

**Report to the Future Melbourne (Finance and Governance)  
Committee**

Agenda item 6.6

**2014-15 Third Quarter March 2015 YTD Financial Performance Report**

12 May 2015

**Presenter:** Phu Nguyen, Chief Financial Officer

**Purpose and background**

1. The purpose of this report is to inform the Future Melbourne Committee of the financial performance of the Council for the quarter ending 31 March 2015, in accordance with the *Local Government Act 1989* and to provide information on supplementary valuations adopted by the Chief Executive Officer under delegation (refer Attachment 3).

**Key issues**

2. The preliminary result from ordinary activities for the quarter ending 31 March 2015 shows an underlying surplus on the Income Statement of \$24.88 million. This is a favourable variance of \$12.59 million against the budgeted underlying surplus of \$12.29 million.
3. The most significant revenue variances have occurred in grants and subsidies (\$13.94 million favourable), parking fees (\$2.41 million favourable), rates (\$1.42 million favourable) and intercompany revenue (\$1.08 million unfavourable). The more significant expenditure variations arose in employee costs (\$2.74 million favourable), maintenance costs (\$2.14 million favourable) and materials and services (\$1.48 million favourable).
4. While the current financial performance is ahead of budget, a significant portion relates to timing differences. Allowing for timing differences the financial forecast projects an underlying surplus for the full year of \$8.47 million which is \$2.11 million above budget.
5. A detailed analysis of revenue and expenditure is included in Attachment 2.

**Recommendation from management**

6. That the Future Melbourne Committee accepts the quarterly financial performance report as at 31 March 2015.

**Attachments:**

1. Supporting Attachment
2. Financial Performance Report March 2015
3. Overview of Supplementary Valuation Returns

## Supporting Attachment

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### Legal

1. Section 138 of the *Local Government Act 1989* provides that at least every three months the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council.

### Finance

2. The financial implications are detailed in the body of the report and attachments.

### Conflict of interest

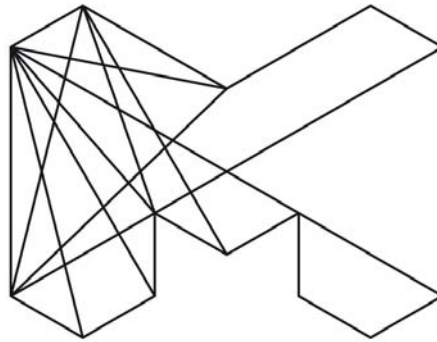
3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

### Stakeholder consultation

4. Consultation with the various branches of Council has been undertaken in preparation of this report.

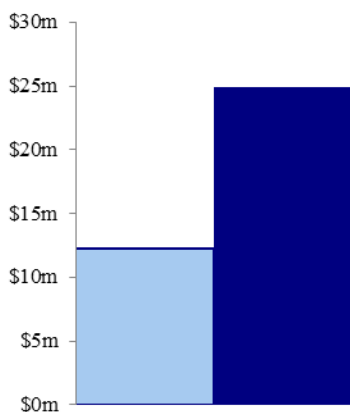
### Environmental sustainability

5. The financial performance for the quarter ended 31 March 2015 reflects many activities impacting on environmental sustainability. There is no direct impact on environmental sustainability from the recommendation in this report.



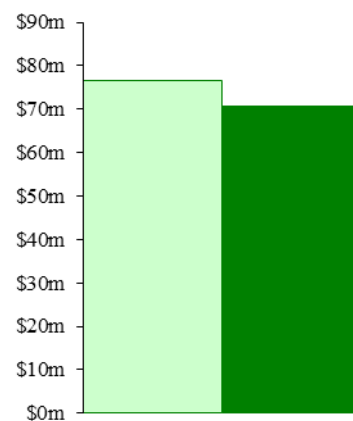
# CITY OF MELBOURNE FINANCIAL PERFORMANCE REPORT Mar 2015

**Underlying Surplus/(Deficit)**



YTD Budget	\$12.284m
YTD Actual	\$24.875m
YTD Variance	\$12.591m

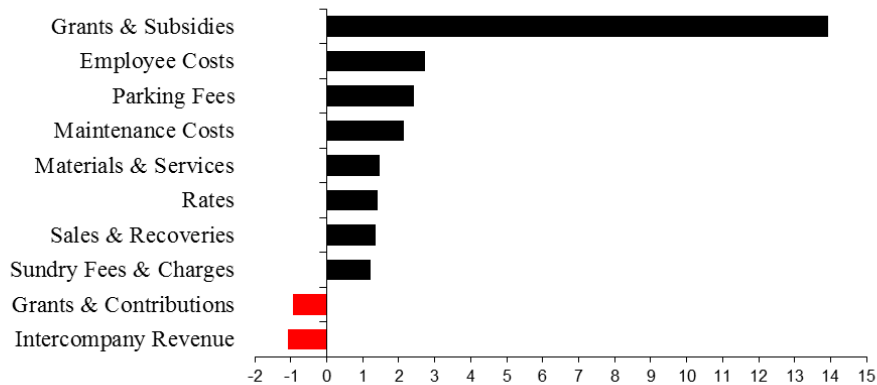
**Council Works Program**



YTD Budget	\$76.572m
YTD Actual	\$70.907m
YTD Variance	\$5.665m

## Executive Summary

### Top 10 Variances (\$millions)



### Key Financial Implications:

The year-to-date actual underlying surplus is \$24.875 million, which is \$12.591 million favourable against budget. The most significant variances are:

- Grants & Subsidies (\$13.940 million Fav) mainly due to higher capital contributions for public open space and Royal and Princes Parks Recreation Infrastructure Improvement project (capital contributions are excluded from the underlying surplus).
- Employee Costs (\$2.735 million Fav) mainly due to savings on vacant positions; a portion has been offset by higher agency costs used to backfill positions.
- Parking Fees (\$2.409 million Fav) mainly due to higher than anticipated higher construction zone parking meter revenue.
- Maintenance Costs (\$2.135 million Fav) due to later than expected expenditure on maintenance projects in engineering, recreation facilities and parks.
- Materials & Services (\$1.483 million Fav) mainly due to lower utilities cost and timing of professional services and administrative costs.
- Sales & Recoveries (\$1.350 million Fav) mainly due to higher valuation information revenue from SRO and grants-in-kind revenue.
- Grants & Contributions (\$0.927million Unfav) mainly due to events program sponsorships payments being earlier than expected.
- Intercompany Revenue (\$1.077 million Unfav) mainly due to lower than anticipated returns from Citywide.

