

3 October 2016 Monthly Performance Report

Abstract

The Monthly Performance Report for October 2016 is designed to identify and explain any major variances to budget at an organisational level for the period ending 31 October 2016. Council's year to date operating surplus reflects a favourable variance of \$2.98 million primarily due to delayed expenditure coupled with slightly higher than budgeted income. Capital works actual expenditure is \$8.36 million compared to year to date budget of \$8.67 million. Priority projects expenditure of \$2.04 million was achieved, which is \$940,000 below budget phasing.

Council's Balance Sheet and cash position are sound and depict a satisfactory result. At the end of October, Council's cash position stood at \$104.25 million which has increased by \$9.54 million from June 2016.

Officers' recommendation

That Council resolve to receive and note the Monthly Performance Report for October 2016 (Attachment A).

**Responsible director: Marilyn Kearney
Corporate Services**

1. Purpose

The purpose of this report is to present to Council the Monthly Performance Report for October 2016. The Monthly Performance Report is designed to identify and explain major variances at an organisational level and is provided in **Attachment A**.

2. Policy implications and relevance to council plan

This report is consistent with the Council Plan 2013-17 and the Boroondara Public Health and Wellbeing Plan. In particular, the Council Plan theme of Responsible management and the strategic objective "Sound financial and risk management practices are carried out".

3. Background

The year to date annual budget referred to in this report reflects the September 2016 Amended Budget, approved by Council on 12 September 2016 which includes the carry forward funding for 2015-16 priority projects and capital works forward commitments.

4. Outline of key issues/options

Year to date actual vs. year to date Annual Original Budget

The year to date operating surplus of \$127.03 million is \$2.98 million or 2% above the September Amended Budget surplus of \$124.05 million. The year to date surplus result of \$127.03 million is due to the striking of full year annual rates. The surplus result will reduce over the course of the year as Council delivers services to the community. Forecast changes to the end of year surplus currently budgeted at \$21.91 million, if any, will be referred to Council as part of the March 2017 forecast.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$104.25 million as at 31 October 2016 which has increased by \$9.54 million from 30 June 2016. The Balance Sheet indicates a satisfactory financial position with total current assets of \$224.29 million and total current liabilities of \$30.78 million.

Please refer to **page 7 of Attachment A** for further detail.

Capital Works

Council's year to date performance in gross capital works expenditure is \$8.36 million which is \$314,000 below year to date budget phasing of \$8.67 million.

Priority Projects

Council's year to date performance in gross priority project expenditure is \$2.04 million which is \$940,000 below year to date budget phasing of \$2.98 million.

Refer to page **2 and 3 Executive overview** for graphical representation of capital works and priority projects year to date budget, actual and committed expenditure.

5. Consultation/communication

Executive Leadership Team has reviewed and approved the report.

6. Financial and resource implications

Council's current operating and cash flow position is sound.

7. Governance issues

The implications of this report have been assessed in accordance with the requirements of the Victorian Charter of Human Rights and Responsibilities.

The officers responsible for this report have no direct or indirect interests requiring disclosure.

8. Social and environmental issues

There are no direct impacts resulting from this report.

Manager: Greg Hall, Chief Financial Officer

Report officer: Callista Clarke, Senior Management Accountant

Attachment A



CITY OF BOROONDARA

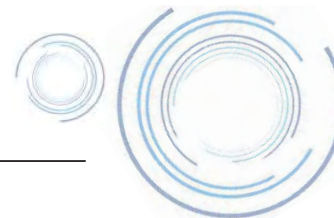
MONTHLY PERFORMANCE REPORT

OCTOBER 2016



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Monthly Performance Report – October 2016

1. Executive Overview

1.1 Introduction and overview

The Monthly Performance Report for October 2016 has been prepared in accordance with Australian Accounting Standards.

This monthly report is designed to identify major variations against the original Adopted Budget at an organisational level.

The year to date and Annual Budget referred to in this report reflects the September Amended Budget approved by Council on 12 September 2016 which includes the carry forward funding for 2015-16 priority projects and capital works forward commitments.

