Project Number	Project	Asset Class	Percent Complete	Status	2019/20 Approved Budget	2019/20 Carryover	Approved Budget + 2019/20 Carryover	Approved Budget (Last Posted Forecast)	Proposed Carryover 20/21	Proposed Forecast (excl Proposed Carryover 20/21)	Variance (between Proposed Forecast and Approved Budget	YTD Actual Expenditure	Variance (between YTD Actuals and Proposed Forecast	PROGRESS COMMENTS	Risk
Buildings & Property															
100124	Cowes Cultural and Community Centre (detailed design)	Buildings and Property	10%	Multi-Year	-	429,410	429,410	629,330		961,664	332,334	37,611	924,053	Council has elected to pursue design of new building as per detailed report presented at Ordinary Meeting on 16 October 2019. This is a Multi Year project.	
100121	Cowes Cultural & Community Centre (stage 1 constr - Tenancy)	Buildings and Property	100%	Completed	-	-	-	-		-	-	2,710	-2,710	Project completed in July 2019.	
100247	Bass Valley integrated children's centre	Buildings and Property	100%	Completed	-	11,000	11,000	11,000		(1,300)	(12,300)	9,700	-11,000	Project completed in July 2019.	
100388	Buildings - WUCAC Air Conditioning replacement	Buildings and Property	100%	Completed	-	-	-	9,905		9,905	-	9,905		Project completed in July 2019.	
100390	Buildings - Leisure Centre Change Room roof replacement	Buildings and Property	100%	Completed	-	-	-	1,314		1,314	-	1,314		Project completed in July 2019.	
100392	Buildings - Building renewal design program for next year	Buildings and Property	80%	Planning/Design/Approval	-	51,371	51,371	51,371		51,370	(0)	15,139	36,231	Designs for seven community halls are underway to improve accessibility and	
100393	Buildings - Phillip Island Football Club change rooms	Buildings and Property	100%	Completed	-	10,000	10,000	10,000		10,000	0	5,813	4,187	Project completed in July 2019.	
100395	Buildings - Wonthaggi Depot	Buildings and Property	100%	Completed	-	10,000	10,000	10,000		10,000	1	9,793	207	Project completed January 2020.	
100396	Buildings - Dalyston Pavilion replacement	Buildings and Property	90%	Underway	-	20,000	20,000	20,000		20,000	0	16,269	3,731	New Pavilion was completed in July 2019. Further works are dependant on	
100397	Buildings - Shaft 20	Buildings and Property	100%	Completed	-	-	-	334		(0)	(334)	334	-334	Project completed in July 2019.	
100475	100KW Solar PV Wonthaggi Civic Centre	Buildings and Property	100%	Completed	-	-	-	(0)		62	62	62		Project completed in July 2019.	
100476	Wonthaggi United Soccer Club Detailed Design	Buildings and Property	90%	Planning/Design/Approval	-	21,161	21,161	20,853		14,592	(6,261)	14,592		Detailed design has been completed.	
100480	Phillip Island Croquet Club Pavilion Detailed Design	Buildings and Property	5%	Planning/Design/Approval	-	23,500	23,500	23,501		274	(23,227)	274		Project brief has been developed.	
100481	Wonthaggi Croquet Club Pavilion Detailed Design	Buildings and Property	90%	Planning/Design/Approval	-	23,373	23,373	23,373		24,473	1,100	16,332	8,141	Detailed design has been completed.	
100482	Wonthaggi Angling and Tennis Club Detailed Design	Buildings and Property	90%	Planning/Design/Approval	-	14,241	14,241	14,241		12,025	(2,216)	12,025		Detailed design has been completed.	
100484	Cowes PICAL building	Buildings and Property	5%	Carried Over	1,500,000	74,521	1,574,521	1,574,520	1,398,817	175,704	(1,398,817)	15,704	160,000	Further discussions occurring with PICAL and Councillors as to preferred location for new building. This is a Multi Year project.	
100500	Buildings - Renewal Design for 20/21 (DNU REALLOCATED)	Buildings and Property	100%	Removed/Amalgamated	150,000	-	150,000	-		-	-	-		Program budget has been allocated to projects 100528, 100529 and 100530.	
100528	Buildings - Renewal Design 2020/21 Drysdale Street Kinder	Buildings and Property	0%	Not started	-	-	-	50,000		50,000	-	137	49,863	Reallocation from Building Renewal Design Program budget. Design being prepared.	
100529	Buildings - Renewal Design 2020/21 Inverloch Kinder	Buildings and Property	0%	Not started	-	-	-	50,000		50,000	-	-	50,000	Reallocation from Building Renewal Design Program budget. Design being	
100530	Buildings - Renewal Design 2020/21 The Hub Inverloch	Buildings and Property	5%	Planning/Design/Approval	-	-	-	50,000		50,000	-	3,627	46,373	Reallocation from Building Renewal Design Program budget. Design being	
100531	Buildings - Old CFA Roof Renewal Wonthaggi	Buildings and Property	100%	Completed	-	-	-	65,000		65,812	811	50,812	15,000	New Project - Redistribution from Dalyston Netball Courts (100096). Works	
100589	Wonthaggi Historical Society Building Expansion	Buildings and Property	45%	Planning/Design/Approval	-	200,000	200,000	200,000		200,370	370	370	200,000	Detailed design is complete. Additional funding for project is being sought	
100609	Building Renewal - Councill Meeting Rooms	Buildings and Property	0%	Not started	100,000	-	100,000	100,000		160,000	60,000	137	159,863	Project scheduled to commence in quarter 3.	
100617	Land Acquisition - Commerical confidence	Buildings and Property	30%	Underway	-	-	-	-		80,000	80,000	80,000		New project 19/20. Land acquisition process has commenced.	
100539	WUCAC Accessible Lift	Buildings and Property	100%	Completed	-	-	-	-		54,971	54,971	-	54,971	Project completed in July 2019.	
Total Buildings & Property			**25**	**25**	**1,750,000**	**888,577**	**2,638,577**	**2,914,741**	**1,398,817**	**2,001,236**	**(913,505)**	**302,659**	**1,698,576**		
Open Space															
100096	Dalyston Recreation Reserve Netball Courts Renewal	Open Space	100%	Removed/Amalgamated	700,000	-	700,000	-		-	-	-		Renewal of the Dalyston netball courts is unable to be delivered due to additional master planning requirements for the recreation reserve. Budget reallocated to next highest priority infrastructure renewal projects (100531, 100532 & 100533).	
100251	Cowes Jetty Triangle and Piazza redevelopment (design & cons	Open Space	100%	Completed	-	121,411	121,411	21,410		68,650	47,240	23,650	45,000	Project completed July 2019. Surplus funds were reallocated to the Cowes Transit Centre project (100120) to offset additional value add works.	
100383	Public Art Program	Open Space	15%	Planning/Design/Approval	50,000	-	50,000	51,320		50,000	(1,320)	6,320	43,680	A meeting has been held with the Working Group and another to be held	
100384	Inverloch Sound Shell (contribution)	Open Space	45%	Planning/Design/Approval	-	184,314	184,314	184,314		184,314	(0)	4,505	179,809	Development of detailed design is being led by the Lions Club of Inverloch	
100386	Olive Justice Park Master Plan	Open Space	0%	Not started	-	25,000	25,000	25,000	25,000	-	(25,000)	-		Scope of project is being determined. Master Plan to be completed by end of quarter 4.	
100387	Beachcomber YCW Activity Area Master Plan, BBQ Shelter & Pic	Open Space	45%	Underway	115,614	-	115,614	115,614		115,614	0	6,793	108,822	Detailed design completed. Expected completion in quarter 3.	
100399	Recreation Group - Open Space Network Assets (DNU split PJs)	Open Space	100%	Completed	-	-	-	0		0	0	133,179	-133,179	Project completed in July 2019.	
100400	Marine Structures Renewal (new program)	Open Space	10%	Planning/Design/Approval	-	195,463	195,463	195,463		195,463	1	24,733	170,730	Mahers Landing completed August 2019. Rhyll Jetty construction works	
100401	Recreation Group - Cowes Skate Park replacement	Open Space	100%	Completed	-	327,937	327,937	327,938		327,937	(0)	271,166	56,771	Project completed in July 2019.	
100402	Recreation Group - Cowes Netball Court Renewal	Open Space	100%	Completed	-	105,908	105,908	105,908		105,907	(0)	34,157	71,750	Project completed in October 2019.	
100405	Recreation Group - Inverloch retaining wall - /Millar Terrac	Open Space	100%	Completed	-	-	-	4,485		4,485	-	4,485		Project completed in July 2019.	
100406	Recreation Group - Harold Hughes Reserve - Playground renewa	Open Space	10%	Planning/Design/Approval	50,000	-	50,000	50,000		49,999	(1)	427	49,572	Project brief completed.	
100453	Grantville Tennis Court (Grantville Recreation Reserve)	Open Space	100%	Removed/Amalgamated	-	-	-	142		0	(141)	464	-464	Duplicated with project 100578.	
100459	Regional Skate Park & Play Space	Open Space	5%	Planning/Design/Approval	1,523,000	208,000	1,731,000	1,731,000		1,753,492	22,492	22,492	1,731,000	Community consultation and preliminary concept development has	
100460	Corinella Skate Park	Open Space	100%	Completed	-	46,008	46,008	40,326		40,326	-	40,326		Project completed in July 2019.	
100461	Grantville Skate Park	Open Space	100%	Completed	-	20,000	20,000	20,000		20,000	-	20,000		Project completed in July 2019.	
100477	Playground Detailed Design	Open Space	70%	Planning/Design/Approval	-	44,154	44,154	44,154		31,854	(12,300)	31,854		Detailed design is being developed for the Guide Park in Wonthaggi.	
100478	Bass Coast Rail Trail Signage & Seating Detailed Design	Open Space	95%	Planning/Design/Approval	-	27,000	27,000	27,000		24,773	(2,227)	15,528	9,245	Detailed design has been completed.	
100490	Wonthaggi Activity Centre Plan priorities 2019/20	Open Space	5%	Planning/Design/Approval	500,000	-	500,000	500,000		300,000	(200,000)	1,123	298,877	Scope of works is being determined, subject to the outcome of Wonthaggi	
100492	Bass Field Lighting	Open Space	5%	Planning/Design/Approval	44,200	-	44,200	44,200		272,486	228,286	21,286	251,200	Preliminary investigations completed.	
100493	Corinella Tennis Court Renewal	Open Space	15%	Underway	684,649	-	684,649	684,651		684,648	(2)	6,389	678,259	Contract has been awarded with completion expected in quarter 4.	
100494	Cowes Activity Centre Plan	Open Space	100%	Planning/Design/Approval	100,000	-	100,000	-		293,000	293,000	-	293,000	Part project budget reallocated to Cowes Transit Centre (100120)	
100499	Wonthaggi Tennis Court Renewal and Multi Use Space	Open Space	60%	Underway	1,757,904	-	1,757,904	1,757,904		1,459,186	(298,718)	141,731	1,317,455	Contract has been awarded with completion expected in quarter 3.	
100501	Carparks Renewal - Inverloch Boat Ramp non-trailer side	Open Space	100%	Completed	144,000	-	144,000	144,000		143,999	(0)	137,469	6,530	Project completed in October 2019.	
100508	Rail Trail Illumination Project Wonthaggi	Open Space	100%	Completed	-	178,480	178,480	180,000		178,480	(1,520)	2,432	176,048	Project completed in December 2019.	
100515	Inverloch Recreation Reserve Netball Courts Upgrade	Open Space	50%	Underway	899,064	-	899,064	989,999		1,033,181	43,182	22,704	1,010,477	Constuction underway with completion expected in quarter 3.	
100519	Open Space Renewal Design Pier Rd Jetty Sea Wall	Open Space	5%	Planning/Design/Approval	50,000	-	50,000	50,000		50,000	(1)	1,525	48,474	Project brief being developed	
100520	Open Space Renewal Design Grantville Jetty	Open Space	5%	Planning/Design/Approval	100,000	-	100,000	100,000		100,000	(0)	-	100,000	Project brief being developed	
100521	Open Space Renewal Design Newhaven Jetty	Open Space	5%	Planning/Design/Approval	100,000	-	100,000	100,000		79,416	(20,584)	-	79,416	Project brief being developed	
100522	Open Space Renewal Cape Paterson Boat Ramp Retaining Wall	Open Space	10%	Planning/Design/Approval	50,000	-	50,000	50,000		50,000	0	226	49,774	Preliminary investigations completed.	
100523	Open Space Renewal Ventnor Board Walk	Open Space	10%	Planning/Design/Approval	20,000	-	20,000	20,000		20,000	0	698	19,302	Preliminary investigations completed.	
100524	Open Space Renewal Pier Rd Sea Wall	Open Space	5%	Planning/Design/Approval	50,000	-	50,000	50,000		50,000	0	1,648	48,352	Project brief being developed	
100525	Open Space Renewal Coastal Signage Kilcunda	Open Space	5%	Planning/Design/Approval	30,000	-	30,000	30,000		30,000	-	-	30,000	Project brief being developed	
100526	Open Space Renewal Marine Structures	Open Space	5%	Planning/Design/Approval	150,000	-	150,000	150,000		150,000	0	724	149,276	Project brief being developed	
100532	Open Space Renewal - Jetty Triangle Rotunda Cowes	Open Space	10%	Planning/Design/Approval	-	-	-	100,000		100,000	-	-	100,000	New Project - Funded by redistribution from Dalyston Netball Courts project	

