

3.1 2019/2020 FINANCIAL MANAGEMENT AND CAPITAL WORKS PROGRESS REPORT – THIRD QUARTER 31 MARCH 2020

(D19-533804: SW:YN)

Responsible Officer: Danny Wain, Chief Financial Officer

RECOMMENDATION*That Council:*

1. *Notes the Quarterly Financial Management, Annual Plan and Capital Works Progress Report for the period ending 31 March 2020, presented in accordance with Section 138 of the Local Government Act 1989.*
2. *Approves the project variations contained therein.*

BACKGROUND

The Quarterly Financial Statements are prepared for formal presentation to the Council in accordance with Section 138 of the *Local Government Act 1989* (the Act).

The Quarterly Financial Statements include a comparison of year-to-date (YTD) actual revenue and expenditure with budgeted (YTD and forecast end-of-year) revenue and expenditure for the current financial year.

Council's 2019/20 Adopted Budget included four financial statements (refer Appendix A):

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Cash Flows; and
- Statement of Capital Works.

This report also provides a review of the 2019/20 Capital Works Program. In particular the Capital Works Progress report aims to:

- inform Council of funding changes to the program as a result of extra monies received from external sources; and
- quantify the transfer of funds from projects with surplus to projects with shortfalls.

COVID-19 Impacts

Since the COVID-19 pandemic hit, the impact has reverberated through our community, affecting residents and businesses.

This rapidly changing environment has created significant health and economic issues for us all. We know this continues to be a very challenging time for many in the Monash community and we are here to support you.

Whilst our first priority is the health and wellbeing of our community, we have also been working through the financial impacts from the pandemic.

Firstly, we have introduced changes to our hardship policy to provide the community with some breathing space to get back on their feet.

The hardship policy allows for all ratepayers, including businesses and investment property owners, to defer any payment of rates until June 2021 with no interest. This policy also applies to fees and charges including pet registration, meals on wheels, and sporting clubs.

In line with current restrictions, Council reduced its operating costs at its aquatic and leisure centres, and closed other public facilities such as libraries, halls and golf courses. These facilities are mostly funded from fee paying clients so our revenues have also been significantly reduced.

Despite these challenges, the majority of important Council services including waste and recycling, road and drain maintenance, community services such as home care and meals-on-wheels, child immunisation parks and garden maintenance, and customer service continue.

We believe it's important that the Monash community is aware of the financial impacts of the pandemic and the challenges ahead.

The quarterly report for March 2020 reflects the current position of Council and provides the financial forecast to June inclusive of these closures.

The immediate financial impacts of the COVID-19 pandemic are:

Reduction in income	\$7.38M
Savings associated with closures	(\$4.53M)
Net loss to Council	(\$2.85M)

To address this loss, Council's Executive took immediate action to cease all discretionary spending until the end of the financial year. These savings have offset the net loss to Council relating to facilities closure and reduction in other revenue generating sources; such as engineering fees, infringements and planning permits.

Despite these difficulties, Council's Capital Works Program for 2019/20 remains on target to achieve forecast with no immediate impacts from the pandemic.

ANALYSIS

COMPREHENSIVE INCOME STATEMENT

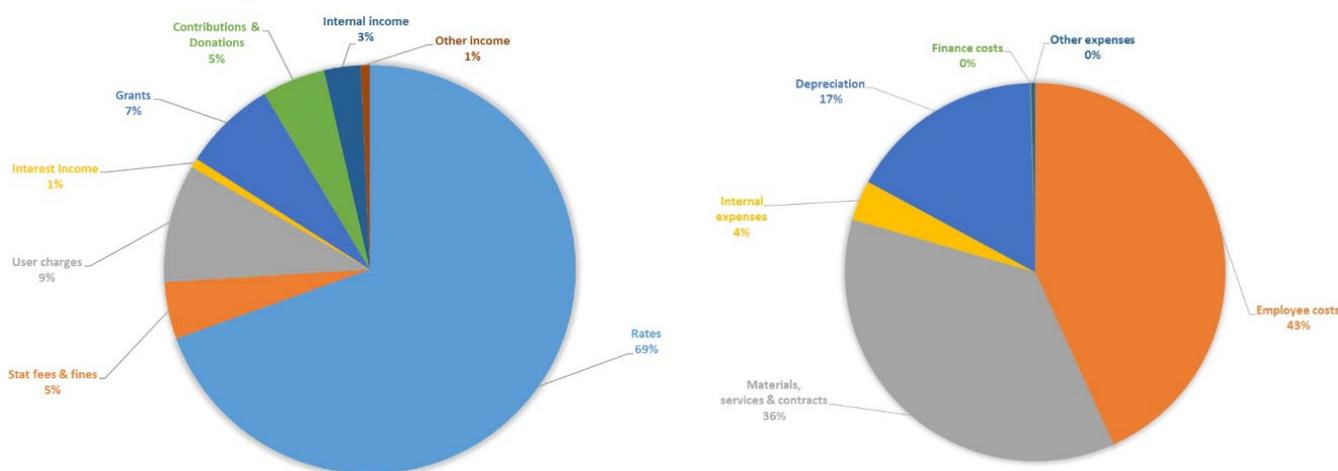
Year-to-date Summary

As at 31 March 2020, the YTD net surplus from ordinary operations was \$42.4M, representing a 15.7% (\$5.8M) favourable variance against YTD budget (\$36.7M). The full Income Statement is included in Appendix A - Financial Statements & Indicators.