1.2 Key financial highlights and overview

| Key financial summary | ANNUAL ORIGINAL BUDGET \$'000 | YTD ACTUAL (1) \$'000 | YTD SEPTEMBER BUDGET (2) \$'000 | YTD VARIANCE (1) - (2) \$'000 | YTD VARIANCE (1) / (2) % | STATUS YTD VARIANCE | ANNUAL SEPTEMBER AMENDED BUDGET (3) \$'000 |
|---------------------------------------|----------------------------------|-----------------------------|---------------------------------------|-------------------------------------|--------------------------------|---------------------------|--|
| Surplus for the year | 26,606 | 127,031 | 124,052 | 2,979 | 2% | ✓ | 21,908 |
| Recurrent income | 217,010 | 186,958 | 186,031 | 927 | 0% | ✓ | 218,654 |
| Recurrent expenditure | 179,749 | 57,191 | 59,474 | 2,283 | 4% | ✓ | 180,354 |
| Capital works | | | | | | | |
| Expenditure * | 59,745 | 8,355 | 8,668 | 313 | 4% | ✓ | 51,793 |
| Priority projects | | | | | | | |
| Expenditure * | 9,350 | 2,035 | 2,975 | 940 | 32% | ✓ | 15,422 |
| Closing cash and investments** | 85,618 | 104,252 | 100,469 | 3,783 | 4% | ✓ | 98,417 |

* Please refer to page 8 for further explanation of variances.

** Refer to page 7 for further details and explanation of closing cash and investments.

Status legend:

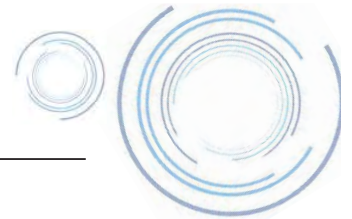
| | |
|---|--|
| ✓ | Above budgeted revenue or under budgeted expenditure. |
| — | Below budgeted revenue or over budgeted expenditure by <10%. |
| ✗ | Below budgeted revenue or over budgeted expenditure by >10%. |

The overall financial position at 31 October 2016 is satisfactory with a working capital ratio of 7.29 to 1 (including \$716,000 cash contingency for emergency response works and reserve funds of \$12.41 million).

Year to date actual vs. year to date September Amended Budget

The year to date operating surplus of \$127.03 million is \$2.98 million or 2% above the September Amended Budget surplus of \$124.05 million. The year to date surplus result of \$127.03 million is due to the striking of full year annual rates. The surplus result will reduce over the course of the year as Council delivers services to the community. Forecast changes to the end of year surplus currently budgeted at \$21.91 million, if any, will be referred to Council as part of the March 2017 forecast.

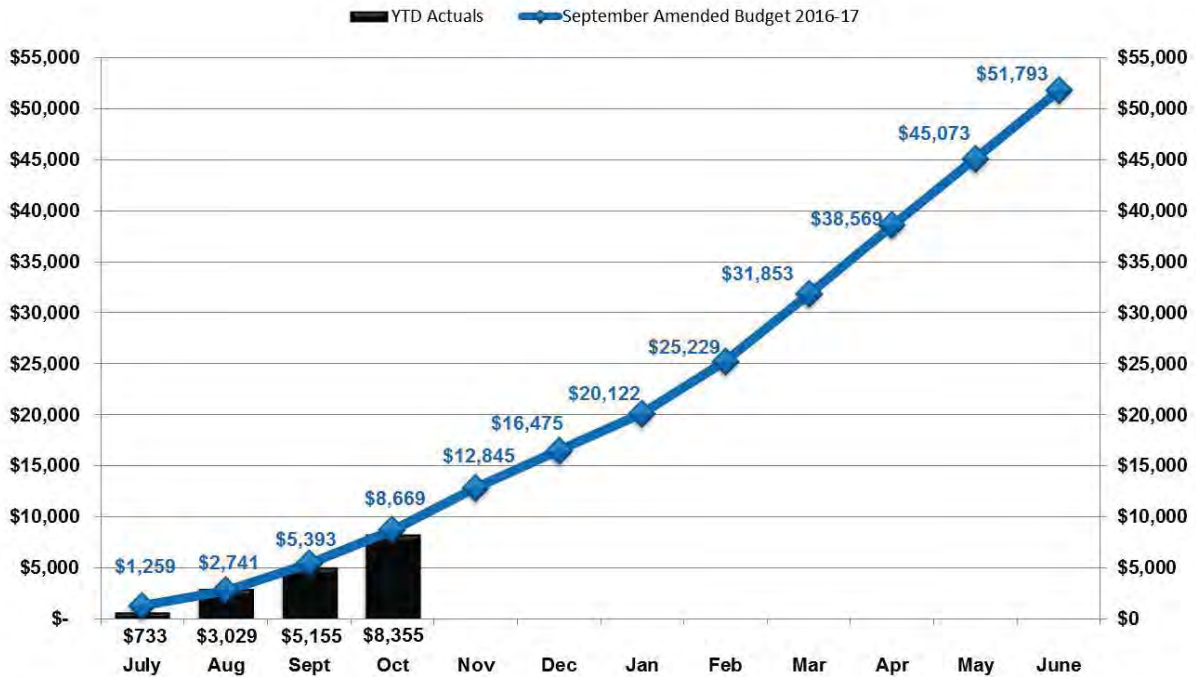
The favourable year to date variance is attributable to a number of factors which are outlined in **Section 2**.