Project Number	Project	Asset Class	Percent Complete	Status	2019/20 Approved Budget	2019/20 Carryover	Approved Budget + 2019/20 Carryover	Approved Budget (Last Posted Forecast)	Proposed Carryover 20/21	Proposed Forecast (excl Proposed Carryover 20/21)	Variance (between Proposed Forecast and Approved Budget	YTD Actual Expenditure	Variance (between YTD Actuals and Proposed Forecast	PROGRESS COMMENTS	Risk
100608	Recreation Group - Inverloch Tennis Court Renewal	Open Space	40%	Underway	799,377	-	799,377	799,377		799,377	0	79,770	719,606	Works are underway with completion expected in quarter 3.	
100610	Coronet Bay Wetlands Design	Open Space	10%	Planning/Design/Approval	50,000	-	50,000	50,000		50,000	(1)	2,626	47,374	Concept design underway.	
100537	Cape Paterson Surf Beach Access Stairs Rectification	Open Space	100%	Completed	-	-	-	-		52,280	52,280	2,700	49,580	Project completed in December 2019.	
Total Open Space			**38**	**38**	**7,967,808**	**1,483,675**	**9,451,483**	**8,744,203**	**25,000**	**8,868,869**	**124,665**	**1,063,132**	**7,805,736**		
Roads, Drainage and Bridges															
100006	Rural Pavement - Sheepways Rd, Krowera from end Stage 2 for	Roads, Drainage and Bridges	100%	Removed/Amalgamated	-	-	-	160		0	(160)	0		Duplicate project with project 100498.	
100007	Rural Pavement - Loch Wonthaggi Rd, West Creek from end Sta	Roads, Drainage and Bridges	55%	Underway	-	296,152	296,152	1,296,152		1,506,152	210,000	24,278	1,481,874	Works are underway with expected completion in quarter 3.	
100008	Rural Pavement Design - Grantville Glen Alvie Rd, Kernot fro	Roads, Drainage and Bridges	100%	Completed	-	-	-	3,280		0	(3,279)	8,431	-8,431	Project completed in July 2019.	
100041	Rural Spray Seal - Linemarking Renewal	Roads, Drainage and Bridges	10%	Underway	100,000	-	100,000	100,000		100,000	-	-	100,000	Tender documents have been prepared. Construction expected to commence	
100053	Bridges group renewal program	Roads, Drainage and Bridges	20%	Planning/Design/Approval	84,051	-	84,051	84,051		84,051	-	13,221	70,830	Construction expected to commence in quarter 3.	
100101	Bass Coast Rail Trail Bourne Creek Pedestrian Bridge Renewal	Roads, Drainage and Bridges	100%	Completed	-	51,000	51,000	17,191		17,191	-	17,191		Project completed in September 2019.	
100113	Pioneer Bay Drainage Strategy Outfall works	Roads, Drainage and Bridges	45%	Underway	-	368,821	368,821	368,821		368,821	0	468	368,353	Detailed design is nearing completion. Works subject to Melbourne Water	
100120	Cowes Transit Centre and All-Day Parking	Roads, Drainage and Bridges	100%	Completed	-	850,624	850,624	1,050,624		1,050,624	1	740,502	310,122	Contract works have been completed. Budget increased to deliver value add	
100374	Pioneer Bay roads and drainage special charge scheme	Roads, Drainage and Bridges	60%	Multi-Year	87,289	4,283,901	4,371,190	4,370,920	4,228,827	142,363	(4,228,558)	72,363	70,000	Detailed design is nearing completion and works scheduled for tendering in	
100376	PBN Surf Parade Inverloch - Veronica St to Goroke St	Roads, Drainage and Bridges	10%	Carried Over	1,500,000	112,075	1,612,075	1,612,075	1,372,075	240,000	(1,372,075)	19,111	220,889	This project has been identified to carry over into 2020/21	
100377	Aspirational Pathways	Roads, Drainage and Bridges	15%	Planning/Design/Approval	126,000	-	126,000	126,001		126,001	0	429	125,572	Linked to Cowes Rhyll Road pathway project 100612.	
100381	RSAMP - Rd Safety Impr Prg - Halford St & The Cres Inverloch	Roads, Drainage and Bridges	100%	Completed	-	-	-	75		(0)	(75)	(0)		Project completed in July 2019.	
100382	RSAMP - Footpath gaps program	Roads, Drainage and Bridges	100%	Completed	70,000	-	70,000	70,000		70,000	(0)	44,873	25,128	Works Completed in November 2019	
100410	Rural Roads Group - Rural Spray Seal Renewal	Roads, Drainage and Bridges	80%	Underway	265,000	-	265,000	465,000		21,426	(443,574)	63,704	-42,278	Additional budget allocation to rural spray seal program due to deferral of Dalyston netball court project (100096). Works anticipated to be completed	
100414	Rural Roads Group - Shoulder Pavement renewal program	Roads, Drainage and Bridges	20%	Underway	140,000	-	140,000	140,000		140,000	0	28,639	111,361	Program works underway with works expected to be completed in quarter 4.	
100415	Rural Roads Group - Line Marking Renewal Program	Roads, Drainage and Bridges	90%	Underway	-	77,186	77,186	77,186		77,185	(0)	7,212	69,973	Works are underway with expected completion in quarter 3.	
100416	Urban Roads Group - Urban Spray Seal Renewal	Roads, Drainage and Bridges	20%	Underway	304,170	-	304,170	304,170		304,169	(0)	123,658	180,511	Works are underway with expected completion in quarter 3.	
100417	Urban Roads Group - Urban Asphalt Seal	Roads, Drainage and Bridges	100%	Completed	173,762	-	173,762	173,762		173,762	(0)	114,625	59,137	Project Complete December 2019	
100419	Urban Roads Group - Kerb Renewal	Roads, Drainage and Bridges	100%	Underway	179,000	-	179,000	179,000		178,999	(1)	149,775	29,224	Works are underway with expected completion in quarter 3.	
100420	Bridge and Culvert Renewal Program - Various locations	Roads, Drainage and Bridges	100%	Completed	-	-	-	13,221		13,221	-	(1)	13,221	Project completed in July 2019.	
100422	Storm Water Group - Seagrove Estate - WSUD	Roads, Drainage and Bridges	5%	Underway	75,000	-	75,000	75,000		91,455	16,455	1,455	90,000	Project investigations underway and project brief being prepared.	
100428	Unsealed Roads Group - Gravel resheeting program	Roads, Drainage and Bridges	50%	Underway	456,148	-	456,148	456,148		456,148	1	161,251	294,897	Works are underway with expected completion in quarter 4.	
100441	Carpark - Cowes Leisure Centre C/P - Cowes	Roads, Drainage and Bridges	45%	Planning/Design/Approval	-	45,856	45,856	45,856		45,857	0	1,556	44,301	Detailed design is nearly complete. Expected completion in quarter 3.	
100451	Corinella Boat Ramp Carpark	Roads, Drainage and Bridges	60%	Underway	-	43,226	43,226	43,226		43,226	(0)	8,604	34,622	Works are underway with expected completion in quarter 3.	
100474	Blackspot Cowes Rhyll Road	Roads, Drainage and Bridges	95%	Underway	-	636,857	636,857	782,599		623,377	(159,222)	623,377		Budget increased as per report to Council in September 2019. Expected	
100495	Cuttriss Street Activity Plan Grassed Swale	Roads, Drainage and Bridges	5%	Planning/Design/Approval	70,511	-	70,511	70,511		0	(70,511)	1,225	-1,225	Project brief is being developed.	
100496	Local Road Safety Improvement Program - Soldiers/Agar Rd Int	Roads, Drainage and Bridges	35%	Underway	180,000	-	180,000	180,000		174,888	(5,112)	-	174,888	Detailed design is being finalised.	
100498	Rural Pavement & RSAMP - Sheepways Rd S from 605 Sheepways R	Roads, Drainage and Bridges	80%	Underway	1,122,061	-	1,122,061	1,122,061		1,433,561	311,501	552,665	880,896	Works are underway with expected completion in quarter 3.	
100503	Pathways Group - Reed Cr Wonthaggi Billson St to Queen St	Roads, Drainage and Bridges	100%	Completed	28,500	-	28,500	25,500		25,500	(0)	24,683	817	Project completed in September 2019.	
100504	Rural Pavement - Loch Wonthaggi Rd from bridge abutment Nth	Roads, Drainage and Bridges	100%	Removed/Amalgamated	210,000	-	210,000	210,000		0	(210,000)	431	-431	Duplicate Project with Project 100007	
100505	Storm Water Group - Bayview Ave Tenby Point - WSUD	Roads, Drainage and Bridges	5%	Underway	215,003	-	215,003	215,003		202,966	(12,037)	2,966	200,000	Preliminary investigations underway.	
100506	Urban Pavement - Baillieu St E Wonthaggi McBride to McKenzie	Roads, Drainage and Bridges	45%	Deferred	331,000	-	331,000	352,000		52,000	(299,999)	8,234	43,766	Detailed design complete. Construction deferred to 2020/21	
100527	Emergency Road Works Glen Alvie Road	Roads, Drainage and Bridges	100%	Completed	-	-	-	188,925		194,303	5,378	194,303		Project Completed in December 2019	
100533	Footpath Renewal White Rd Wonthaggi Sherw Crt to Salv Lan	Roads, Drainage and Bridges	50%	Underway	-	-	-	312,336		297,498	(14,837)	87,881	209,617	New Project - Funded by redistribution from Dalyston Netball Courts (100096). Quotes being sought. Expected completion in quarter 3.	
100590	Rural Pavement - Grantville Glen Alvie Rd Loch Kernot Rd W	Roads, Drainage and Bridges	30%	Underway	402,157	-	402,157	1,206,471		1,206,471	(0)	5,008	1,201,463	Detailed design is underway. Additional funding received from VicRoads via Country Roads and bridges program. Works have commenced and expected	
100591	Rural Road Design - Loch Wonthaggi Rd Intn G'ville Glen Alvi	Roads, Drainage and Bridges	30%	Planning/Design/Approval	50,000	-	50,000	50,001		19,363	(30,638)	863	18,500	Detailed design underway.	
100592	Storm Water Group - Beaton Place Carpark Inverloch - Design	Roads, Drainage and Bridges	0%	Not started	15,000	-	15,000	15,000		15,000	0	28	14,972	Scheduled to commence in quarter 3.	
100593	Storm Water Group - San Remo Pde San Remo - Design Only	Roads, Drainage and Bridges	0%	Not started	15,000	-	15,000	15,000		15,000	(1)	521	14,479	Scheduled to commence in quarter 3.	
100594	Storm Water Group - 181 Church St Cowes - Design Only	Roads, Drainage and Bridges	15%	Planning/Design/Approval	15,000	-	15,000	15,000		15,000	0	1,183	13,817	Survey has been completed.	
100595	Storm Water Group - 51 Cashin St Inverloch - Design Only	Roads, Drainage and Bridges	15%	Planning/Design/Approval	15,000	-	15,000	15,000		14,600	(400)	2,600	12,000	Investigations are underway.	
100596	Storm Water Group - Pymble Ave Inverloch - Design Construct	Roads, Drainage and Bridges	15%	Planning/Design/Approval	75,000	-	75,000	75,000		75,000	1	1,663	73,337	Preliminary investigations underway. Construction works are expected to commence in quarter 3.	
100597	Storm Water Group - Oceanview Crt - Design Only	Roads, Drainage and Bridges	0%	Not started	15,000	-	15,000	15,000		15,000	-	71	14,929	Scheduled to commence in quarter 3.	
100598	Storm Water Group - 278 Settlement Rd Cowes - Design Only	Roads, Drainage and Bridges	10%	Planning/Design/Approval	15,000	-	15,000	15,000		15,000	0	94	14,906	Preliminary Investigations underway.	
100599	Storm Water Group - 39 Evergreen Ave Inverloch - Design Only	Roads, Drainage and Bridges	0%	Not started	15,000	-	15,000	15,000		14,534	(465)	226	14,308	Scheduled to commence in quarter 3.	
100600	Drainage Renewal - Alexander Rd Sth Dudley	Roads, Drainage and Bridges	10%	Planning/Design/Approval	28,000	-	28,000	28,000		20,000	(8,000)	6,562	13,438	Preliminary Investigations underway.	
100601	Outfall Renewal - Alexander Rd Sth Dudley - Feasability	Roads, Drainage and Bridges	10%	Planning/Design/Approval	20,000	-	20,000	20,000		24,000	4,000	13,401	10,599	Preliminary Investigations underway.	
100602	Pathways Group - Murray St Wonthaggi Drysdale St to Asquith	Roads, Drainage and Bridges	100%	Completed	22,688	-	22,688	24,631		24,131	(500)	24,131		Project completed in September 2019.	
100603	Pathways Group - Meanderri Dr Inverloch Cuttriss to Scott Pl	Roads, Drainage and Bridges	100%	Completed	38,625	-	38,625	44,346		42,895	(1,451)	42,670	226	Project completed in August 2019.	
100604	Pathways Group - A'Beckett St Inverloch Sandymount to Alma	Roads, Drainage and Bridges	100%	Completed	18,375	-	18,375	35,965		33,965	(2,000)	30,370	3,594	Project completed in December 2019	
100605	Pathways Group - White Rd Wonthaggi end LH path to Sherwood	Roads, Drainage and Bridges	100%	Completed	36,500	-	36,500	36,500		39,658	3,158	39,658		Project completed in October 2019.	
100606	Pathways Group - Bass Hwy Grantville Pier Rd to Wheatley Ct	Roads, Drainage and Bridges	100%	Completed	18,375	-	18,375	18,375		19,617	1,242	19,617		Project completed in August 2019.	
100607	Pathways Group - Dunsmore Rd Cowes Jenner Ave to Settlement	Roads, Drainage and Bridges	10%	Planning/Design/Approval	48,937	-	48,937	48,937		48,937	0	314	48,623	Preliminary investigations completed.	
100612	Cowes/Rhyll Shared Path - Design	Roads, Drainage and Bridges	45%	Planning/Design/Approval	100,000	-	100,000	100,000		100,000	-	-	100,000	Design development has commenced.	
Total Roads, Drainage, Bridges (Civil Projects)			**53**	**53**	**6,681,152**	**6,765,698**	**13,446,850**	**16,324,076**	**5,600,902**	**10,012,915**	**(6,311,161)**	**3,286,090**	**6,726,825**		
Plant & Equipment, IT and Other															