### Underlying Operating Results

2013-14 Actual	2014-15 Budget	\$000s	Year to Date		
			Budget	Actual	Variance
390,842	398,862	Revenue	301,141	321,046	19,905
364,149	374,406	Operating Expenditure	274,839	269,374	5,465
26,693	24,456	<b>Results from Ordinary Activities</b>	26,302	51,672	25,370
955	146	Net Gain/(Loss) on disposal of Assets	(36)	722	758
(4,200)	0	Transfer assets to external parties	0	0	0
7,895	0	Contributed Assets	0	0	0
<b>31,343</b>	<b>24,602</b>	<b>Profit/(Loss)</b>	<b>26,266</b>	<b>52,394</b>	<b>26,128</b>
(21,349)	(18,237)	Less External Contributions to Capital	(13,982)	(27,519)	(13,537)
(5,640)	0	Less Gain on Investment Revaluation	0	0	0
(7,895)	0	Less Contributed Assets	0	0	0
4,200	0	Add Transfer Assets to External Parties	0	0	0
541	0	Add Writedown on Investment	0	0	0
<b>1,199</b>	<b>6,365</b>	<b>Underlying Surplus/(Deficit)</b>	<b>12,284</b>	<b>24,875</b>	<b>12,591</b>

### Council Works Program

The value of works completed is \$70.907 million compared to the planned \$76.572 million work.

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## Income Statement

\$ Thousands

Period: Mar-15

2013-14 Actual	2014-15 Budget		Year to Date		
			Budget	Actual	Variance
		REVENUE			
213,839	230,116	Rates	173,772	175,188	1,416
33,041	29,331	Grants & Subsidies	22,821	36,761	13,940
46,796	46,376	Parking Fees	34,693	37,102	2,409
40,259	42,200	Fines	32,019	32,809	790
21,779	21,142	Sundry Fees & Charges	16,292	17,505	1,213
12,751	7,326	Property Rental & Hire	5,568	5,661	93
5,084	4,877	Sales & Recoveries	3,574	4,924	1,350
583	366	Project Income	256	249	(7)
3,884	3,755	Finance Income	2,729	2,507	(222)
7,583	8,355	Intercompany Revenue - City Wide	5,654	4,431	(1,223)
5,243	5,018	Intercompany Revenue - QVM	3,763	3,909	146
<b>390,842</b>	<b>398,862</b>	<b>Total Revenue</b>	<b>301,141</b>	<b>321,046</b>	<b>19,905</b>
		EXPENDITURE			
129,480	133,686	Employee costs	95,247	92,512	2,735
147,243	146,889	Materials & Services	108,926	107,443	1,483
7,678	10,249	Finance & Insurance Costs	7,699	7,238	461
55,280	57,323	Depreciation & Amortisation	42,993	43,767	(774)
10,305	12,238	Maintenance Costs	8,232	6,097	2,135
13,350	12,476	Grants & Contributions	10,410	11,337	(927)
813	1,545	Government Taxes & Levies	1,332	980	352
<b>364,149</b>	<b>374,406</b>	<b>Total Operating Expenditure</b>	<b>274,839</b>	<b>269,374</b>	<b>5,465</b>
955	146	Total Gain/Loss on Sale	(36)	722	758
(4,200)	0	Transfer assets to external parties	0	0	0
7,895	0	Contributed Assets	0	0	0
<b>31,343</b>	<b>24,602</b>	<b>Profit/(Loss)</b>	<b>26,266</b>	<b>52,394</b>	<b>26,128</b>
(21,349)	(18,237)	Less External Contributions to Capital	(13,982)	(27,519)	(13,537)
(5,640)	0	Less Gain on Investment Revaluation	0	0	0
(7,895)	0	Less Contributed Assets	0	0	0
4,200	0	Add Transfer Assets to External Parties	0	0	0
541	0	Add Writedown on Investment	0	0	0
<b>1,199</b>	<b>6,365</b>	<b>Underlying Surplus/(Deficit)</b>	<b>12,284</b>	<b>24,875</b>	<b>12,591</b>