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Capital Works

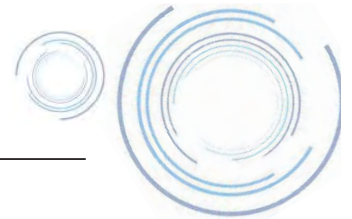
**Capital Works Projects 2016-17
Cumulative Budget Vs Actual Expenditure
All Projects - \$'000**



Council's year to date performance in gross capital works expenditure is \$8.36 million which is \$314,000 below year to date budget phasing of \$8.67 million (year to date actual and commitments as at 31 October 2016 equates to \$26.46 million).

Capital works committed expenditure as at 31 October 2016 is \$18.10 million (year to date actual and commitments equates to \$26.46 million). The committed expenditure of \$18.10 million as at 31 October 2016 indicates the level of orders placed for budgeted works is a satisfactory level of progress towards the completion of the Capital Works Program.

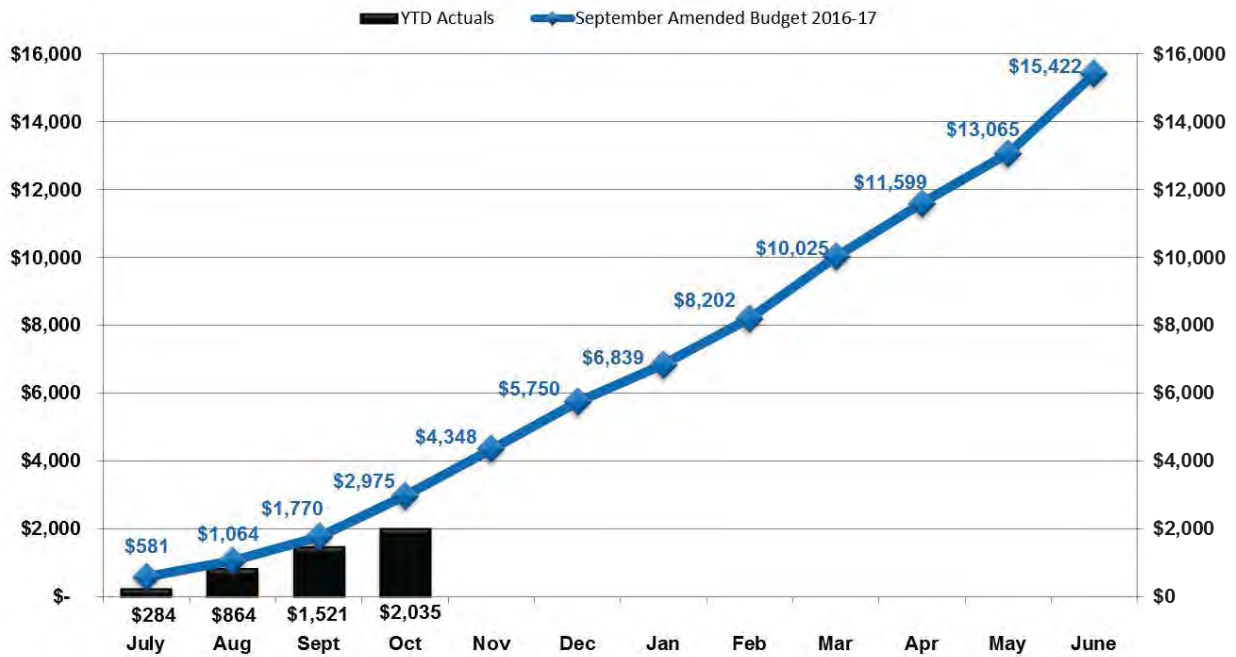
Please refer to **Section 2.4 Capital Works** for further explanation.



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Priority Projects

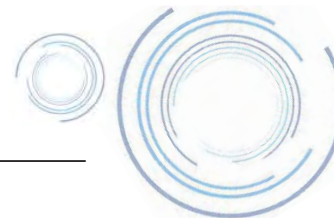
**Priority Projects 2016-17
Cumulative Budget Vs Actual Expenditure
All Projects - \$'000**



Council’s year to date performance in gross priority project expenditure is \$2.04 million which is \$940,000 below year to date budget phasing of \$2.98 million (year to date actual and commitments as at 31 October 2016 equates to \$7.47 million).

Priority projects committed expenditure as at 31 October 2016 is \$5.44 million (year to date actual and commitments equates to \$7.47 million). The committed expenditure of \$5.44 million as at 31 October 2016 indicates the level of orders placed for budgeted works is a satisfactory level of progress towards the completion of the Priority Projects Program.

Please refer to **Section 2.3 Priority Projects** for further explanation.