Project Number	Project	Asset Class	Percent Complete	Status	2019/20 Approved Budget	2019/20 Carryover	Approved Budget + 2019/20 Carryover	Approved Budget (Last Posted Forecast)	Proposed Carryover 20/21	Proposed Forecast (excl Proposed Carryover 20/21)	Variance (between Proposed Forecast and Approved Budget	YTD Actual Expenditure	Variance (between YTD Actuals and Proposed Forecast	PROGRESS COMMENTS	Risk
100105	Fleet Replacement Program	Plant, Equipment, IT and Other	100%	Completed	-	-	-	0		-	(0)	-		Project completed in July 2019.	
100257	Scenic Estate land acquisition	Plant, Equipment, IT and Other	80%	Underway	-	40,000	40,000	40,000		31,129	(8,871)	31,129		Project will progressively be delivered as settlement of outstanding land	
100375	Strategic land acquisition - Phillip Island	Plant, Equipment, IT and Other	5%	Planning/Design/Approval	-	2,000,000	2,000,000	2,000,000		2,000,000	-	-	2,000,000	Land acquisition process is underway.	
100408	Light Fleet & Equipment replacement	Plant, Equipment, IT and Other	30%	Underway	610,031	59,400	669,431	669,181		778,041	108,860	238,932	539,109	Fleet replacement program is underway.	
100409	Plant & Equipment Renewal Program	Plant, Equipment, IT and Other	40%	Underway	942,406	-	942,406	942,406		647,112	(295,294)	175,909	471,203	All plant items have been ordered.	
100442	Information Technology - End User Devices	Plant, Equipment, IT and Other	40%	Underway	245,700	-	245,700	245,700		245,700	(0)	111,421	134,279	Equipment replacement program is underway.	
100443	Information Technology - Switches & Routers	Plant, Equipment, IT and Other	100%	Completed	-	-	-	-		46,482	46,482	-	46,482	Project completed in July 2019.	
100444	Information Technology - Multfunction Device	Plant, Equipment, IT and Other	10%	Planning/Design/Approval	51,250	50,000	101,250	51,250		101,250	50,000	-	101,250	Data Analysis underway and RFQ being drafted.	
100445	Information Technology - Phone Renewal	Plant, Equipment, IT and Other	30%	Underway	50,000	-	50,000	50,000		130,000	80,000	4,489	125,511	Mobile Phone Replacement Program underway, also office phone system	
100446	Street Decoration - Banner Pole Renewal	Plant, Equipment, IT and Other	0%	Not started	-	20,000	20,000	20,000		20,000	-	600	19,400	Scheduled to commence in quarter 3.	
100447	Street Decorations Renewal	Plant, Equipment, IT and Other	0%	Not started	44,160	-	44,160	44,160		44,160	-	-	44,160	Scheduled to commence in quarter 3.	
100491	Bass Coast Entry Signage	Plant, Equipment, IT and Other	5%	Underway	200,000	-	200,000	200,177		200,000	(177)	177	199,823	Project brief is being finalised.	
100502	Placeholder 2019-20 LTFP Computers and telecommunications	Plant, Equipment, IT and Other	0%	Not started	20,959	-	20,959	20,959		20,959	-	-	20,959	Scheduled to commence in quarter 3.	
Total Plant & Equipment, IT and Other			**13**		**13**	**2,164,506**	**2,169,400**	**4,333,906**	**4,283,834**	**-**	**4,264,833**	**(19,001)**	**562,658**	**3,702,175**		
Waste															
100110	Grantville Cell 7 Construction	Waste	80%	Underway	-	724,884	724,884	747,421		938,750	191,329	63,866	874,884	Scheduled to commence in quarter 3.	
100488	Other EWaste/Depot Infrastructure Cowes Wonthaggi Inverloch	Waste	25%	Underway	800,000	237,099	1,037,099	1,037,098		962,180	(74,918)	275,180	687,000	Project is underway and scheduled for completion in quarter 4.	
100489	Phillip Island Transfer Station & Depot Facility Land Acq	Waste	5%	Planning/Design/Approval	1,800,000	54,909	1,854,909	1,854,000		1,854,909	909	160,000	1,694,909	Land acquisition process is underway.	
100513	Wonthaggi Transfer Station Shed Renewal	Waste	100%	Completed	-	100,000	100,000	100,000		93,630	(6,370)	93,630		Project completed in September 2019.	
Total Waste			**4**		**4**	**2,600,000**	**1,116,892**	**3,716,892**	**3,738,519**	**-**	**3,849,470**	**110,950**	**592,677**	**3,256,793**		
TOTAL 2019/20 CAPITAL WORKS PROGRAM			**133**	52%	**133**	**21,163,466**	**12,424,242**	**33,587,708**	**36,005,373**	**7,024,719**	**28,997,322**	**(7,008,051)**	**5,807,216**	**23,190,106**		
2019/20 Capital Projects resulting in a non-Council asset															
100139	Cape Paterson Bay Beach Development Plan Detailed Design	Open Space	60%	Planning/Design/Approval	-	29,637	29,637	29,637		29,637	0	2,829	26,808	Detailed design is underway.	
100141	Cape Paterson Surf Lifesaving Club Upgrade	Buildings and Property	60%	Underway	-	484,535	484,535	484,535		484,535	0	111,744	372,791	Construction is underway with completion in Quarter 3.	
100372	Bass Recreation Reserve Netball Court refurbishment	Open Space	100%	Completed	-	-	-	-		322	322	322		Project completed in July 2019.	
TOTAL NON COUNCIL ASSET PROJECTS			**3**	73%	**3**		**514,172**	**514,172**	**514,172**		**514,494**	**322**	**114,895**	**399,599**		
TOTAL 2019/20 CAPITAL WORKS PROGRAM			**136**	**53%**	**136**	**21,163,466**	**12,938,414**	**34,101,880**	**36,519,545**	**7,024,719**	**29,511,816**	**-7,007,729**	**5,922,111**	**23,589,705**		