## Balance Sheet

\$ Thousands		Period:	Mar-15
Prior Year 2013-14 Actual		Current Mar-15 Actual	Movement 2013-14 Actual
	<b>Assets</b>		
	<b>Current Assets</b>		
99,339	<i>Ref 1</i> Cash assets	129,258	29,919
26,626	<i>Ref 2</i> Receivables	65,695	39,069
156	Prepayments	465	309
3,764	Other Current Assets	3,480	(284)
<b>129,885</b>	<b>Total Current Assets</b>	<b>198,898</b>	<b>69,013</b>
	<b>Non current assets</b>		
32,316	Investments	32,315	(1)
11,004	<i>Ref 3</i> Intangible Assets	9,365	(1,639)
3,454,400	<i>Ref 3</i> Property, Plant & Infrastructure	3,477,690	23,290
<b>3,497,720</b>	<b>Total Non-Current Assets</b>	<b>3,519,370</b>	<b>21,650</b>
<b>3,627,605</b>	<b>TOTAL ASSETS</b>	<b>3,718,268</b>	<b>90,663</b>
	<b>Liabilities</b>		
	<b>Current Liabilities</b>		
(65,966)	<i>Ref 4</i> Payables	(50,425)	15,541
0	<i>Ref 5</i> Income in Advance Rates	(56,735)	(56,735)
(29,358)	Employee entitlements	(26,768)	2,590
(1,991)	Provisions	(1,658)	333
<b>(97,315)</b>	<b>Total Current Liabilities</b>	<b>(135,586)</b>	<b>(38,271)</b>
	<b>Non- current Liabilities</b>		
(3,042)	Employee entitlements	(3,042)	0
<b>(3,042)</b>	<b>Total Non-Current Liabilities</b>	<b>(3,042)</b>	0
<b>(100,357)</b>	<b>TOTAL LIABILITIES</b>	<b>(138,628)</b>	<b>(38,271)</b>
<b>3,527,248</b>	<b>NET ASSETS</b>	<b>3,579,640</b>	<b>52,392</b>
	<b>Equity</b>		
(1,838,385)	Accumulated Surplus	(1,881,513)	(43,128)
(1,688,863)	Reserves	(1,698,127)	(9,264)
<b>(3,527,248)</b>	<b>TOTAL EQUITY</b>	<b>(3,579,640)</b>	<b>(52,392)</b>

## Balance Sheet

### Comparison to prior Year June 2014 Actual

1. Cash assets have increased by \$29.919 million mainly due to YTD operating surplus.
2. Receivables are higher by \$39.069 million largely due to rates and fire service levy receivables which are offset by income in advance rates and fire service levy payable.
3. Property, Plant and Infrastructure assets have increased by \$21.650 million mainly due to capital works (\$64.824 million), which are partially offset by asset depreciation (\$43.767 million).
4. Payables are lower by \$15.541 million mainly due to decrease of accrual expenses.
5. Income in advance rates increased by \$56.735 million which is offset by increase in rates receivable.



## Statement of Cash Flows

Period: Mar-15

2013-14 Actual	\$Thousands	YTD Actual
	<b>Cashflows from Operating Activities</b>	
	<b>Receipts</b>	
344,516	Rates, Fees and Charges	293,215
34,801	Grants and Other Contributions	36,761
4,585	Interest	2,507
3,994	Tax Equivalents - Subsidiaries	6,524
20,824	Sales & Recoveries	4,924
<b>408,720</b>		<b>343,931</b>
	<b>Payments</b>	
(128,422)	Employee Costs	(95,102)
(166,573)	Materials & Services	(125,019)
(17,505)	Grants and Other Payments	(25,652)
<b>(312,500)</b>		<b>(245,773)</b>
<b>96,220</b>	<b>Net Cash Inflow / (Outflow) from Operating Activities</b>	<b>98,159</b>
	<b>Cashflows from Investing Activities</b>	
1,819	Proceeds/(Loss) from sale of property, plant & equipment	722
(105,238)	Payments for property, plant & equipment	(70,777)
<b>(103,419)</b>	<b>Net Cash Inflow / (Outflow) from Investing Activities</b>	<b>(70,056)</b>
	<b>Cashflows from Financing Activities</b>	
3,662	Dividends received	1,816
<b>3,662</b>	<b>Net Cash Inflow / (Outflow) from Financing Activities</b>	<b>1,816</b>
<b>(3,537)</b>	<b>Net Cash Inflow/ (Outflow) from all Activities</b>	<b>29,919</b>
102,876	Cash at beginning of the financial period	99,339
99,339	Cash at the end of Mar-15	129,258
<b>(3,537)</b>	<b>Movement in cash equivalents</b>	<b>29,919</b>

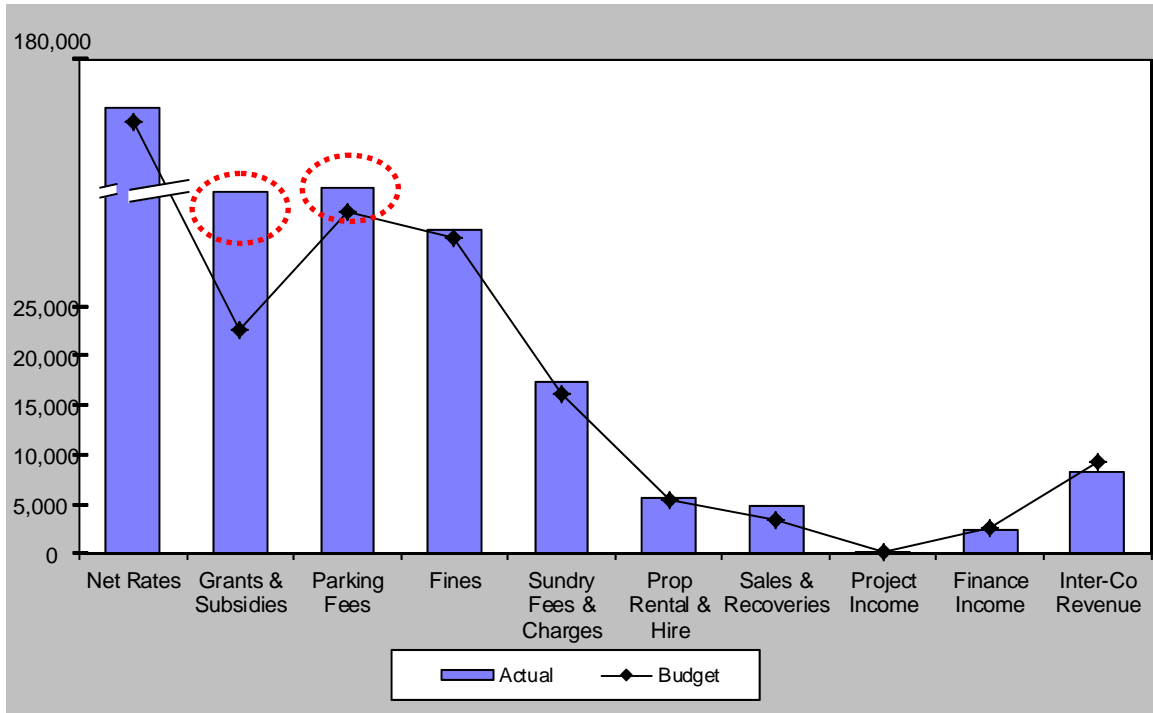
## Statement of Cash Flow (reconciliation)