Monthly Performance Report – October 2016

Financial overview

2.1 Income Statement

The year to date operating surplus of \$127.03 million is \$2.98 million or 2% above the year to date September Amended Budget surplus of \$124.05 million. The year to date surplus result of \$127.03 million is due to the striking of full year annual rates. The surplus result will reduce over the course of the year as Council delivers services to the community. Forecast changes to the end of year surplus currently budgeted at \$21.91 million, if any, will be referred to Council as part of the March 2017 forecast.

Year to date total recurrent and non-recurrent income is \$626,000 (\$927,000 - \$301,000) above budget while year to date total recurrent and non-recurrent expenditure is \$3.22 million (\$2.28 million + \$940,000) below budget.

The following table only includes explanations on major income and expenditure line variances over \$75,000 against the year to date budget.

| Definitions |
|---|
| <p>Timing (T) = Year to date expenditure or income level is less/more than anticipated in the budget phasing. Anticipated this variance will correct by end of financial year without management action.</p> |
| <p>Permanent (P) = The dollars outlined as a permanent variance are anticipated to add/reduce the end of year result.</p> |
| <p>Forecast = Where a permanent variance has been determined, an expected full year forecast variance has been noted.</p> |
| <p>Phasing = When anticipated spread of expenditure/income across the financial year is expected to be spent/received.</p> |

Year to date actual vs. year to date budget variations.

| Income | | |
|--|---|---|
| Income line | Expected variance (P)ermanent (T)iming | Explanation Year to date actual vs year to date budget variations |
| Rates and charges (including waste) (\$93,000) | T | <p>Lower than budgeted income:</p> <ul style="list-style-type: none"> (\$93,000) - general rates and charges. |



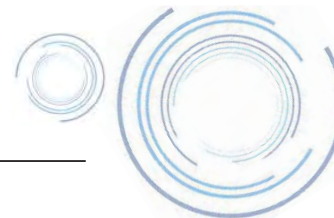
Monthly Performance Report – October 2016

| Income | | |
|---------------------------------------|--|---|
| Income line | Expected variance (P)ermanent (T)iming | Explanation Year to date actual vs year to date budget variations |
| Statutory fees and fines \$347,000 | T T | <p>Higher than budgeted income:</p> <ul style="list-style-type: none"> \$106,000 - parking management - primarily in fines income. \$80,000 - Perin court charges - infringement income. <p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the higher than budgeted variance includes other minor favourable variances across a number of line items.</i></p> |
| User Fees (\$333,000) | T | <p>Lower than budgeted income:</p> <ul style="list-style-type: none"> (\$133,000) - service fees and charges - primarily in Infrastructure Services and Health, Active Ageing and Disability Services. <p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the higher than budgeted variance includes other minor favourable variances across a number of line items.</i></p> |
| Grants - Operating \$147,000 | T | <p>Higher than budgeted income:</p> <ul style="list-style-type: none"> \$147,000 - primarily in Health, Active Ageing & Disability services grant being ahead of year to date planned budget phasing. |
| Contributions - cash \$528,000 | T/P | <p>Higher than budgeted income:</p> <ul style="list-style-type: none"> \$569,000 - developers open space contributions ahead of year to date planned budget phasing. <p><i>Note: Officers will continue to monitor the likely timing of receipts. The nature of these payments makes timing difficult to predict.</i></p> |
| Rental income (\$141,000) | T | <p>Lower than budgeted income:</p> <ul style="list-style-type: none"> (\$142,000) - lease income - primarily in Hawthorn Arts Centre, Camberwell Fresh Food Market and Leasing. |
| Other income \$229,000 | T T | <p>Higher than budgeted income:</p> <ul style="list-style-type: none"> \$62,000 - traffic road closure income. \$69,000 - right of ways income. <p><i>Note: Only significant variances have been explained. In addition to the above, the higher than budgeted variance includes other minor favourable variances across a number of line items.</i></p> |
| Interest \$243,000 | T T | <p>Higher than budgeted income:</p> <ul style="list-style-type: none"> \$167,000 - interest on investments. \$76,000 - rates interest. |