Financial Report

Quarter ending 31 December 2019

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1 Executive Summary

This report indicates that Council's 2019/20 forecast surplus is favourable to budget by $1.8 million. Our year to date position is favourable due to the timing of income and expenditure payments which we expect to rectify during the course of the financial year and employee savings seen as a result of internal vacancies.

The forecast full year favourable position is largely attributable to:

- An additional $1.2 million in capital grant revenue which was originally budgeted to be received during 2018/19, and an additional receipt of $1.8 million in unbudgeted funding from the Fixing Country Roads program.
- Projected salary expense savings of $1.3 million due to internal vacancies across the organisation.
- These favourable projections are partly offset by increased materials and services expenditure related to operating projects carried over from 2018/19 and expected to be completed in 2019/20 ($1.0 million), higher than anticipated depreciation expense following the recognition of additional assets following the capitalisation of 18/19 capital works and the revaluation of council roads ($0.5 million) and the delay of land sales which has reduced expected gain on disposals during 2019/20 by $0.5 million.

Despite a favourable surplus, our forecast underlying surplus is $1.03 million unfavourable against budget. Underlying surplus extracts the non-recurrent capital grants which are outlined above, therefore removing $4.5 million of forecast income. This has resulted in Council having a lower than budget and high risk adjusted underlying result VAGO indicator.

Our funding statement is showing a full year forecast surplus of $2.37 million. The funding statement removes the effects of carry overs through representation of reserve transfers and capital works and does not include allocation for non-cash depreciation expense or non-cash financial adjustments. Therefore the main drivers of this adverse variance are as follows:

- Lower forecast employee expenditure of $1.5 million due to experiencing internal vacancies across the organisation following a restructure.
- Forecast monetary contributions received in relation to development of Wonthaggi North East
- An increase in transfers from recreation reserves of $0.9 million due to higher forecast spend on resort and recreation projects during 2019/20, largely related to land acquisition.

Forecast capital project expenditure of $29.0 million is $7.8 million higher than budget. This increase is largely due to the $12.6 million of expenditure which was carried over from the 2018/19 financial year and $1.8m million in additional funding that will be received for Fixing Country Roads. This increase is partly offset by projects identified for carryover to 2020/21 of $7.0 million. This includes net capital expenditure of $4.8 million for Pioneer Bay Special Charge Scheme.

While the VAGO financial indicators are expected to mostly remain within the low risk area ensuring Council's long term financial positon remains consistent with the aspirations of the Strategic Resource Plan and Long Term Financial Plan, two of the indicators, internal financing and the adjusted underlying result have been adversely impacted by lower than budgeted operating cash flows and increases in capital expenditure.

Our end of year forecast position will continue to be monitored throughout the year.

2 Financial Summary

2.1 Financial Sustainability Risk Indicators

The financial sustainability risk indicators for the month of December 2019 are provided in the table below. The indicators are the same indicators prepared by the Victorian Auditor General and reported by the Victorian Auditor General on an annual basis.

	Actual 2018/19	Budget 2019/20	Actual 30/09/19	Forecast 2019/20	Risk assessment criteria		
					High	Medium	Low
Net result	2.37%	3.23%	45.52%	5.29%	Less than negative 10%	Negative 10% - 0%	Greater than 0%
Adjusted Underlying Result	-12.49%	0.88%	44.87%	-0.42%	Less than 0%	0% - 5%	Greater than 5%
Liquidity	1.72	1.99	2.45	2.04	Less than 0.75	0.75–1.0	Greater than 1.0
Internal financing	117%	88%	19%	66%	Less than 75%	75–100%	Greater than 100%
Indebtedness	18.88%	29.34%	19.76%	34.89%	Greater than 60%	40–60%	40% or less
Capital replacement	1.20	1.54	0.82	1.95	Less than 1.0	1.0–1.5	Greater than 1.5
Renewal gap	1.03	1.09	0.58	1.16	Less than 0.5	0.5–1.0	Greater than 1.0

Sustainability Risk Indicator Major Variances

Net Result is forecast to be higher than budget due to increased revenue largely due to carry over of revenue to 2019/20 which was originally expected to be received during the 2018/19 financial year. The YTD actual net result is significantly higher than the full year budget as the annual rate revenue is raised at the beginning of the year, with expenditure being incurred throughout the financial year, resulting in a significant YTD surplus.

Adjusted Underlying Result is lower than budget due to a forecast adjusted underlying deficit. See page 7 for further explanation.

Liquidity is forecast to be higher than budget, due to an increase in the forecast cash balance at year end arising from carry-over of projects to 2020/21 that more than offsets increases in current liabilities. The increases in current liabilities result from a delay in loan payments originally budgeted to fall at the end of 2018/19; recognition of deferred income resulting from the changes in the revenue accounting standard AASB 15; and recognition of current lease liabilities resulting from changes in the accounting standard AASB16.

Internal Financing is forecast to decrease compared to budget, due to higher capital expenditure resulting from carry over from the 2018/19 financial year of $12.6 million. Further details of projects carried over can be found on page 11.

Indebtedness is forecast to be higher than budget due to an increase in the non-current landfill rehabilitation provision in 2018/19.

Capital Replacement Ratio and Renewal Gap are forecast to improve against budget as unfinished projects from the prior year were carried forward and are expected to be completed during the 2019/20 year. The actual result reflects that capital expenditure is behind budget year to date – refer to page 10 for further explanation.