	\$ Thousands	Period:	Mar-15
<b>2013-14</b>			<b>2014-15</b>
<b>Actual</b>			<b>Actual</b>
31,343	<b>Net Surplus/(Deficit) from operations</b>		52,394
	<b>Add Back Non-Cash Items</b>		
55,280	Depreciation & Amortisation		43,767
(955)	Loss/(Profit) on Sale of Assets		(722)
(5,640)	Recognition of increase in investment		0
(7,895)	Non Current Assets Additions		0
4,200	Transfer Assets to External Parties		0
541	Writedown on Investment		0
76,874	<b>Operating Surplus/(Deficit) before Non cash items</b>		95,439
23,026	Net Movement in Working Capital		4,151
(105,255)	Capital Expenditure		(70,777)
1,819	Proceeds from sale of assets		1,106
(3,537)	<b>Net Cash inflow/(outflow)</b>		29,919

On a year-to-date basis Council had a total cash inflow of \$29.919 million. This is comprised of:

- An operating surplus before non-cash items of \$95.439 million;
- Proceeds from sale of assets of \$1.106 million;
- An outflow associated with capital expenditure of \$70.777 million, including \$7.600 million deposit paid for the Munro site; and
- An inflow from working capital of \$4.151 million.

### YTD Revenue Summary



\$ Thousands

Period: Mar-15

Annual Budget	REVENUE	Year to Date		
		Budget	Actual	Variance
230,116	<i>Ref 3.1</i> Net Rates	173,772	175,188	1,416
29,331	<i>Ref 3.2</i> Grants & Subsidies	22,821	36,761	13,940
46,376	<i>Ref 3.3</i> Parking Fees	34,693	37,102	2,409
42,200	<i>Ref 3.4</i> Fines	32,019	32,809	790
21,142	<i>Ref 3.5</i> Sundry Fees & Charges	16,292	17,505	1,213
7,326	<i>Ref 3.6</i> Property Rental & Hire	5,568	5,661	93
4,877	<i>Ref 3.7</i> Sales & Recoveries	3,574	4,924	1,350
366	<i>Ref 3.8</i> Project Income	256	249	(7)
3,755	<i>Ref 3.9</i> Finance Income	2,729	2,507	(222)
13,373	<i>Ref 3.10</i> Intercompany Revenue	9,417	8,340	(1,077)
<b>398,862</b>	<b>Total Revenue</b>	<b>301,141</b>	<b>321,046</b>	<b>19,905</b>

## Analysis of Revenue Variances

Budget \$301.141m

Actual \$321.046m

Variance \$19.905m Favourable

**3.1 Net Rates****0.8% Variance****\$1.416m Fav**

This favourable variance is mainly due to higher than expected supplementary rate income (*permanent difference*).

**3.2 Grants & Subsidies****61.1% Variance****\$13.940m Fav**

This favourable variance is mainly due to:

- \$10.306 million additional capital contributions for Public Open Space (*permanent difference*);
- \$3.550 million Linking Melbourne Authority funding relating to Royal and Princes Parks recreation infrastructure improvement (*partly timing difference*);
- \$0.179 million Arts Victoria grant associated with the City's management of the Meat Market (*permanent difference*);
- \$0.210 million grants in relation to Active Cities Program (*permanent difference*);
- \$0.197 million funding from Victoria Grants Commission being paid earlier than expected (*timing difference*); and
- \$0.288 million additional funding for Kathleen Syme (*permanent difference*).

The above favourable variances are partially offset by \$0.900 million capital contributions from Living Victoria are yet to be received (*timing difference*).

**3.3 Parking Fees****6.9% Variance****\$2.409m Fav**

This favourable variance is mainly due to higher construction zone parking meter revenue (*partly permanent difference*) million higher towing vehicles (*permanent difference*) and reserved parking fees (*permanent difference*).

**3.4 Fines (Parking Fines and General Fines)****2.5% Variance****\$0.790m Fav**

This favourable variance is mainly due to parking fines currently being higher than budgeted (*permanent difference*).

**3.5 Sundry Fees & Charges (excluding parking and hire fees)****7.4% Variance****\$1.213m Fav**

This favourable variance is mainly due to:

- \$0.417 million tree removal fees (*permanent difference*);
- \$0.395 million higher than anticipated building fees (*permanent difference*);
- \$0.159 million higher supervision and civil works fees from Dockland developments (*permanent difference*);
- \$0.117 million higher than expected income from amusements operating at the Moomba event (*permanent difference*);
- \$0.111 million higher than expected Town Hall venue management contract (*permanent difference*); and
- \$0.127 million planning fees in excess of expectations (*permanent difference*).

**3.6 Property Rental & Hire Fees****1.7% Variance****\$0.093m Fav**

Minor favourable variance (*timing difference*).

**3.7 Sales & Recoveries (includes proceeds from asset sales)****37.8% Variance****\$1.350m Fav**

The favourable variance is mainly due to:

- \$0.558 million grants-in-kind of revenue which is fully offset by grants & contribution expenditure (*permanent difference*);
- \$0.190 million higher than expected valuation information income (*permanent difference*);

## Analysis of Revenue Variances

<b>Budget \$301.141m</b>	<b>Actual \$321.046m</b>	<b>Variance \$19.905m Favourable</b>
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- \$0.223 million higher revenue from 2014 Music Week main hub venue (*permanent difference*);
- \$0.201 million higher revenue from Docklands Landscaping and Tree Maintenance Services agreement (*permanent difference*);and
- \$0.096 million external lean training revenue (*permanent difference*).