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| Expenditure | | |
|--|--|--|
| Expense line | Expected variance (P)ermanent (T)iming | Explanation Year to date actual vs year to date budget variations |
| Employee costs \$896,000 | T T T | <p>Lower than budgeted expenditure:</p> <ul style="list-style-type: none"> \$1.82 million - salaries and associated costs primarily due to staff vacancies across the organisation. <p>Partially offset by higher expenditure:</p> <ul style="list-style-type: none"> (\$330,000) - overtime, casuals and relievers filling vacancies across the organisation. (\$646,000) - temporary staff filling vacancies across the organisation. |
| Other Expenses \$173,000 | T T T | <p>Lower than budgeted expenditure:</p> <ul style="list-style-type: none"> \$114,000 - training across the organisation. \$105,000 - leased assets (operating) primarily in centralised printing assets being ahead of year to date planned budget phasing. <p>Partially offset by higher expenditure:</p> <ul style="list-style-type: none"> (\$109,000) - timing of special rates expenditure. |
| Materials and services \$1.21 million | T T T T T T T | <p>Lower than budgeted expenditure:</p> <ul style="list-style-type: none"> \$131,000 - trade services. \$126,000 - legal fees. \$114,000 - electricity expense. \$578,000 - capital works in progress (items expensed due to not meeting the asset capitalisation criteria - this is a non-cash accounting entry). <p>Offset by higher than budgeted expenditure:</p> <ul style="list-style-type: none"> (\$118,000) - footpaths and roads - concrete. (\$88,000) - perin court filing fees. (\$97,000) - software licences, maintenance and contracts. <p><i>Note: Only variances greater than \$75,000 have been explained. In addition to the above, the lower than budgeted variance includes other minor favourable variances across a number of account line items primarily due to timing.</i></p> |



Monthly Performance Report – October 2016

2.2 Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$104.25 million as at 31 October 2016 which has increased by \$9.54 million from 30 June 2016.

Total cash and investment holdings are \$3.78 million higher than year to date budget primarily due to:

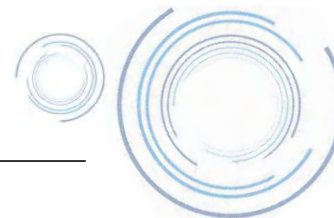
- Higher than budgeted rates and charges of \$1.41 million due to timing and higher collection rate (36.84%) than anticipated (35%).
- Higher than budgeted developer open space contributions of \$629,000.
- Fire services property levies received of \$317,000. Council collects the fire service property levy on behalf of the State Government and remits the levies to the State Revenue Office in four payments in accordance with Section 41(1) of Fire Services Property Levy Act (FSPL). This item is not provided for in the Annual Budget as all monies received during the financial year are forwarded on to the State Revenue Office. The accounting treatment is in accordance with that approved by the Victorian Auditor-General's Office.
- Employee costs are lower than budgeted primarily due to department restructures and staff vacancies across the organisation.
- Materials and service lower than budgeted due to timing of outflows \$1.91 million.

Partially offset by:

- Lower than budgeted user charges (\$2.13 million) due to the timing and settlement of debtors.
- Capital grants lower than expected due to budgeted phasing (\$335,000).

The Balance Sheet as at 31 October 2016 indicates a satisfactory result with total current assets of \$224.29 million and total current liabilities of \$30.78 million.

The working capital ratio of 7.29 to 1 (includes \$716,000 cash contingency for emergency response works and reserve funds of \$12.41 million) reflects the increase in current debtors resulting from the striking of the rates which will diminish over the course of the year as Council funds its operating programs and capital works. The rate debt will be repaid over the remainder of the financial year in accordance with the payment options chosen by ratepayers.



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2.3 Priority Projects

Council's year to date performance in gross priority project expenditure is \$2.04 million which is \$940,000 below year to date budget phasing due to expenditure delays spread across a number of projects, the most significant being:

- **80821 - Digital Transformation (\$424,000)**

There has been a delay in the implementation of resources and procurement activities however other project activity is on schedule. The payment of invoices is also below planned budget phasing for the Design and Build Services contract and will self-correct in November.

Priority projects committed expenditure as at 31 October 2016 is \$5.44 million (year to date actual and commitments equates to \$7.47 million).

Refer to **page 3 Executive overview** for graphical representation of priority projects year to date budget, actual and committed expenditure.

2.4 Capital Works

Council's year to date performance in gross capital works expenditure is \$8.36 million which is \$314,000 below year to date budget phasing primarily due to expenditure delays, most significant being:

- **72299 - Street tree planting program (\$156,000)**

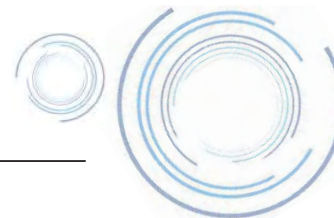
The Street Tree Planting Program for 2016-17 is behind schedule. Planting lists are being formalised and all works will be completed by the end of the financial year.

- **72338 - Camberwell United Tennis Club (\$235,000)**

Start of construction was delayed and commenced in late July 2016. The project is scheduled for completion in May 2017.

Capital works committed expenditure as at 31 October 2016 is \$18.10 million (year to date actual and commitments equates to \$26.46 million).

Refer to **page 2 Executive overview** for graphical representation of capital works year to date budget and actual expenditure.