	YTD Actual	YTD Mgmt Budget	YTD Variance		Adopted Budget 2019/20	Full Year Forecast 2019/20	Forecast Variance		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	%	
Total income	179,356	173,805	5,552	3.2%	190,641	189,817	(824)	(0.4%)	●
Employee Costs	61,312	61,115	(197)	(0.3%)	80,747	79,166	1,581	2.0%	●
Materials, Services & Contracts	50,745	52,437	1,692	3.2%	69,268	65,582	3,686	5.6%	●
Depreciation & Other Expenses	24,861	23,580	(1,281)	(5.4%)	31,397	33,078	(1,681)	(5.1%)	●
Total expenses	136,917	137,132	214	0.2%	181,412	177,826	3,586	2.0%	●
Surplus (deficit) for the year	42,439	36,673	5,766	15.7%	9,229	11,991	2,765	23.1%	●
Less Capital Income (non-recurrent)	(3,161)	(765)	2,396	0.0%	(2,354)	(6,004)	3,650	60.8%	●
Adjusted underlying surplus/ (deficit)	39,278	35,908	3,370	9.4%	6,875	5,986	(889)	(14.8%)	●

The year-to-date financial result is looking favourable, mainly due to a favourable income variance (\$5.5M) with revenue exceeding budgets in contributions (\$5.5M) and grants (\$1.7M), which is related to both capital contributions and public open space.

Total expenditure year-to-date is over budget by \$0.2M. The implementation of the new Accounting Standard, Leased Assets came into effective as of 1 January 2020. This resulted in the recognition of the cost of the use of the leased asset and the associated liability for payments. The favourable expenditure is the result of lower than budgeted expenditure in materials, services and contracts (\$1.7M) which is partially offset by the finance and amortisation of right of use of assets associated with the new accounting standard (\$1.4M).



Forecast Summary

The forecast financial results for 2019/20 year will look significantly different compared to the budget. With the lockdown restrictions imposed by the State Government to control the spread of coronavirus and a state of emergency announced on 16 March, many facilities have closed and public gatherings banned. This has impacted libraries, the gallery, aquatics and leisure centres and Monash halls. Other areas with lost income include parking infringements, outdoor dining permits, statutory planning applications and engineering permits. The losses to income has been offset by reductions in expenditure.

The net loss from COVID-19 closures and lost income is approximately \$2.8M, with approximately \$2.5M in additional savings identified from discretionary spends. The loss of income from the closures is approximately \$7.3M with associated expenditure offsets of \$4.5M. Other discretionary reductions in expenditure has been identified from staff training, conferences and seminars, memberships and subscriptions and other expenses.

Forecast income (unfavourable \$0.8M)

Income is forecast to be lower than budget by \$0.8M due to significant reductions in user fees (\$4.6M) and statutory fees (\$1.5M) caused by COVID-19 closures and public gatherings, in addition to lower than budgeted investment income as a result of a fall in interest rates (\$0.6M). This is partially offset by grants and contributions (\$5.5M), of which \$4.2M relates to additional public open space contributions and \$2.3M is from unbudgeted capital grants and contributions

Forecast expenditure (favourable \$3.6M)

Expenditure is forecast to be lower than budget by \$3.6M, which is also impacted by COVID-19 closures and restrictions. As Council is temporarily unable to deliver some of its services, employee costs in particular casuals, temporary and contract staff have been forecast down and engagement of this particular area of the workforce is on hold. Total employee costs are expected to be \$1.6M less than budget by year's end.

Materials and services will also significantly drop due to the pandemic and is forecast to be \$3.7M under budget. This includes reductions due to service and facilities closures and reductions in discretionary spends, some of these include festivals and community programs (\$0.2M), utilities (\$0.5M), materials and chemicals (\$0.3M), administration (\$0.4M), equipment and maintenance (\$0.3M), other expenses (\$0.4M). Other reductions are due to closure of family day care service (\$0.4M) and waste services (\$0.9M) mostly due to a new accounting standard introduced to recognise the financial obligation towards leased assets. This has also resulted in recognising an expenditure called 'amortisation of right of use assets' which is directly related to the treatment of leased assets. This reflects a change in category disclosure only.

BALANCE SHEET

The Working Capital ratio (WCR) as at 31 March 2020 is 302%. This comprises current assets of \$138.9M and current liabilities totalling \$46M. The budgeted figure for 30 June 2020 is a WCR of 195.4% (Appendix A).