**3.8 Project Income** **-2.7% Variance** **(\$0.007m) UnFav**

Minor unfavourable variance (*timing difference*).

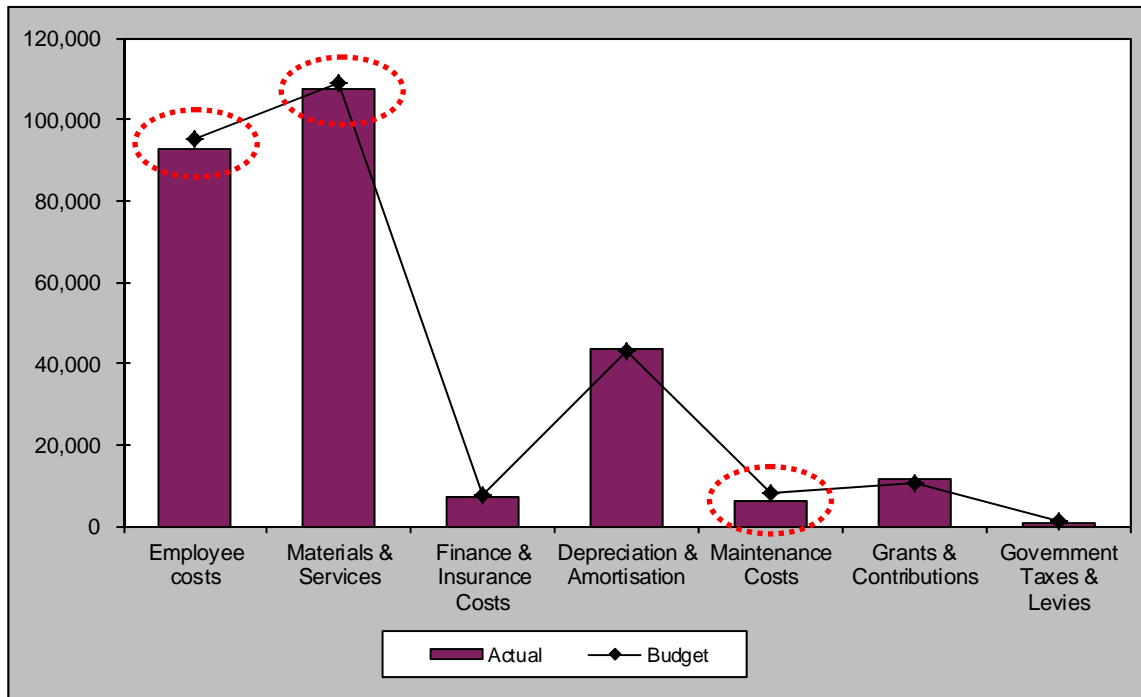
**3.9 Finance Income** **-8.1% Variance** **(\$0.222m) UnFav**

This unfavourable variance is mainly due to lower than anticipated cash balances (*permanent difference*).

**3.10 Intercompany Revenue** **-11.4% Variance** **(\$1.077m) UnFav**

This unfavourable variance is largely due to lower than expected returns from Citywide (*mostly permanent difference*).

### YTD Expense Summary



\$ Thousands

Period:

Mar-15

Annual Budget	Year to Date				
	Budget	Actual	Variance		
<b>EXPENDITURE</b>					
133,686	Ref 4.1	Employee costs	95,247	92,512	2,735
146,889	Ref 4.2	Materials & Services	108,926	107,443	1,483
10,249	Ref 4.3	Finance & Insurance Costs	7,699	7,238	461
57,323	Ref 4.4	Depreciation & Amortisation	42,993	43,767	(774)
12,238	Ref 4.5	Maintenance Costs	8,232	6,097	2,135
12,476	Ref 4.6	Grants & Contributions	10,410	11,337	(927)
1,545	Ref 4.7	Government Taxes & Levies	1,332	980	352
<b>374,406</b>		<b>Total Expenditure</b>	<b>274,839</b>	<b>269,374</b>	<b>5,465</b>

## Analysis of Expense Variances

Budget \$274.839m

Actual \$269.374m

Variance \$5.465m Favourable

**4.1 Employee Costs**

2.9% Variance

\$2.735m Fav

The favourable variance is mainly due to savings on vacant positions. Of these savings in net vacant positions, a portion has been offset by higher agency staff costs used to backfill positions (*mostly permanent difference*).

**4.2 Materials & Services**

1.4% Variance

\$1.483m Fav

Materials and services are made up of a number of different cost categories. Major variances between actual and budget have occurred in the following categories:

- Professional services favourable \$2.594 million;
- Administrative expenses favourable \$1.013 million;
- Utilities expenses favourable \$1.025 million;
- Contractors and Intercompany Contractors unfavourable \$3.141 million;

The main variances in each category are listed below.

**Professional Services** (favourable \$2.594 million)

This favourable variance is mainly due to:

- \$0.360 million Arts House programs (*timing difference*);
- \$0.578 million community development projects and programs (*partly timing difference*);
- \$0.527 million later than anticipated engagement of sustainability project consultants (*timing difference*);
- \$0.134 million consultancy costs for Flora design in Collins Street, Irrigation Network Mapping, Asset Condition Rating & Underground Service Mapping (*timing difference*);
- \$0.402 million lower than expected costs in relation to 2014 Melbourne Spring Fashion Week and Melbourne Music Week (*permanent difference*);
- \$0.213 million lower consultancy spending associated with High Rise recycling project and the Asset Master project (*timing difference*);
- \$0.171 million lower consultancy and legal costs in relation to HR management (*partly timing difference*);
- \$0.188 million lower planning appeals related costs (*permanent difference*); and
- \$0.162 million later than expected consultancy costs in relation to internal brand projects and market campaigns (*timing difference*).