Monthly Performance Report – October 2016

3. Financial statements

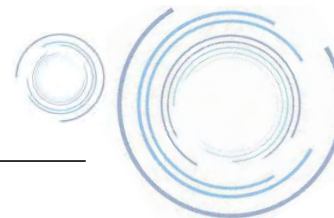
3.1 Income Statement

| | ANNUAL ORIGINAL BUDGET | YTD ACTUAL (1) | YTD SEPTEMBER BUDGET (2) | YTD VARIANCE (1) - (2) | YTD VARIANCE | ANNUAL SEPTEMBER AMENDED BUDGET (3) |
|---|------------------------------|----------------------|-----------------------------------|------------------------------|-----------------|---|
| | \$'000s | \$'000s | \$'000s | \$'000s | % | \$'000s |
| Recurrent income | | | | | | |
| Rates and charges | 166,223 | 166,384 | 166,477 | (93) | 0% | 166,621 |
| Statutory fees and fines | 13,086 | 4,944 | 4,597 | 347 | 8% | 13,146 |
| User fees | 14,285 | 4,652 | 4,985 | (333) | -7% | 14,329 |
| Grants - operating | 13,803 | 5,763 | 5,616 | 147 | 3% | 13,836 |
| Contributions - cash | 2,260 | 2,697 | 2,169 | 528 | 24% | 3,460 |
| Rental income | 2,869 | 636 | 777 | (141) | -18% | 2,676 |
| Other income | 2,154 | 949 | 720 | 229 | 32% | 2,216 |
| Interest | 2,330 | 933 | 690 | 243 | 35% | 2,370 |
| Total recurrent income | 217,010 | 186,958 | 186,031 | 927 | 0% | 218,654 |
| Recurrent expenditure | | | | | | |
| Employee costs | 79,513 | 25,063 | 25,959 | 896 | 3% | 80,230 |
| Materials and services | 53,002 | 16,740 | 17,946 | 1,206 | 7% | 53,029 |
| Bad and doubtful debts | 1,119 | 7 | 15 | 8 | 53% | 1,119 |
| Depreciation and amortisation | 32,391 | 10,723 | 10,723 | - | 0% | 32,182 |
| Finance costs | 2,534 | 872 | 872 | - | 0% | 2,534 |
| Other expenses | 11,190 | 3,786 | 3,959 | 173 | 4% | 11,260 |
| Total recurrent expenditure | 179,749 | 57,191 | 59,474 | 2,283 | 4% | 180,354 |
| Net recurrent operating surplus | 37,261 | 129,767 | 126,557 | 3,210 | 3% | 38,300 |
| Non-recurrent income | | | | | | |
| Priority projects income | 150 | 113 | 126 | (13) | -10% | 494 |
| Capital works income | 1,545 | 56 | 344 | (288) | -84% | 1,536 |
| Total non-recurrent income | 1,695 | 169 | 470 | (301) | -64% | 2,030 |
| Non-recurrent expenditure | | | | | | |
| Priority projects expenditure | 9,350 | 2,035 | 2,975 | 940 | 32% | 15,422 |
| Total non-recurrent expenditure | 9,350 | 2,035 | 2,975 | 940 | 32% | 15,422 |
| Net non recurrent operating surplus (deficit) | (7,655) | (1,866) | (2,505) | 639 | -26% | (13,392) |
| Net gain (loss) on disposal of property, infrastructure, plant and equipment | (3,000) | (870) | - | (870) | 100% | (3,000) |
| Surplus for the year ¹ | 26,606 | 127,031 | 124,052 | 2,979 | 2% | 21,908 |

Note: All numbers are rounded to the nearest thousand.

1. The year to date surplus result of \$127.03 million is due to the striking of full year annual rates. The surplus result will reduce over the course of the year as Council delivers services to the community.

Refer to **Section 2 Financial Overview** for details on Council's financial performance.



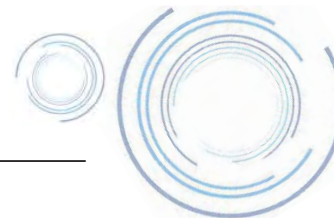
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3.2 Balance Sheet