A description of each indicator and how the indicator is calculated is provided below.

Indicator	*How is it calculated?*	*Description*
Net result (%)	Net result / Total revenue	A positive result indicates a surplus, and the larger the percentage, the stronger the result. A negative result indicates a deficit. Operating deficits cannot be sustained in the long term. Net result and total revenue is obtained from the comprehensive operating statement.
Adjusted Underlying Result (%)	Adjusted underlying surplus (or deficit)/ Adjusted underlying revenue	Indicator of the broad objective that an adjusted underlying surplus should be generated in the ordinary course of business. A surplus or increasing surplus suggests an improvement in the operating position. The adjusted underlying result is obtained from the comprehensive operating statement and specifically excludes non-recurrent capital grants, non-monetary contributions and capital cash contributions.
Liquidity (ratio)	Current assets / Current liabilities	This measures the ability to pay existing liabilities in the next 12 months. A ratio of one or more means there are more cash and liquid assets than short-term liabilities.
Internal financing (%)	Net operating cash flow / Net capital expenditure	This measures the ability of an entity to finance capital works from generated cash flow. The higher the percentage, the greater the ability for the entity to finance capital works from their own funds. Net operating cash flows and net capital expenditure are obtained from the cash flow statement.
Indebtedness (%)	Non-current liabilities / Own-sourced revenue	Comparison of non-current liabilities (mainly comprised of borrowings) to own-sourced revenue. The higher the percentage, the less able to cover non-current liabilities from the revenues the entity generates itself. Own-sourced revenue is used—rather than total revenue—because it does not include capital grants, which are usually tied to specific projects.
Capital replacement (ratio)	Cash outflows for property, infrastructure, plant and equipment / Depreciation	Comparison of the rate of spending on infrastructure with its depreciation. Ratios higher than 1:1 indicate that spending is faster than the depreciating rate. This is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Cash outflows for infrastructure are taken from the cash flow statement. Depreciation is taken from the comprehensive operating statement.
Renewal gap (ratio)	Renewal and upgrade expenditure / depreciation	Comparison of the rate of spending on existing assets through renewing, restoring, and replacing existing assets with depreciation. Ratios higher than 1:1 indicate that spending on existing assets is faster than the depreciation rate. Similar to the investment gap, this is a long-term indicator, as capital expenditure can be deferred in the short term if there are insufficient funds available from operations, and borrowing is not an option. Renewal and upgrade expenditure are taken from the statement of capital works. Depreciation is taken from the comprehensive operating statement.

Source: Victorian Auditor-General's Report Local Government: 2016–17 Audit Snapshot

2.2 Funding Statement

For the six months ending 31 December 2019

	31 Dec 19 YTD Actual $000's	31 Dec 19 YTD Budget $000's	31 Dec 19 YTD Variance $000's	30 Jun 20 Budget $000's	30 Jun 20 Forecast $000's
Revenue					
Rates and charges	61,280	61,006	274	61,397	61,584
Statutory fees and fines	1,387	1,429	(43)	2,835	2,725
User fees	2,341	2,114	227	4,518	4,294
Grants - operating	3,208	2,422	787	8,617	8,658
Contributions - monetary - operating	134	50	84	184	342
Interest revenue	393	416	(23)	832	693
Other income	306	147	159	285	423
Total Revenue	**69,049**	**67,584**	**1,465**	**78,667**	**78,719**
Proceeds					
Sale of assets	99	282	(183)	1,165	545
Total Proceeds	**99**	**282**	**(183)**	**1,165**	**545**
Expenses					
Employee costs	(14,671)	(15,833)	1,162	(30,205)	(28,898)
Materials and services	(12,919)	(14,882)	1,963	(28,875)	(30,306)
Bad and doubtful debts	0	(6)	6	(11)	(6)
Borrowing costs	(293)	(364)	72	(729)	(462)
Land management rebate	(606)	(308)	(298)	(616)	(616)
Other expenses	(1,009)	(1,708)	699	(4,084)	(4,202)
Total Expenses	**(29,497)**	**(33,101)**	**3,604**	**(64,520)**	**(64,489)**
Financing Movements					
Proceeds from Borrowings	0	3,570	(3,570)	3,570	3,570
Repayments of Borrowings	(5,656)	(5,655)	(1)	(6,026)	(6,029)
Repayments of Finance Leases	0	0	0	0	0
Net Financing Movements	**(5,656)**	**(2,085)**	**(3,572)**	**(2,456)**	**(2,459)**
Reserve Fund Movements					
Transfers from Reserves	0	0	0	12,234	26,255
Transfers (to) Reserves	0	0	0	(6,357)	(13,340)
Net Reserve Movements	**0**	**0**	**0**	**5,878**	**12,915**
Capital Expenditure and Income					
Grants - capital	1,493	1,808	(315)	2,308	5,425
Contributions - monetary - capital	679	82	597	122	709
Capital works	(6,046)	(11,832)	5,786	(21,163)	(28,998)
Net Capital Works Funded from Operations	**(3,874)**	**(9,942)**	**6,068**	**(18,734)**	**(22,864)**
Funding Surplus / (Deficit)	**30,121**	**22,740**	**7,382**	**(1)**	**2,367**

Year to Date Actuals against Budget variances

The favourable year to date projection is largely due to the timing of capital works payments and timing of payments for waste and contributions to other organisations. In addition, vacancies experienced have reduced our spend in employee costs and the receipt of a monetary contribution from development on Wonthaggi North East has increased our projected income. These favourable projections are partly offset by the timing of land management rebate payments and the delay in loan drawdown amounts resulting from the timing of capital works spend.

Full year Budget against Forecast Major variances

Council has forecast the 2019/20 result to be favourable to budget by $2.4 million. This variance is largely as a result of the following:

Employee monetary expenses are forecast to be $1.5 million lower than budget due to a sustained focus on organisational efficiencies and innovations.

The favourable variance shown against rates and charges of $0.2 million is attributable to higher than budget supplimentary rates and charges revenue.

Low interest rates have adversely effected our forecast interest revenue when compared to budget. We forecast the impact of this to be $0.14 million unfavourable.

Borrowing costs are forecast to be $270K lower than budget due to paying interest at lower rates compounded with the delay in budget loan drawdowns due to changes in cash requirements required for capital projects.

Monetary contributions are forecast to be $0.5 million favourable to budget due to the development of Wonthaggi North East.

Forecast capital works has been increased (further than by effect of carry overs) due to unbudgeted grants being received for Fixing Country Roads projects for Loch-Wonthaggi road and Grantville Glen Alvie Road together toalling $1.8 million. This impact on the funding statement is directly offset by increased capital grants as a result.

An increase in net transfers from reserves of $7.0 million are due to:

Carryovers from 2018/19 carried forward for spend in 2019/20 have caused in increase net transfers from reserve of $9.6 million. These reserve movements are fully offset within the funding statement through the following accounts:

> Operational carry overs of $0.7 million brought forward from 2018/19 have increased forecast materials and services expenditure by $1.32 million, increased other expenses of $0.3 million, increased Employee expenses by $0.2 million. This is partly offset by an increase in forecast statutory fees ($0.26 million), an increase in operating grants ($0.14 million) and an increase in income from property sales of $0.8 million.
> Capital carry overs of $9.1 million have increased monetary contribtions ($2.1 million) and capital grants ($1.3million). This is offset by an increase to forecast capital works of $12.6 million.

In addition, an increase in transfers from recreation reserves of $900K due to higher forecast spend on resort and recreation projects during 2019/20, largely related to land acquisition.

This is partly offset by projects identified for carryover to 2020/21 of $3.7 million. This includes income from land sales of $1.4 million and net capital expenditure of $4.8 million for Pioneer Bay Special Charge Scheme.

2.3 Comprehensive Income Statement

For the six months ending 31 December 2019

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	30 June 20 Budget $000's	30 June 20 Forecast $000's
Income					
Rates and charges	61,280	61,006	274	61,397	61,584
Statutory fees and fines	1,330	1,429	(100)	2,835	2,668
User fees	2,341	2,114	227	4,518	4,222
Contributions - cash	61	132	(71)	305	269
Contributions - non monetary assets	0	0	0	0	0
Grants - Operating	2,798	2,422	376	8,617	8,658
Grants - Capital	755	1,808	(1,053)	2,308	5,425
Net gain on disposal of property, infrastructure and equipment	0	83	(83)	492	(46)
Net profits from associates and joint ventures	0	0	0	0	0
Other Income	699	563	136	1,117	1,103
Total Income	69,264	69,557	(293)	81,589	83,882
Expenses					
Employee benefits	(15,035)	(15,833)	798	(30,205)	(28,898)
Materials and services	(13,362)	(14,882)	1,520	(28,875)	(30,319)
Bad and doubtful debts	(1)	(6)	5	(11)	(6)
Depreciation and amortisation	(7,421)	(7,218)	(204)	(14,435)	(14,943)
Finance costs	(294)	(364)	71	(729)	(465)
Net loss on disposal of property, infrastructure and equipment	(19)	0	(19)	0	0
Other expenses	(1,615)	(2,016)	401	(4,700)	(4,817)
Total Expenses	(37,746)	(40,319)	2,572	(78,956)	(79,447)
Surplus (deficit) for the year	31,518	29,238	2,279	2,633	4,435
Less Contributions - monetary	61	132	(71)	305	269
Less Contributions - non monetary	0	0	0	0	0
Less Grants - capital (non-recurrent)	755	1,697	(942)	1,630	4,501
Adjusted underlying surplus/(deficit)	30,702	27,409	3,292	697	(335)

Year to date Actuals against Budget Major Variances

Rates and charges +$0.27 million favourable due to timing of supplementary rates raised.

User fees +$.23 million favourable due to phasing of income for caravan parks and aged and disability services. This variance is expected to decrease throughout the financial year.