The above favourable variances are partially offset by \$0.412 million higher than expected legal/barrister costs (*partly permanent difference*).

**Administrative Expense** (favourable \$1.013 million)

This favourable variance is mainly due to:

- \$0.171 million later than expected costs in relation to library service (*timing difference*);
- \$0.151 million court filing fees relating to parking infringement court lodgement schedule (*timing difference*);
- \$0.100 million lower than expected marketing campaign costs including Docklands Destination and Corporate Advertising (*timing difference*);
- \$0.199 million lower printing and copy costs across councils (*partly timing difference*);
- \$0.353 million in relation to training programs (*partly permanent difference*); and
- \$0.093 million lower document reproduction and conference expenditure in Family and Children's Services (*partly timing difference*).

**Utilities** (favourable \$1.025 million)

### Analysis of Expense Variances

<b>Budget \$274.839m</b>	<b>Actual \$269.374m</b>	<b>Variance \$5.465m Favourable</b>
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This favourable variance is mainly due to lower electricity costs in relation to council's properties and public lighting (*mostly permanent difference*).

#### **Contractors and Intercompany Contractors** (unfavourable \$3.141 million)

This unfavourable variance is mainly due to:

- \$2.676 million agency costs backfilling vacant positions (*mostly permanent difference*);
- \$0.615 million in relation to authorisation refunds and citywide costs providing reserved parking service (*permanent difference*);
- \$0.384 million car park management and security costs (*timing difference*);
- \$0.288 million higher spending in relation to arts house special projects and arts house hire (*permanent difference*);
- \$0.267 million towaway costs in line with increase in the towaway fees revenue (*permanent difference*); and
- \$0.849 million higher coin collection and cleaning contractors cost (*mostly permanent difference*).

The above unfavourable variances are partially offset by following favourable variances:

- \$1.394 million disposal & tipping contract due to the carbon tax being repealed (*permanent difference*);
- \$0.561 million lower than expected contractor costs in relation to Home and Community Care services (*permanent difference*); and
- \$0.491 million contract variation in relation to park services (*mostly timing difference*).

#### **4.3 Finance and Insurance**

**6.0% Variance**

**\$0.460m Fav**

This favourable variance is mainly due to \$0.324 million lower doubtful debt PINS provision (*permanent difference*) and \$0.379 million lower insurance provision costs due to claim settlements (*permanent difference*).

#### **4.4 Depreciation**

**-1.8% Variance**

**(\$0.774m) Unfav**

The unfavourable variance is mainly due to timing of capitalisation of projects (*timing difference*).

#### **4.5 Maintenance**

**25.9% Variance**

**\$2.135m Fav**

This favourable variance is mainly due to timing of maintenance works including engineering (\$0.881 million), parks (\$0.194 million), recreation services (\$0.369 million), Christmas Decorations (\$0.122 million) and property services (\$0.374 million) (*timing difference*). While maintenance is lower than budgeted it is expected that the full maintenance program will be delivered by the end of the financial year.

#### **4.6 Grants & Contributions**

**-8.9% Variance**

**(\$0.927m) Unfav**

The above unfavourable variance is mainly due to:

- \$0.535 million grants-in-kind expenditure which is fully offset by grants-in-kind revenue (*permanent difference*); and
- \$0.764 million earlier than expected payment to recipients of Event Partnership Program sponsorships (*timing difference*).

The above unfavourable variances are partially offset \$0.263 million business and precincts programs grants yet to be paid (*timing difference*).

#### **4.7 Government Taxes & Levies**

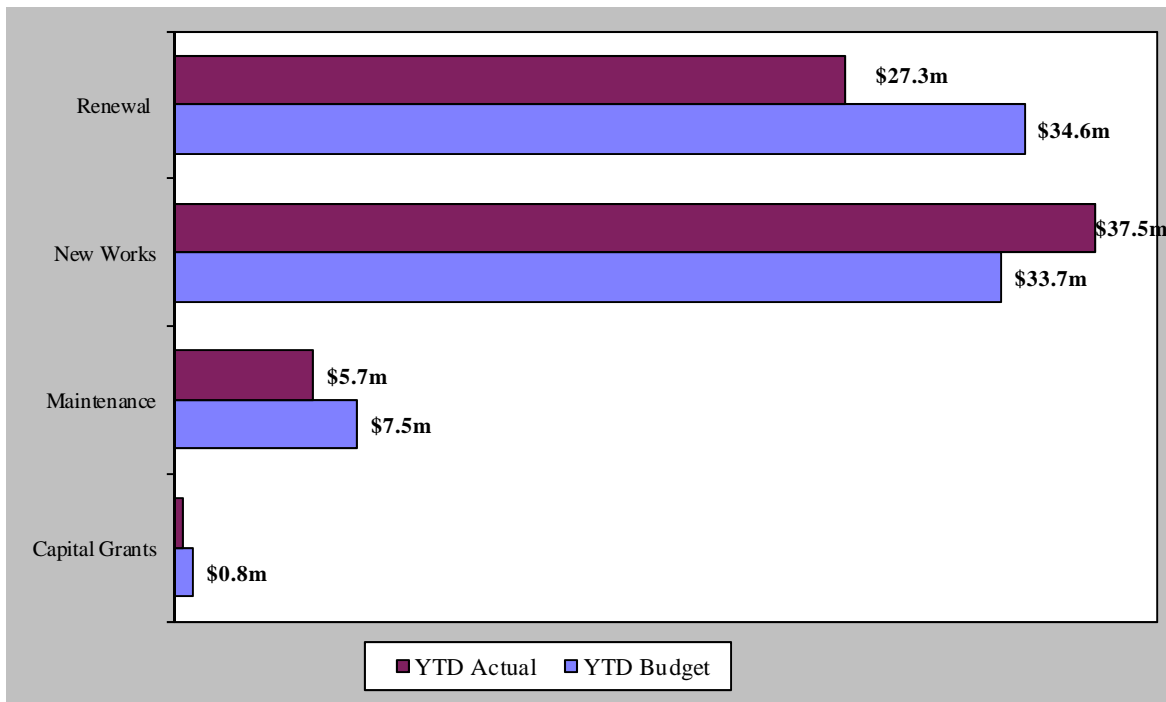
**26.4% Variance**

**\$0.352m Fav**

This favourable variance is mainly due to lower council's fire service levy payment (*permanent difference*).



