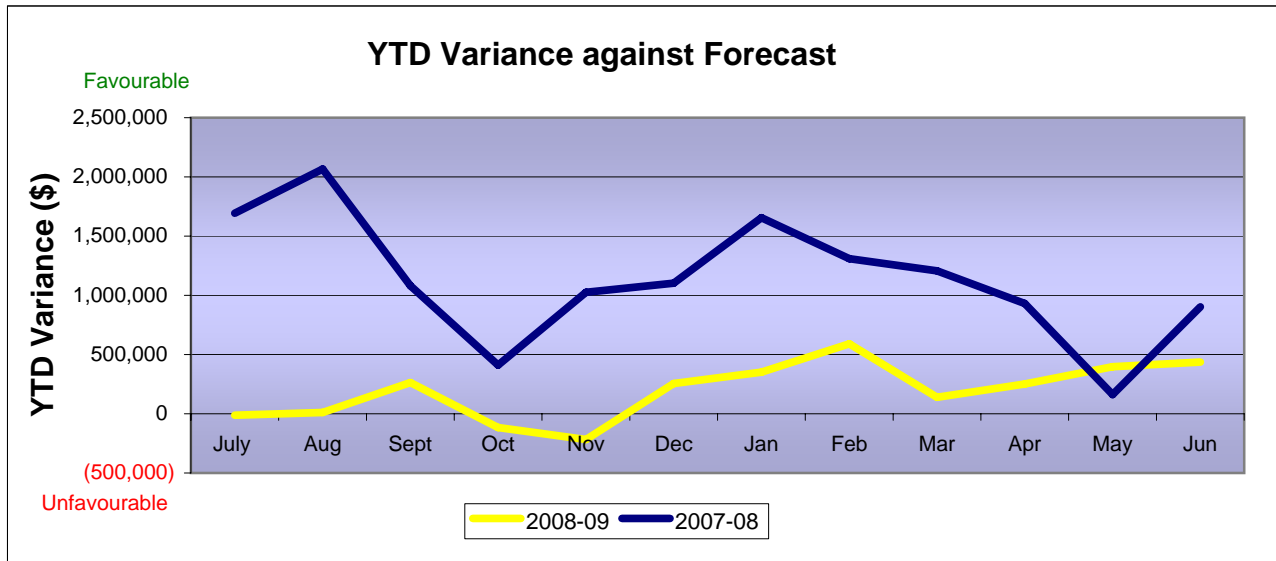
Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Impairment of Assets	(1,737)	Council has recognised an impairment charge of \$1.737M on one of the investments it holds (a floating rate note of \$3M with Deutsche Bank which has a maturity date of 23/11/2012). This is an unrealised loss and current expectations are that this loss will be written back in subsequent years as the global financial crisis recedes.	Continue monitoring Council's investments closely.
Rates	462	Rate Revenue is favourable due to the following variances: (a) general rate income is \$224K favourable largely as a result of supplementary rates; (b) Penalty interest on overdue rates is favourable by \$194K.	No action required.
Joint Venture Profits	355	Net profits recognised resulting from Council's participation in Streetsahead Joint Venture.	No action required.
Interest Income	340	Extra funds available for investment.	No action required.

Government Grants	522	Budgeted FY'10 income received in advance (FY'09).	No action required.
Wages And Salaries	191	Primarily as a result of an adjustment for long service leave (\$160K) recognising the present value of liabilities for the entire Council, as well as delays experienced while filling vacant positions within the division.	No action required.
Contract Payments	341	Primarily due to the reversal of a \$314K year end accrual picking up unposted vouchers.	No action required.

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## Community Assets and Services



Note - Target for YTD Variance against Forecast is zero.

### Financial Performance - Year Ended 30 June 2009

Operating Surplus/(Loss)					
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>June</b>	(34,200)	(34,637)	437	(34,637)	(34,076)
<b>March</b>	(25,125)	(25,264)	139	(34,638)	(34,076)