Grants – Operating +$0.376 million favourable due to +$0.17 million funding received from commonwealth care in relation to the Aged and Disability service, unbudgeted grants received in relation to climate change and boat ramp maintenance (+$0.18 million) coupled with higher than budget grant received from Victoria Grants Commission (+$0.08 million) following finalisation of 2019/20 allocations.

Materials and Services +$1.5 million favourable largely due to timing of spend on waste services.

Employee Expenses +$0.8 million favourable due to savings through vacant positions.

2.3 Comprehensive Income Statement (Continued)

Full year Budget against Forecast Major Variances

Council's budgeted surplus of $2.6 million has increased to a forecast surplus of $4.43 million. As previously outlined in the funding statement variance commentary, the major variances seen in our income statement are as follows;

Employee expenses are forecast to be $1.3 million lower than budget due to vacancies and acting arrangements across the organisation following an organisational restructure.

Higher than budget monetary contributions forecast as a result of contributions expected to be received in relation to the development of Wonthaggi North East. This is offset by financial adjustments required by the financial standard update detailed below*

Increase in forecast rates and charges income due to the receipt of higher than expected supplementary rates and waste charges $0.2 million.

Higher than budget Capital grants are expected to be received during 2019/20. This is largely due to the receipt of grants for the following projects where works were carried over from 2018/19; Cowes Transit Centre ($420K), Blackspot Cowes Rhyll Road ($635K) and E-waste/Depot Infrastructure ($201K). In addition to this, we have forecast to receive an additional $1.8 million in state funding for Fixing Country Road projects during 2019/20.

Finance costs are forecast to be $270K lower than budget due to paying interest at lower rates compounded with the delay in budget loan drawdowns due to changes in cash requirements required for capital projects.

Materials and Services is forecast to be $1.4 million higher than budget, largely due to the carryover of delayed or deferred spend on operating projects from 2018/19 financial year. A full list of carried over projects is included on page 11. This is partly offset by projects identified to be carried over to the 2020/21 year of $0.3 million.

Additional depreciation and amortisation expenses of $507K that are related to the recognition of additional assets following the capitalisation of 18/19 capital works and the revaluation of Council road assets in 2018/19. These changes in the value of Council assets were not available at the time the budget was developed and set for 2019/20.

User fee income is forecast to be lower than budget largely due to VIC sale and accommodation booking commission income trending down due to increase in online booking providers and due to lower than expected recovery of legal fees.

Net gain on disposal of property has been forecast down by $0.5 million to account for a delay experienced in the sale of land. This proceeds from this sale will be included in the next financial year.

*Effects from the update in revenue recognition standard AASB15.

As at 1 July 2019, the revenue recognition standard AASB15 was updated, delaying recognition of revenue until all obligations arising from the revenue stream are met. The impact of this change has resulted in an unfavourable reduction of $0.9 million, largely effecting cash contribution revenue. The impact of this standard has been estimated using current forecasts and will be monitored during the year as both operational and capital projects progress.

2.4 Balance Sheet

For the six months ending 31 December 2019

	YTD Actual 31 December 2020 $'000	Budget 30 June 2020 $'000	Forecast 30 June 2020 $'000
Current Assets			
Cash and cash equivalents	11,513	28,203	22,909
Current trade and other receivables	47,782	7,002	4,726
Current other financial assets	29,040	40	15,840
Inventories	71	68	71
Current assets - other	79	1,130	1,328
Non current assets held for sale	2,094	0	2,094
Total Current Assets	90,579	36,443	46,968
Non-Current Assets			
Non current investments equity method	1,601	1,463	1,601
Property infrastructure plant and equipment	699,728	640,320	714,911
Intangible assets	145	1,505	1,290
Right of use assets	61	0	43
Total Non-Current Assets	701,535	643,288	717,845
Total Assets	**792,115**	**679,731**	**764,813**
Current Liabilities			
Current trade and other payables	8,042	5,492	8,920
Current trust funds and deposits	11,246	3,957	4,376
Current provisions	9,120	8,240	7,995
Current interest bearing liabilities	8,529	636	1,662
Current lease liabilities	23	0	26
Total Current Liabilities	36,961	18,326	22,979
Non-Current Liabilities			
Non current provisions	9,275	5,887	10,531
Non current interest bearing liabilities	3,654	14,758	13,729
Non current lease liabilities	44	0	18
Total Non-Current Liabilities	12,973	20,645	24,278
Total Liabilities	**49,934**	**38,971**	**47,257**
Net Assets	**742,181**	**640,760**	**717,556**
Equity			
Accumulated Surplus	277,261	273,652	266,033
Reserves	464,920	367,108	451,523
Total Equity	**742,181**	**640,760**	**717,556**

Major variances

Forecast adjustments resulting from the completion of 2018/19 financial statements include increased non-current assets held for sale, increase in current other financial assets to recognise term deposits with a maturity greater than 90 days and an increase to non-current provisions for landfill rehabilitation. Property plant and equipment is forecast to be higher than budget as a result of revaluations processed during 2018/19.

Current trade and other payables has been updated to recognise the deferred income liability resulting from the changes in revenue standard AASB15. The standard change requires us to delay recognition of revenue until all obligations arising from the revenue stream are met. In addition, updates to AASB16 requires all leases that include a right of use asset to be recognised as both an asset and corresponding liability. This has therefore impacted non-current right of use assets, current and non-current lease liabilities.

2.5 Cash Flow Statement

For the six months ending 31 December 2019

	YTD Actual $000's	30 June 20 Budget $000's	30 June 20 Forecast $000's
Cash flows from operating activities			
Rates and charges	25,345	63,252	63,036
Statutory fees and fines	1,330	2,930	2,668
User fees	2,385	4,668	4,707
Grants - operating	3,208	8,904	8,658
Grants - capital	1,493	2,385	5,425
Contributions - monetary	813	0	1,051
Interest received	393	832	693
Trust funds and deposits taken	4,007	78	9,762
Other receipts	506	801	748
Net GST refund	1,534	4,041	4,041
Employee costs	(15,883)	(32,476)	(31,058)
Materials and services	(18,992)	(31,016)	(34,776)
Trust funds and deposits repaid	(2,799)	0	(9,669)
Other payments	(2,219)	(5,083)	(6,473)
Net cash provided by/(used in) operating activities	**1,123**	**19,316**	**18,814**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	(6,044)	(23,280)	(28,998)
Proceeds from sale of property, infrastructure, plant and equipme	99	1,282	545
Payments for investments	(13,200)	0	0
Net cash provided by/(used in) investing activities	**(19,145)**	**(21,998)**	**(28,453)**
Cash flows from financing activities			
Finance costs	(294)	(729)	(465)
Proceeds from borrowings	0	3,570	3,571
Repayment of finance leases	(22)	0	(36)
Repayment of borrowings	(5,656)	(6,026)	(6,029)
Net cash provided by/(used in) financing activities	**(5,972)**	**(3,185)**	**(2,959)**
Net increase (decrease) in cash and cash equivalents	(23,994)	(5,867)	(12,598)
Cash and cash equivalents at the beginning of the financial year	35,507	34,070	35,507
Cash and cash equivalents at the end of the period	**11,513**	**28,203**	**22,909**

2.6 Statement of Capital Project Expenditure

For the six months ending 31 December 2019

	31 Dec 19 Actual $000's	31 Dec 19 Budget $000's	YTD Variance $000's	30 Jun 20 Budget $000's	30 Jun 20 Forecast $000's
Property					
Land	111	-	(111)	-	2,111
Land improvements	1,118	3,961	2,843	7,263	8,003
Total land	1,229	3,961	2,732	7,263	10,114
Buildings	282	1,325	1,043	2,649	3,156
Total buildings	282	1,325	1,043	2,649	3,156
Total Property	1,511	5,286	3,774	9,912	13,270
Plant and equipment					
Plant, machinery and equipment	415	776	361	1,552	1,425
Fixtures, fittings and furniture	-	-	-	-	-
Computers and telecommunications	116	275	159	368	544
Art works	6	5	(1)	50	50
Total plant and equipment	537	1,057	519	1,970	2,020
Infrastructure					
Roads	3,119	2,000	(1,119)	4,001	7,901
Bridges	13	42	29	84	97
Footpaths and cycleways	334	954	620	2,008	1,068
Drainage	33	294	261	589	886
Waste management	499	2,200	1,701	2,600	3,756
Total infrastructure	3,998	5,490	1,492	9,281	13,708
Total capital works expenditure	6,046	11,832	5,786	21,163	28,998
Represented by:					
Asset renewal expenditure	3,389	6,302	2,913	11,736	14,433
Asset upgrade expenditure	794	1,651	857	3,844	2,449
Asset expansion expenditure	1,327	840	(487)	920	3,350
New asset expenditure	536	3,039	2,503	4,664	8,766
Total capital works expenditure	6,046	11,832	5,786	21,163	28,998

Major variances

Forecast capital project expenditure of $28.9 million is $7.8 million higher than budget. This increase is largely due to the $12.6 million of expenditure which was carried over from the 2018/19 financial year (further detail on page 11 to 13) and an additional $1.8 million of funding received for Fixing Country Roads. These are partly offset by $7 million on projects such as Pioneer Bay Special Charge Scheme, Cowes PICAL Building and PBN Surf Parade Veronica St Inverloch which have been identified for likely carry over to the 2020/21 financial year.

Year to date works are behind budget by $5.7 million due to adverse weather conditions namely flooding and landslips occurring within the shire during the first quarter.

Whilst the forecast remains on track for delivery by year end, a monthly review is being undertaken of the capital program which will result in changes to the program over the course of the year. Whilst all changes are reported to Council, all changes that are outside of officer delegations are referred to Council for resolution.

2.7 Carry Overs to 2019/20

Activities from the prior financial year that have had budget carried over into 2019/2020 are reflected in the forecast figures throughout this report. A list of these projects is provided over the following two pages.