### YTD Council Works Program Summary



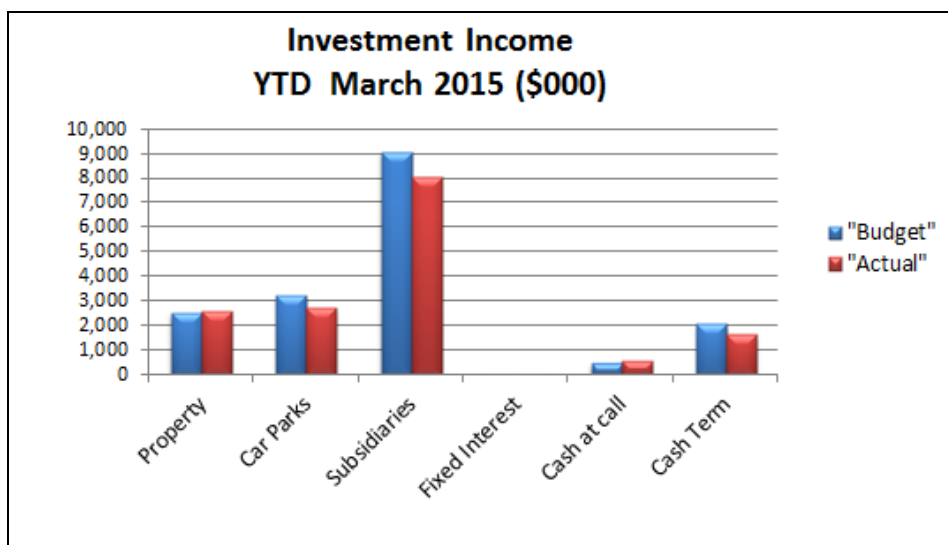
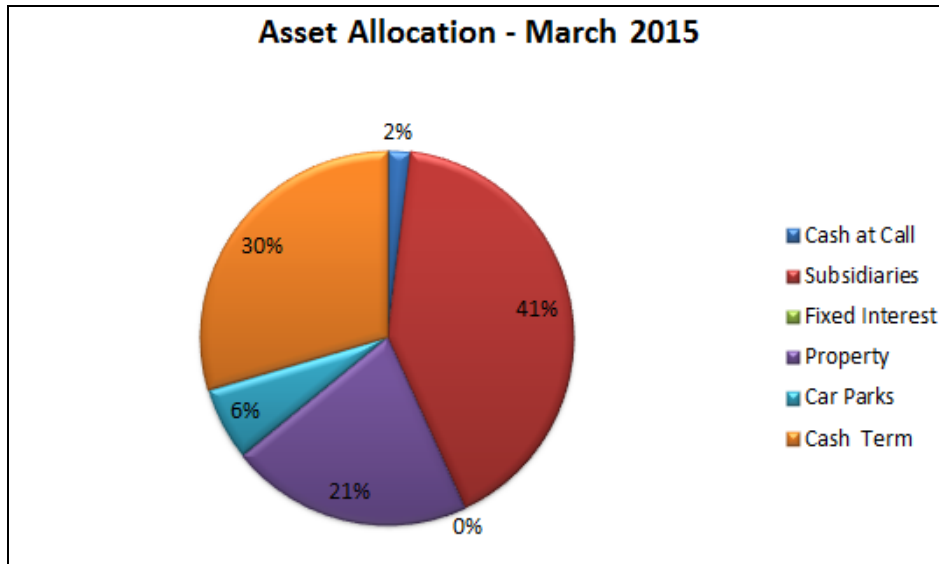
\$ Thousands

Period: Mar-15

Council Works Area	Year to Date		
	Budget	Actual	Variance
<b>Maintenance</b>			
Capital Grants	770	405	365
Maintenance	7,462	5,678	1,784
<b>Total Maintenance</b>	<b>8,232</b>	<b>6,083</b>	<b>2,149</b>
<b>Capital Works</b>			
New Works	33,703	37,513	(3,810)
Renewal	34,637	27,311	7,326
<b>Total Capital Expenditure</b>	<b>68,340</b>	<b>64,824</b>	<b>3,516</b>
<b>Total Council Works Program</b>	<b>76,572</b>	<b>70,907</b>	<b>5,665</b>

**Investment Portfolio Performance 2014-2015 (as at 31 March 2015)**

The Investment Portfolio returned \$15.378 million for the year to date, behind the budgeted \$17.151 million. The portfolio returned a yield of 5.55%.



**SUPPLEMENTARY VALUATIONS**

Supplementary valuations are undertaken for a variety of reasons and these are prescribed in the *Valuation of Land Act 1960 (VLA)*. In February 2013, Council resolved to authorise that future supplementary valuation returns be forwarded to the Chief Executive Officer and subsequently provide a quarterly report to Council.