| | 31 Oct 2016 | 30 Jun 2016 | 31 Oct 2015 |
|---|------------------|------------------|------------------|
| | \$'000 | \$'000 | \$'000 |
| Current assets | | | |
| Cash and cash equivalents ¹ | 104,252 | 38,211 | 80,177 |
| Other financial assets ¹ | - | 56,500 | - |
| Trade and other receivables | 119,185 | 11,201 | 116,948 |
| Prepayments | 857 | 1,293 | 648 |
| Total current assets | 224,294 | 107,205 | 197,773 |
| Non-current assets | | | |
| Trade and other receivables | 27 | 27 | 60 |
| Financial assets | 4 | 4 | 4 |
| Property, plant and equipment, infrastructure | 3,300,233 | 3,303,521 | 2,720,606 |
| Intangible assets | 739 | 739 | 241 |
| Investment property | 8,713 | 8,713 | 9,276 |
| Total non-current assets | 3,309,716 | 3,313,004 | 2,730,187 |
| Total assets | 3,534,010 | 3,420,209 | 2,927,960 |
| Current liabilities | | | |
| Trade and other payables | 8,654 | 21,381 | 7,570 |
| Interest-bearing loans and borrowings | 3,082 | 4,049 | 2,936 |
| Provisions | 15,423 | 15,274 | 15,127 |
| Trust funds and deposits | 3,521 | 3,204 | 3,541 |
| Prepaid income | 101 | 103 | 94 |
| Total current liabilities | 30,781 | 44,011 | 29,268 |
| Non-current liabilities | | | |
| Provisions | 1,986 | 1,986 | 2,003 |
| Interest-bearing loans and borrowings | 48,948 | 48,948 | 52,997 |
| Investments in associates | 739 | 739 | 1,264 |
| Total non-current liabilities | 51,673 | 51,673 | 56,264 |
| Total liabilities | 82,454 | 95,684 | 85,532 |
| Net assets | 3,451,556 | 3,324,525 | 2,842,428 |
| Equity | | | |
| Accumulated surplus | 967,912 | 844,634 | 925,762 |
| Asset revaluation reserve | 2,471,233 | 2,471,233 | 1,908,058 |
| Reserves ² | 12,411 | 8,658 | 8,608 |
| Total equity | 3,451,556 | 3,324,525 | 2,842,428 |
| Working capital ratio | 7.29 | | |

Note: All numbers are rounded to the nearest thousand.

1. Cash reflects balances in the general ledger not actual bank account balances.
2. Reserve funds comprise of Strategic Acquisition Fund (\$434,000), Open Space Development Fund (\$7.69 million), Defined Benefits Superannuation future call up reserve (\$4.00 million) and Drainage reserve (\$283,000).



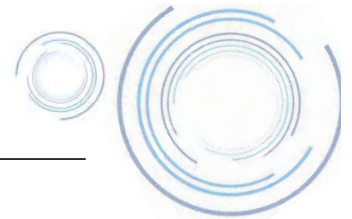
Monthly Performance Report – October 2016

3.3 Statement of Cash Flows

| | ANNUAL ORIGINAL BUDGET | YEAR TO DATE | | | ANNUAL SEPTEMBER AMENDED BUDGET |
|--|------------------------------|-----------------|-----------------|--------------|--|
| | | YTD | YTD | YTD | |
| | | ACTUAL | ANNUAL | VARIANCE | |
| | \$'000 | (1) | (2) | (unfav) | \$'000 |
| | | (1) | (2) | (1) - (2) | |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | | |
| Rates and waste charges ¹ | 166,123 | 59,728 | 58,316 | 1,412 | 166,521 |
| Statutory fees and fines | 11,917 | 4,414 | 4,581 | (167) | 12,077 |
| User charges and other fines ² | 15,879 | 3,354 | 5,484 | (2,130) | 15,927 |
| Grants - operating | 14,755 | 5,994 | 6,169 | (175) | 14,957 |
| Grants - capital ³ | 1,545 | 10 | 345 | (335) | 1,506 |
| Contributions - monetary ⁴ | 2,260 | 2,798 | 2,169 | 629 | 3,490 |
| Interest received | 2,330 | 831 | 688 | 143 | 2,370 |
| Other receipts | 5,525 | 1,708 | 1,683 | 25 | 5,591 |
| Net GST refund | 9,740 | 4,046 | 2,905 | 1,141 | 9,785 |
| Trust funds and deposits taken ⁵ | 99 | 317 | - | 317 | 85 |
| Employee costs ⁶ | (81,563) | (27,283) | (28,255) | 972 | (82,094) |
| Materials and services ⁷ | (68,311) | (24,115) | (26,021) | 1,906 | (75,879) |
| Other payments | (12,189) | (4,143) | (4,313) | 170 | (12,254) |
| Net cash provided by operating activities | 68,110 | 27,660 | 23,751 | 3,909 | 62,082 |
| Cash flows from investing activities | | | | | |
| Payments for property, infrastructure, plant and equipment | (59,745) | (16,799) | (16,668) | (131) | (51,793) |
| Proceeds from sale of property, plant and equipment | - | 3 | - | 3 | - |
| Payments of loans and advances | - | 4 | - | 4 | - |
| Net cash used in investing activities | (59,745) | (16,792) | (16,668) | (124) | (51,793) |
| Cash flows from financing activities | | | | | |
| Finance costs | (2,534) | (360) | (358) | (2) | (2,534) |
| Repayment of borrowings | (4,049) | (967) | (967) | - | (4,049) |
| Net cash provided by (used in) financing activities | (6,583) | (1,327) | (1,325) | (2) | (6,583) |
| Net increase (decrease) in cash and cash equivalents | 1,782 | 9,541 | 5,758 | 3,783 | 3,706 |
| Cash and cash equivalents at beginning of year | 83,836 | 94,711 | 94,711 | - | 94,711 |
| Cash and cash equivalents at end of year | 85,618 | 104,252 | 100,469 | 3,783 | 98,417 |

Note: All numbers are rounded to the nearest thousand.