Project Name	Expenses $(000's)	Revenue ($000's)	Total ($000's)
Operating			
Amendment C136 Cape Paterson	73	(50)	23
Amendment C150 Bass Resort	23	(30)	(7)
Annual Community Events Grants	1		1
Asset Condition Assessments	97		97
Asset Management Policy and Strategy	15		15
Biolinks - re-vegetation project 2	30	(30)	-
Building Asset Management Plan implementation project 1	21		21
Cape Paterson Bay Beach Development Plan Detailed Design	30		30
Cape Paterson Surf Lifesaving Club Upgrade	485		485
CHSP – Minor equipment expenditure FINESSE 15301	34		34
Coast & bush land - risk management project	7		7
Cowes Main Beach Sand Management - Beach Renourishment	76		76
Creative Gippsland	22		22
Developer led amendments project 3	21	(60)	(39)
Drainage Asset Management Plan implementation project 1	60		60
Early Years Education and Support 2018-19	15		15
Education programs - responsible pet ownership	3		3
Feasibility Study - Pathway between Rose Av and Coghlan Rd	25		25
Implementation of OSAMP/BAMP	10		10
Inverloch Surf Beach Sand Management - Beach Renourishment	110	(106)	4
MSS Rewrite and Implementation 2018-19	8		8
Municipal Public Health and Wellbeing Plan Implementation	33		33
OneCouncil System Implementation (core system upgrade)	20		20
Phillip Island Entrance Planning and Design 2018/19	65	(15)	50
Replacement of "Visit Bass Coast" Website	5		5
Robert Smith Collection Curation	6		6
Section 173 Developer Contributions Framework	15		15
Southern Gippsland Food Cluster	5		5
Sustainability - zero emission strategy	18		18
VicRoads safe cycling program	3		3
Walk to School Program 2018	15		15
Wonthaggi Activity Centre Plan	19		19
State Care Services	85		85
Land Sales	-	(800)	(800)
Rural Access	79		79
Community Grants	40		40
Commonwealth Care Services	190		190
Total	**1,765**	**(1,091)**	**674**

Project Name	Expenses $(000's)	Revenue ($000's)	Total ($000's)
Capital			
Bass Coast Rail Trail Bourne Creek Pedestrian Bridge Renewal	51		51
Bass Coast Rail Trail Signage & Seating Detailed Design	27		27
Bass Valley integrated children's centre	11		11
Blackspot Cowes Rhyll Road	637	(634)	2
Buildings - Building renewal design program for next year	51		51
Buildings - Dalyston Pavillion replacement	20		20
Buildings - Phillip Island Football Club change rooms	10		10
Buildings - Wonthaggi Depot	10		10
Carpark - Cowes Leisure Centre C/P - Cowes	46		46
Corinella Boat Ramp Carpark	43		43
Corinella Skate Park	46		46
Cowes Cultural and Community Centre (detailed design)	429		429
Cowes Jetty Triangle and Piazza redevelopment (design & construct)	121		121
Cowes PICAL building	75		75
Cowes Transit Centre and All-Day Parking	851	(420)	431
Grantville Cell 7 Construction	725		725
Grantville Skate Park	20		20
Information Technology - Multfunction Device	50		50
Inverloch Sound Shell (contribution)	184		184
Light Fleet & Equipment replacement	59		59
Marine Structures Renewal (new program)	195		195
Olive Justice Park (design)	25		25
Other EWaste/Depot Infrastructure Cowes Wonthaggi Inverloch	237	(201)	36
PBN Surf Parade Inverloch - Veronica St to Goroke St	112		112
Phillip Island Croquet Club Pavilion Detailed Design	24		24
Phillip Island Transfer Station & Depot Facility Land Acq	55		55
Pioneer Bay Drainage Strategy Outfall works	369		369
Pioneer Bay roads and drainage special charge scheme	4,284	(2,141)	2,143
Playground Detailed Design	44		44
Rail Trail Illumination Project Wonthaggi	178	(72)	106
Recreation Group - Cowes Netball Court Renewal	106		106
Recreation Group - Cowes Skate Park replacement	328		328
Rural Pavement - Loch Wonthaggi Rd, West Creek from end Sta	296		296
Rural Roads Group - Line Marking Renewal Program	77		77
San Remo Skate Park	208		208
Scenic Estate land acquisition	40		40
Strategic land acquisition - Phillip Island	2,000		2,000
Street Decoration - Banner Pole Renewal	20		20
Wonthaggi Angling and Tennis Club Detailed Design	14		14
Wonthaggi Croquet Club Pavilion Detailed Design	23		23
Wonthaggi Historical Society Building Expansion	200		200
Wonthaggi Transfer Station Shed Renewal	100		100
Wonthaggi United Soccer Club Detailed Design	21		21
Total	**12,424**	**(3,468)**	**8,956**
Grand Total	**14,189**	**(4,559)**	**9,630**

2.8 Treasury

Funds are held as cash at bank to ensure sufficient liquidity to meet payment obligations. Surplus cash is placed in interest bearing term deposits to maximise investment returns while ensuring availability if required. All investments are made in accordance with Council's Funds Investment Policy. This Policy sets limits on the maximum investments in single institutions or institutions with particular credit ratings. The aim of these limits is to safeguard Council's investment portfolio and are as follows:

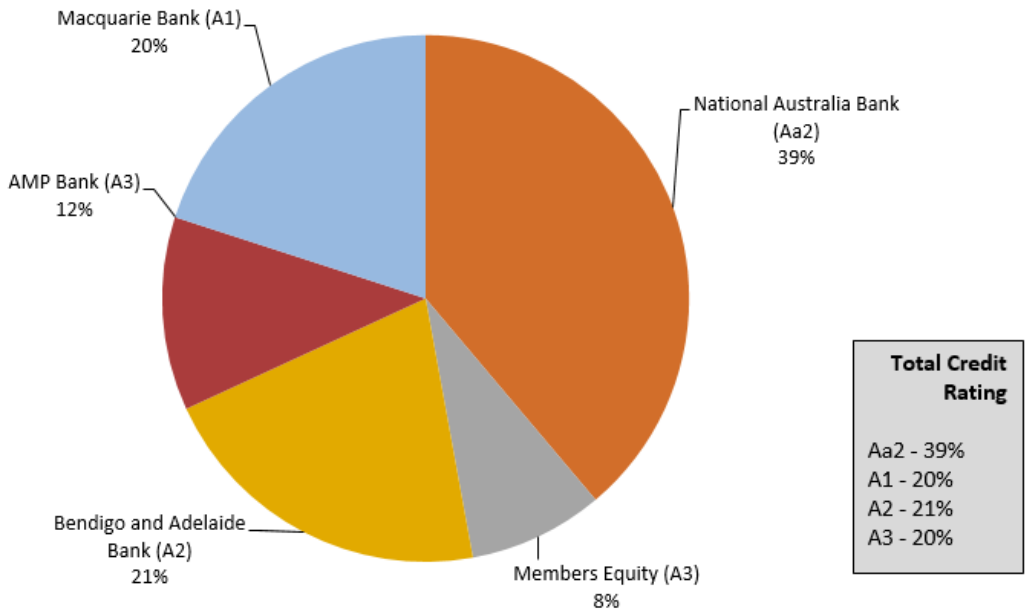
Investment Policy Limits				
Long-term Credit Rating (Moody's)	**Short-term Credit Rating (Moody's)**	**Maximum % of total investment**	**Maximum % of funds with one institution**	**Maximum term**
Aaa to Aa3	P1	100%	60%	120 days
A1 to A2	P1/P2	100%	20%	120 days
A3 to Baa1	P2	80%	10%	120 days
Baa2 to Baa3	P3	10%	5%	120 days

Compliance with this Policy as at 31 December 2019 is shown below.

Investments held by council as at 31 December 2019	Principal Invested	Interest Rate	Term (Days)	Interest on Maturity
Cash at Bank				
National Australia Bank (General Account)	0			
National Australia Bank (Professional Account)	2,828,365	1.70%	At Call	
Westpac Bank	1,586,603	0.75%	At Call	
Total Cash at Bank	**4,414,968**			
Term Deposits				
National Australia Bank	2,400,000	1.65%	98	$ 10,632
Bendigo & Adelaide Bank	600,000	1.60%	98	$ 2,578
AMP Bank	3,200,000	1.60%	82	$ 11,502
Bendigo & Adelaide Bank	2,000,000	1.45%	91	$ 7,230
Macquarie Bank	600,000	1.60%	91	$ 2,393
AMP Bank	1,100,000	1.60%	91	$ 4,388
National Australia Bank	2,300,000	1.59%	91	$ 9,117
National Australia Bank	6,000,000	1.57%	91	$ 23,485
Member Equity Bank	3,000,000	1.55%	91	$ 11,593
Bendigo & Adelaide Bank	1,000,000	1.45%	91	$ 3,615
Bendigo & Adelaide Bank	4,000,000	1.45%	87	$ 13,825
Macquarie Bank	5,000,000	1.60%	91	$ 19,945
National Australia Bank	1,000,000	1.52%	91	$ 3,790
Macquarie Bank	1,640,000	1.60%	91	$ 6,542
National Australia Bank	2,360,000	1.59%	91	$ 9,355
Total Term Deposits	**$ 36,200,000**			**$ 139,992**
Total Investments*	**$ 40,614,968**			**$ 139,992**

**Total investments differs to Cash and cash equivalents as presented on the balance sheet due to the impact of unpresented cheques, unposted deposits, cash float balances, and all investments held over 90 days which are classified as Current other financial assets.*

Investment by Institution and Credit Rating



3 Appendix – Divisional Reports

Overviews of the operating performance per division and per department are outlined below. Please note that these figures do not include capital or operating projects.