In the January to March 2015 quarter, there were three supplementary valuation returns; the totals of these returns are as follows;

<b>Date - 2014</b>	<b>NAV Change</b>	<b>Total Rate Change</b>	<b>New Rates</b>	<b>Exemptions</b>	<b>Objections</b>
5-Feb-2015	\$3,809,975	\$50,945.46	\$75,570.01	(\$4,967.54)	(\$19,657.01)
4-Mar-2015	\$32,716,425	\$407,915.51	\$432,262.16	(\$2,180.76)	(\$22,165.89)
31-Mar-2015	\$11,497,050	\$30,255.80	\$126,221.10	(\$3,773.62)	(\$92,191.68)
<b>Total</b>	<b>\$48,023,450</b>	<b>\$489,116.77</b>	<b>\$634,053.27</b>	<b>(\$10,921.92)</b>	<b>(\$134,014.58)</b>

The 2014-15 supplementary (new) rates budget is \$5.85 million. The year to date actual for new rates is \$7.65 million. The total rateable NAV is currently \$5.457 million, a positive change of \$48,023,450.

See Attachment 3 for a listing of the significant assessments completed in these supplementary valuation returns.

Detailed listings of all supplementary valuation returns are attached to each supplementary return and are available for inspection upon request.



Ref #	Address	Category	Previous NAV	Current NAV	NAV Change	Rate Change	Comments
<b>5 February 2015</b>							
1	52-54 Barry Street, Carlton	Exempt	\$63,500	\$63,500	\$0	(\$2,810.90)	Occupied by The Fred Hollows Foundation
2	23 Stubbs Street, Kensington	Exempt	\$61,200	\$61,200	\$0	(\$1,631.61)	Tenant vacated VicTrack property
3	420 Swanston Street, Melbourne	Exempt	\$12,500	\$12,500	\$0	(\$525.03)	Tenanted vacated City Baths occupancy
1	249-251 Domain Road, South Yarra	Objection	\$362,500	\$605,000	(\$242,500)	(\$9,813.74)	VGV Approved Objection
4	45-47 Batman Street, West Melbourne	Objection	\$100,000	\$152,000	(\$52,000)	(\$2,386.85)	VGV Approved Objection
3	63 Turner Street, Port Melbourne	Objection	\$62,000	\$83,500	(\$21,500)	(\$986.87)	VGV Approved Objection
4	269-321 Lonsdale, Street Melbourne	Supplementary	\$42,294,700	\$39,490,900	\$2,803,800	\$51,118.66	New tenancies at the Emporium
3	63-83 Galada Avenue, Parkville	Supplementary	\$1,238,250	\$102,500	\$1,135,750	\$19,906.96	Construction of multi-unit development
3	714-720 Queensberry Street, North	Supplementary	\$764,000	\$137,500	\$626,500	\$9,775.33	Construction of multi-unit development
	Balance of 260 assessments		\$13,372,475	\$13,812,550	(\$440,075)	(\$11,700.49)	
			<b>\$58,331,125</b>	<b>\$54,521,150</b>	<b>\$3,809,975</b>	<b>\$50,945.46</b>	
<b>4 March 2015</b>							
4	7-13 Royal Parade, Parkville	Exempt	\$129,400	\$129,400	\$0	(\$2,180.76)	Property used for charitable purposes
1	422 Little Collins Street, Melbourne	Objection	\$1,746,800	\$1,977,200	(\$230,400)	(\$10,575.58)	VGV approved objection
5	38 Anderson Street, South Yarra	Objection	\$317,500	\$432,500	(\$115,000)	(\$4,653.93)	VGV approved objection
6	Unit 113, 18 Bent Street, Kensington	Objection	\$285,250	\$333,000	(\$47,750)	(\$1,932.41)	VGV approved objection
3	31-49 Queens Bridge Street, Southbank	Supplementary	\$24,405,800	\$1,311,500	\$23,094,300	\$300,113.99	Construction of Prima Pearl Apartments
1	218-236 A'Beckett Street, Melbourne	Supplementary	\$8,985,125	\$1,175,000	\$7,810,125	\$100,803.47	Construction of The Istana Melbourne
3	515-545 Rathdowne Street, Carlton	Supplementary	\$2,446,500	\$217,500	\$2,229,000	\$32,007.89	Construction of multi-unit development
	Balance of 64 assessments		\$15,408,535	\$15,432,385	(\$23,850)	(\$5,667.16)	
			<b>\$53,724,910</b>	<b>\$21,008,485</b>	<b>\$32,716,425</b>	<b>\$407,915.51</b>	
<b>31 March 2015</b>							
5	87A Manningham Street, Parkville	Exempt	\$168,750	\$168,750	\$0	(\$3,105.94)	Tenant vacated Linking Melb Authority
2	Kiosk 205 Bellair Street, Kensington	Exempt	\$5,500	\$5,500	\$0	(\$252.46)	Tenant vacated VicTrack property
1	26 La Trobe Street, Melbourne	Objection	\$847,500	\$2,016,000	(\$1,168,500)	(\$53,635.32)	VGV Approved Objection
1	83-87 Collins Street, Melbourne	Objection	\$1,695,000	\$1,843,000	(\$148,000)	(\$6,793.34)	VGV Approved Objection
1	439-459 Dynon Road, West Melbourne	Objection	\$342,500	\$434,500	(\$92,000)	(\$4,222.89)	VGV Approved Objection
8	189-203 William Street, Melbourne	Supplementary	\$12,545,800	\$2,420,000	\$10,125,800	\$101,846.94	Conversion of office building to mixed use
7	95-125 Pelham Street, Carlton	Supplementary	\$2,857,700	\$171,000	\$2,686,700	\$26,907.99	Construction of multi-unit development
5	434-468 Footscray Road, West	Supplementary	\$423,500	\$578,600	(\$155,100)	\$12,781.86	Victrack land leased to a private entity.
	Balance of 382 assessments		\$39,428,400	\$39,180,250	\$248,150	(\$43,271.04)	
			<b>\$58,314,650</b>	<b>\$46,817,600</b>	<b>\$11,497,050</b>	<b>\$30,255.80</b>	
<b>Total for third quarter 2014-15</b>			<b>\$170,370,685</b>	<b>\$122,347,235</b>	<b>\$48,023,450</b>	<b>\$489,116.77</b>	