1. Rates and waste charges are higher than budget due to timing and a higher collection rate (36.84%) than anticipated (35%).
2. Lower than budgeted user charges \$2.13 million due to the timing and settlement of debtors.
3. Lower than budgeted capital grants received (\$335,000) due to timing being ahead of planned budget phasing.
4. Developer contributions \$629,000 higher than budgeted due to additional contributions received during the year.
5. Trust funds and deposits includes the fire services property levy received which relates to the timing of fire services property levy and levy interest amounts received and subsequently remitted to the State Revenue Office (SRO) which are to be made in four payments in accordance with Section 41(1) of the FSPL Act. An instalment is due and payable to the Commissioner of State Revenue 28 days after the due date of rates instalments. Levy monies are to be remitted to the SRO by the following dates each financial year - 28 October; 28 December; 28 March; and 28 June.
6. Employee costs are \$972,000 lower than budgeted primarily due to department restructures and staff vacancies across the organisation.
7. Materials and services lower than budget due to timing of outflows \$1.91 million.



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3.4 Capital Works expenditure by asset group

| | ANNUAL ORIGINAL BUDGET | YTD ACTUAL (1) | YTD SEPTEMBER BUDGET (2) | YTD VARIANCE (1) - (2) | YTD VARIANCE % | COMMIT | ANNUAL SEPTEMBER AMENDED BUDGET (4) |
|--|------------------------------|----------------------|-----------------------------------|------------------------------|----------------------|---------------|---|
| | \$'000s | \$'000s | \$'000s | \$'000s | % | \$'000s | \$'000s |
| Infrastructure | | | | | | | |
| Bridges | 56 | - | - | - | 0% | - | 56 |
| Drainage | 4,646 | 645 | 464 | (181) | -39% | 254 | 4,660 |
| Footpaths and cycleways | 1,885 | 341 | 294 | (47) | -16% | 163 | 2,045 |
| Off street carparks | 1,291 | 101 | 105 | 4 | 4% | 4 | 1,371 |
| Parks, open space and streetscapes | 4,053 | 331 | 498 | 167 | 34% | 497 | 3,834 |
| Recreational, leisure & com facilities | 1,861 | 179 | 113 | (66) | -58% | 218 | 1,882 |
| Roads | 10,007 | 1,963 | 2,030 | 67 | 3% | 343 | 10,007 |
| Total Infrastructure | 23,799 | 3,560 | 3,504 | (56) | -2% | 1,479 | 23,855 |
| Plant and Equipment | | | | | | | |
| Computers and telecommunications | 2,379 | 430 | 750 | 320 | 43% | 562 | 2,934 |
| Fixtures, fittings and furniture | 163 | 102 | 74 | (28) | -38% | 3 | 193 |
| Library books | 1,080 | 288 | 425 | 137 | 32% | 53 | 985 |
| Plant machinery and equipment | 1,409 | 415 | 305 | (110) | -36% | 105 | 1,462 |
| Total Plant and Equipment | 5,031 | 1,235 | 1,554 | 319 | 21% | 723 | 5,574 |
| Property | | | | | | | |
| Building | 29,992 | 3,306 | 3,316 | 10 | 0% | 15,867 | 21,673 |
| Building improvements | 715 | 250 | 294 | 44 | 15% | 32 | 691 |
| Land improvements | 208 | 4 | - | (4) | 100% | - | - |
| Total Property | 30,915 | 3,560 | 3,610 | 50 | 1% | 15,899 | 22,364 |
| Total capital works expenditure | 59,745 | 8,355 | 8,668 | 313 | 4% | 18,101 | 51,793 |
| Represented by: | | | | | | | |
| Asset renewal expenditure | 42,540 | 7,398 | 7,418 | 20 | 0% | 5,209 | 38,357 |
| Asset upgrade expenditure | 1,777 | 154 | 210 | 56 | 27% | 64 | 1,509 |
| New asset expenditure | 14,336 | 751 | 1,040 | 289 | 28% | 11,928 | 10,835 |
| Asset expansion expenditure | 1,092 | 52 | - | (52) | 100% | 900 | 1,092 |
| Total capital works expenditure | 59,745 | 8,355 | 8,668 | 313 | 4% | 18,101 | 51,793 |

Note: All numbers are rounded to the nearest thousand.