3.1 Chief Executive Officer

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Chief Executive Officer	361	341	(20)	647	627	(20)
Grand Total	**361**	**341**	**(20)**	**647**	**627**	**(20)**

Year to date and full year forecast unfavourable variance of $20K, largely due to employee costs for acting arrangements, which are not budgeted for.

3.2 Business Transformation

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Governance & Property	1,073	1,276	203	2,220	2,595	374
Transformation and Technology	899	1,278	379	2,599	2,523	(76)
People & Culture	758	847	88	1,628	1,678	50
Business Transformation	180	178	(2)	342	351	10
Grand Total	**2,911**	**3,580**	**669**	**6,789**	**7,147**	**358**

Business Transformation Major Variances

Governance & Property

YTD actual v budget favourable by $203,000 and forecast v budget $374,000 favourable due to staff working on the implementation of OneCouncil now costed elsewhere in the organisation, and to vacancies within the Governance team.

Transformation & Technology

YTD actual v budget favourable by $379,000 due to timing of invoice payments. Variance expected to reduce over following quarter.

Full year forecast v budget $76,000 unfavourable largely due to higher costs for communications and photocopiers. Opportunities to reduce these costs are currently being pursued.

People & Culture

YTD actual v budget favourable variance of $88,000 and full year forecast v budget favourable variance of $50,000 is due to temporary reduction in staff work hours.

Business Transformation

Finances are tracking to budget with no significant variances to report.

3.3 Partnerships, Advocacy and Economy

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Investment & Visitor Economy	959	1,081	122	2,087	1,976	(111)
Customer Service	527	615	89	1,146	1,218	72
Advocacy, Communications & Engagement	285	253	(32)	525	497	(29)
Partnerships, Advocacy and Economy	145	77	(68)	264	152	(113)
Grand Total	**1,916**	**2,027**	**111**	**4,023**	**3,842**	**(181)**

Partnerships, Advocacy and Economy Major Variances

Investment & Visitor Economy

Favourable YTD variance of $122,000 is predominantly due to:

- Costs that were budgeted to occur in the first half of the year, that will occur in quarter three, totalling $111,000. These costs include VIC cleaning and electricity costs and purchase of merchandise
- $24,000 favourable variance in employee costs, as the budget is spread evenly across the year. Actual costs fluctuate throughout the year due to increased staff resources in peak summer period in quarter three.
- Decline in revenue collected by VIC network from booking commissions due to growth of third-party online booking platforms (AirBnB, etc.). Attraction ticket commission have reduced and this has been exacerbated further by the impacts of prolonged drought in parts of Australia impacting on interstate visitation, declining international visitation and bushfire impacts, leading to a decline in overall visitation but particularly to the Penguin Parade which makes up the majority of the VIC ticket sales. Income has been overestimated and is $14,000 unfavourable YTD, forecast to be $99,000 less than budget by the end of the year.

The full year unfavourable variance of $111,000 is due to:

- Decreased VIC accommodation booking and attraction ticket commissions as outlined above, resulting in a full year unfavourable variance of $99,000. Additional staff resourcing of $43,000 required to meet the departments activities, including increased demand at the Inverloch Hub and servicing cruise ship visits
- $18,000 favourable variance due to costs budgeted for in operations that have been transferred to project costs and $17,000 of corporate costs that are now forecast elsewhere in the organisation (eg. merchant fees and photocopier costs). These are partially offset by a $10,000 increase in costs for the urgent upgrade of tables at Inverloch Hub.

Customer Service

The favourable YTD variance of $89,000 is primarily due to:

- Materials and services are $100,000 below budget due to facilities management costs have been transferred to the Business Transformation division
- Lower than anticipated revenue from hall and meeting room hire $4,000 and additional salaries of $7,000 required to accommodate demand at the Cowes office

Full year favourable variance of $72,000 is due to:

- Materials and services are expected to be $204,000 below budget due to the transfer of facilities management costs transferred to the Business Transformation division
- This is partially offset by reduced revenue expectations of $17,000 relating to hall and meeting room hire based on YTD actuals and expectations for the remainder of the year. Salaries expected to be $114,000 above budget due to additional resources required for the IT system implementation, demand at the Cowes office

Advocacy, Communications & Engagement

YTD and full year variance is due to the organisation restructure, and offsets against the variances showing in Partnerships, Advocacy and Economy below.

Partnerships, Advocacy and Economy

The YTD and full year variance results from the organisation restructure, and partially offsets the favourable variance showing in the Place Making division, as show below.

3.4 Place Making

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Strategy & Growth	414	1,330	916	1,518	2,588	1,070
Infrastructure Asset Management	682	783	101	1,376	1,539	164
Place Making	104	169	65	263	333	71
Major Projects	-	-	-	160	-	(160)
Grand Total	**1,200**	**2,282**	**1,082**	**3,316**	**4,460**	**1,143**

Place Making Major Variances

Strategy & Growth

YTD favourable variance of $916,000 is predominantly due to:

- Higher than anticipated contributions from developers $580,000 and development fees received $117,000;
- Lower salaries $256,000 resulting from vacancies and the organisation restructure;
- These favourable variance are partially offset by additional costs for temporary Statutory Planning staff of $45,000.

The full year favourable variance of $1,070,000 reflects:

- The additional contributions and application fees from developers $731,000;
- Staff vacancies $196,000 that have been partially offset by the increased use of contractors to backfill vacancies $100,000; and
- $246,000 of salaries transferred to the Major Projects team as a result of the organisation restructure (as shown below).

Infrastructure Asset Management

There is a favourable $101,000 YTD variance due to staff vacancies that will be partially back-filled through the use of contractors. It is anticipated that by the end of the year this will increase to $164,000 which will reflect ongoing staff vacancies.

Place Making

YTD and full year variance is due to the organisation restructure. This transfer offsets the unfavourable variance shown above in the Partnerships, Advocacy & Economy department.

Major Projects

Major Projects is a new department, created as part of the restructure. Full year forecast reflects the transfer salaries budget from the Strategy & Growth department, as outlined above.

3.5 Resilient Communities

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Sustainable Environment	4,603	5,748	1,144	10,026	11,349	1,323
Infrastructure Maintenance	5,161	5,455	294	10,041	10,053	13
Community Recreation & Culture	3,708	4,304	596	7,707	7,092	(615)
Infrastructure Delivery	502	461	(42)	880	888	8
Resilient Communities	330	191	(139)	513	374	(139)
Grand Total	**14,305**	**16,158**	**1,853**	**29,167**	**29,757**	**590**

Resilient Communities Major Variances

Sustainable Environment

YTD and annual favourable variance due to departmental contractual savings and labour savings. There has also been an increased market demand for native vegetation offsets resulting in greater revenue than anticipated. Following adverse weather events, actual savings to be determined in quarter three and four.

Infrastructure Maintenance

YTD favourable variance of $294,000 is due to the timing of expenditure, with key operational works continuing to be delivered throughout quarter three and four.
The full year forecast anticipates minimal variance to budget. As works are undertaken a clearer position in relation to full year performance will be ascertained. If current trends continue, minor savings are anticipated for infrastructure maintenance. Helping this is a continued focus on efficiencies and savings across all teams.

Community Recreation & Culture

The YTD favourable variance is primarily due to variations in aged and disability revenue and expenditure resulting from some services winding up. The full year impact of these services ceasing, together with additional expenditure resulting from approved actions is expected to be $615,000 unfavourable compared to budget.

Infrastructure Delivery

Unfavourable variance $42,000 at the end of quarter due to savings in labour (six vacancies) offsetting reduced cost recovery in road occupation permits and capital projects, and unplanned expenditure for the appointment of a consultant to review the 2015 Cowes Activity Plan.
Anticipated $8,000 favourable variance for the full year due to savings in labour.

3.6 Financial Services

	YTD Actual $000's	YTD Budget $000's	YTD Variance $000's	Full Year Forecast $000's	Full Year Budget $000's	Variance $000's
Chief Financial Officer	77	81	4	190	159	(31)
Financial Services	(55,433)	(53,981)	1,452	(49,447)	(49,484)	(37)
Grand Total	**(55,356)**	**(53,900)**	**1,456**	**(49,257)**	**(49,325)**	**(68)**

Financial Services Major Variances

Financial Services YTD net surplus is $1.456 million favourable to budget due to the following variances:

- Employee expenses $940K favourable to budget due to timing of expenditure on WorkCover insurance and lower than predicted year to date organisational payroll on costs for leave. Additionally labour under expenditure of $72K linked to casual vacancies in financial services has contributed to this underspend.
- Rates and charges $274K favourable to budget due to additional revenue from supplementary rates and waste service charges.
- Materials and services $87K less than budget due to under expenditure of $90K on debt recovery costs. Timing of payments which are expected to be resolved during the year show a saving of $49K on vehicle registration costs and an offsetting overspend of $40K in valuation expenditure.
- Grants – operating $143K more than budget due to timing of payments received from the Victorian Grants Commission.
- Net loss on asset disposals $110K less than the YTD budget of $200K.

Full year forecast is $0.068 million unfavourable to budget due to the following:

- Additional depreciation and amortisation expenses of $507K that relate to the recognition of additional assets following the capitalisation of 18/19 capital works and the revaluation of Council road assets in 2018/19. These changes in the value of Council assets were not available at the time the budget was developed and set for 2019/20.
- Council's interest revenue has reduced by $140K due to the significant softening in the interest rate environment following RBA action to reduce the cash rate from 1.5% to 0.75% in three successive 0.25% rate cuts.
- Income from the Victorian Grants Commission has reduced by $78K following a reassessment of the grants payable by the Commonwealth.
- Interest on borrowings $266K lower than budgeted due to a combination of both reduced interest rates and drawdown of borrowings forecast to occur later than budgeted.
- Projected full year rates and charges $187K favourable to budget due to additional revenue from supplementary rates and waste service charges.
- Projected savings of $100K in employee expenditure due to vacancies.
- Net loss on asset disposals $110K less than the YTD budget of $200K.