

Expenditure Item (Brackets denote expenditure or losses)	2018/19 Budget \$	Revised Budget 2018/19 (full year operation) \$	2018/19 Variance \$
Legacy group			
Income	140,792	140,792	0
Contract Expenditure	(403,170)	(258,916)	144,254
Other Expenditure	(52,550)	(52,550)	0
Net Cost of Legacy Group	(314,927)	(170,673)	144,254
New clients			
Option 1: Delivery by Contractor			
Income	14,608	7,597	(7,010)
Contract Expenditure	(41,830)	(10,974)	30,856
Other Expenditure	(5,452)	(5,452)	0
Option 2: Café Option			
Café Subsidy		(7,597)	(7,597)
Contingency safety net		(150,000)	(150,000)
Net Cost of new Clients	(32,675)	(166,426)	(133,752)
Government grants (recurrent)	522,142	522,142	0
Staff expenditure	(502,034)	(124,192)	377,842
COUNCIL CONTRIBUTION	(327,494)	60,850	388,344

Key Financial Outcomes:

1. We expect to realise savings from new meals contract with a contractor of \$175K.
2. We re-purpose the meals contract savings for Safety Net (\$150K) in case clients ca
3. We expect a reduction in FTEs due to the new service delivery of \$377K per annum

Assumptions and Comments

- Anticipate reduction of 9% for existing clients.
 - Exiting from Community Chef contract
 - Enter agreement with a contractor expecting a 18% decrease per meal from \$15.94 to \$13.00.
 - No of meals expected 21,983 per annum.
 - Expected savings 36%.
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- Anticipate 1:1 replacement of existing clients.
 - 40% of new clients to take up existing meals service
 - Enter agreement with a contractor, expecting a 18% decrease per meal from \$15.94 to \$13.00.
 - Total no. of meals expected 21,983 per annum.
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- 60% of new clients to take up café program at \$5 per voucher plus \$1 admin
 - In case clients cannot get to café, then clients get delivery service
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- Assumes no change to Federal funding for meals program. Note, guaranteed to 2018/19 financial year.
 - Approximately 1.2 FTE required to manage new meals service model.
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- Council also provides \$208K for community groups and organisation (diversity meals).

cannot access the café.

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