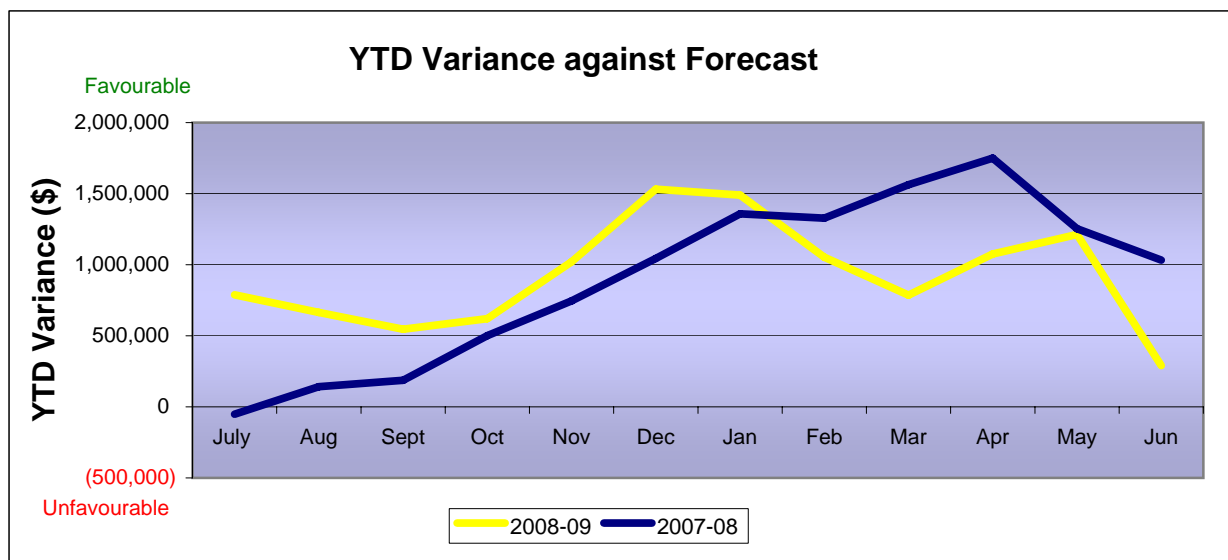
### Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Contract Income	375	Predominately within Building Services due to unbudgeted internal income from the Community Services Department for building maintenance works within the child care centres \$359K. There is corresponding expenditure within Community Services.	
Government Grants	273	Primarily due to the following within Community Services: ( a ) growth funding for assessments and Property Maintenance as well as indexation of grants \$154K. ( b ) \$30K favourable in Vacation Care as a result of a funding shift owing to program attendees having a greater proportion of additional needs. \$13K favourable in funding received in respect of emergency relief for bushfire & GFC victims.	

## Community Assets and Services

External Labour	(542)	<p><b>Community Services \$342K due to:</b>                      ( a ) Variance in Home Care of \$109K unfavourable due to increase in service demand and staffing and skill shortages.                      ( b ) Agency costs in long day care centres \$197K unfavourable, offset by favourable variances in wages and salaries. Difficulties covering staff absences and recruiting permanent staff.                      ( c ) Long-term backfill costs of children's centres has been absorbed by Office of the Manager leading to the current \$56K unfavourable variance for Manager - Community Services.</p> <p><b>Building Services \$115K due to:</b>                      ( d ) Building Maintenance external labour costs currently unfavourable due to backfilling requirements to cover vacancies, staff leave and staff working on implementing new policies such as keying systems and electronic security issues.</p>
Professional Services	(235)	<p><b>South Melbourne Market \$174K due to:</b>                      ( 1 ) Variance is partly caused by extensive engagement of contractor prior to manager appointment. This is illustrated by \$60k favourable result for salaries. The remaining \$100k overrun is the result of high legal expenses (court appeal), Committee expenses, additional valuation (addressing valuation appeals), a building survey and an unplanned feasibility study.</p> <p><b>Building Services \$156K due to:</b>                      ( 2 ) unbudgeted expenditure for consulting services within the department including:                      ( a ) projects such as the 'Response to Work Processes, Systems Issues and Re-tendering within the Building Maintenance Unit';                      ( b ) the unbudgeted architectural services for the relocation of ASSIST and the South Melbourne IT Server Room being undertaken by Special Projects.</p>
Other Expenses	494	<p><b>Community Services \$557K due to :</b>                      ( 1 ) \$57K favourable in Council-run Childcare Centres owing to a reduction in catering (children's meals) and laundry charges proportionate to temporary decrease in utilisation, decrease in transportation costs, and sourced food efficiencies achieved.                      ( 2 ) \$38K favourable in Children's Services Co-ordination due to decreased venue hire fees &amp; associated activity costs.                      ( 3 ) \$460K favourable Infrastructure Levy income (which has been transfered to reserves).</p>

## Organisation Systems and Support



Note - Target for YTD Variance against Forecast is zero.

### Financial Performance - Year Ended 30 June 2009

Operating Surplus/(Loss)					
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>June</b>	(14,800)	(15,091)	291	(15,141)	(14,575)
<b>March</b>	(9,892)	(10,678)	786	(15,092)	(14,574)

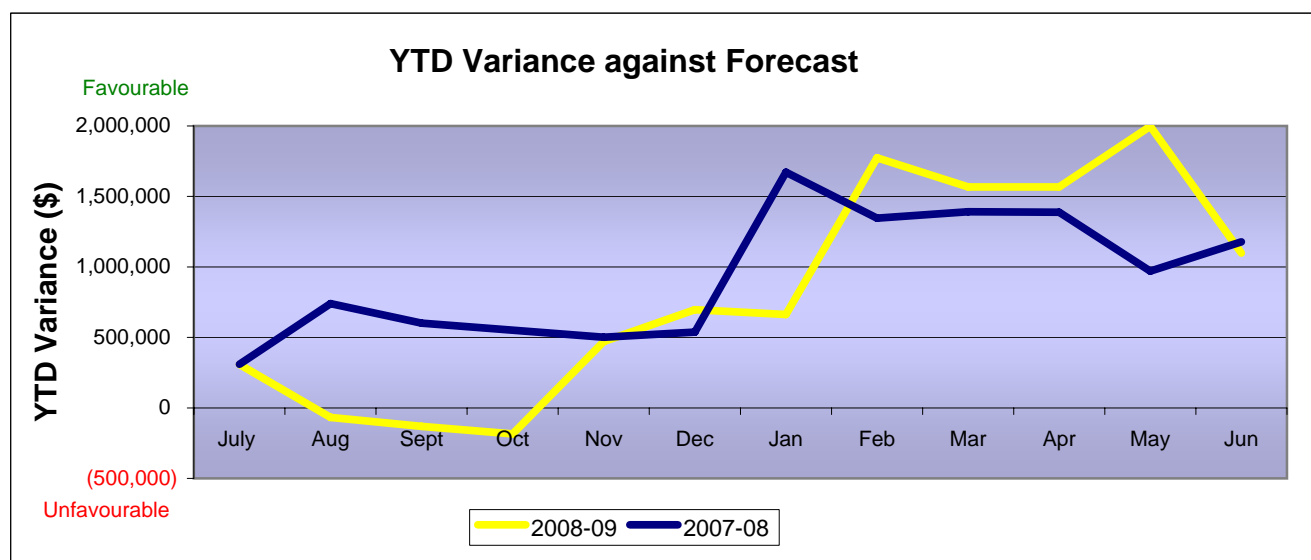
**NB:** The Communications Department was transferred to OSS from the CEO

### Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Other Income Total	176	Due to higher than expected sale of revaluation data to State Revenue Office.	No action required.
External Labour	(189)	Fairly evenly spread across each department and in the main, due to delays in appointing staff.	No action required.
Insurance	342	Due to lower than budgeted insurance premiums.	No action required.

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## Community Development and Planning



Note - Target for YTD Variance against Forecast is zero.

### Financial Performance - Year Ended 30 June 2009

Operating Surplus/(Loss)					
	YTD Actuals (\$'000)	YTD Forecast (\$'000)	Variance (\$'000)	Full Year Forecast (\$'000)	Full Year Budget (\$'000)
<b>June</b>	(736)	(1,835)	1,099	(1,835)	(1,469)
<b>March</b>	(86)	(1,653)	1,567	(2,107)	(1,469)

### Summary of Key Variances

Account Structure	Variance Fav/(Unfav) \$'000	Explanation of Variance	Management action to address variance
Other Income Total	456	Primarily due to \$475K favourable variance in Environment & Renewal resulting from: (a) Higher than anticipated income from Palais events (\$36K) and (b) traffic services - private parking (\$26K), (c) \$52K favourable Commuter Club (unbudgeted), (d) \$338K in unbudgeted developer contributions received for the Red Bears development.	
Parking Revenue	658	Pay Parking Income exceeded forecast by \$630K following a mid year budget adjustment of \$750K. Parking Fine revenue unfavourable \$28K due to higher than anticipated Pin Cancellations \$470K and unfavourable Parking Perin Doubtful Debts \$474K, offset by favourable Courtesy Letter Income \$253K and Pins Income Accrual \$673K.	

## Community Development and Planning

Government Grants	726	<p><b>Community Development \$223K due to:</b>            ( a ) \$90K unbudgeted Social Inclusion project DPCD Grant; ( b ) \$33K Community Health and Dev't - not budgeted; ( c ) \$30K Metro Access injection of unbudgeted funds from DHS; ( d ) \$20K Isepic injection of unbudgeted funds from DHS; ( e ) \$46K Linking Neighbours - not budgeted.</p> <p><b>Culture &amp; Recreation \$232K due to:</b>            ( a ) \$46K increase in funding for Yaluk Willem and St Kilda Film Festivals; ( b ) \$37K increase in JCAA grant; ( c ) \$100K due to greater than anticipated library grants including \$25K Premiers Reading Challenge, \$35K Wireless Access Program, and increase in based DPCD Grant; ( d ) SRV grants for \$10K Drought / Irrigation and \$24K St Kilda Life Saving Club feasibility.</p>	
Professional Services	(600)	<p><b>City Development \$215K due to:</b>            ( a ) External consultants are being utilised to fill ongoing FTE vacancies within Building Solutions \$181K;            ( b ) Statutory Planning \$77K due to legal advice sought including significant fees incurred from two major defences of unpredicted events/cases.</p> <p><b>Environment &amp; Renewal \$123K due to:</b>            ( a ) \$35K unfavourable Luna Park Interchange Projects due to higher than anticipated legal fees            ( b ) Overexpenditure in Sustainable Transport \$97K and Sustainable Environment \$65K which is offset by savings elsewhere in the department.</p> <p><b>Economic Development &amp; Tourism \$133K due to:</b>            higher than anticipated expenditure on the Port Phillip Business Awards and the unbudgeted trial of the safe taxi rank on Fitzroy St (partnership with State Govt).</p>	

**1,240**

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