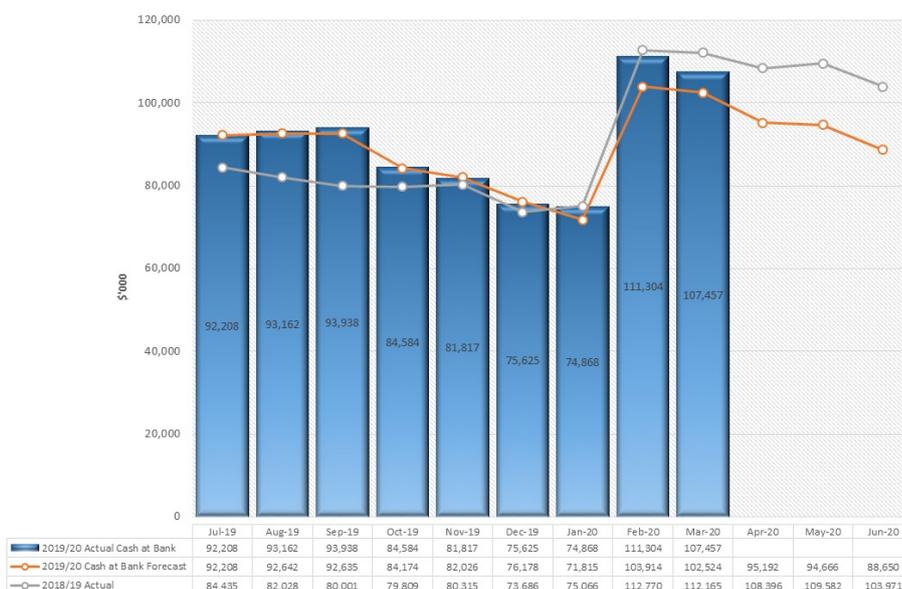
The unrestricted cash position at 31 March 2020 was 168.2%. This comprises restricted cash required by legislation of \$15.6M (\$7.4M drainage, \$3.6M parking reserves and \$4.6M public open space) in addition to funds reserved by Council resolution (\$7M development reserve & \$5.5M superannuation reserve). The actual unrestricted cash and cash equivalents are \$63.1M in addition to current liabilities of \$46M and non-current liabilities for long service leave \$1.6M and finance lease liability \$7.7M. The budgeted figure for 30 June 2020 is 106% (Appendix A).

The forecast unfavourable variance of \$142.3M in Net Assets is mostly attributable to the devaluation of Council assets (Land) at 30 June 2019.

STATEMENT OF CASH FLOWS

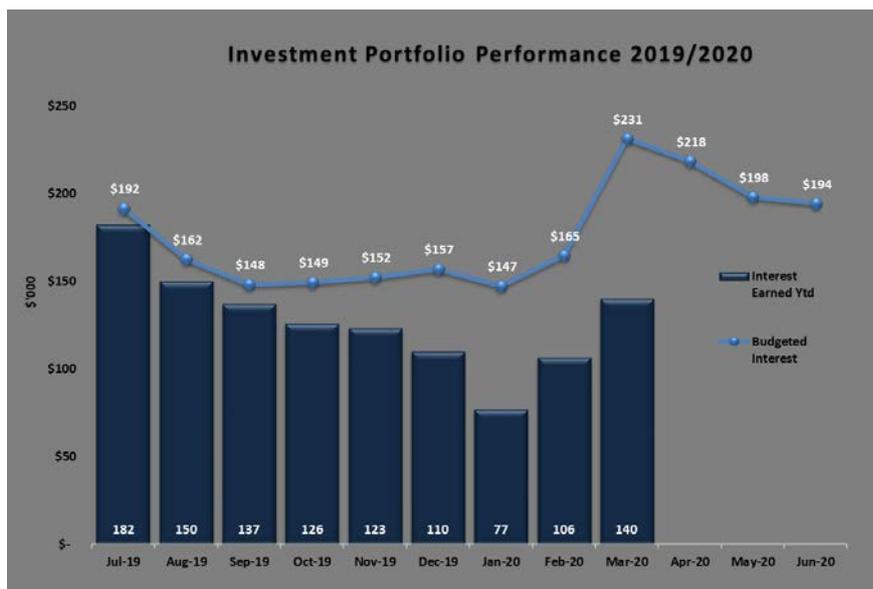
The Cash Flow Statement shows Council’s cash position at the end of March 2020 at \$107.4M, an increase of \$4.9M from the year-to-date budget of \$102.5M.

The forecast cash position is an \$11.9M increase compared to the Adopted Budget cash at end of the financial year. This is primarily due to a higher cash balance at 30 June 2019, resulting from higher than budgeted income from public open space contributions, advance receipt of the 2019/20 Victorian Grants Commission funding as well as positive cash flows from a delay in the delivery of capital works program. The cash position at year end will also be impacted by the COVID-19 bans and closures. During the current financial year, it is forecast that an additional \$0.7M will be added to the capital works program.



Investment Interest Performance

The graph below highlights the interest performance on total cash invested. Despite forecasting a higher cash balance at the end of the financial year, the interest rates are considerably lower than budget and will not meet budgeted expectations.



Council recently committed to adopt a positive screening approach for Council’s investment with financial institutions by actively investing with fossil free financial institutions within the parameters of Council’s investment policies. We currently have 15% of funds invested with fossil free financial institutions (Bendigo Bank and IMB).

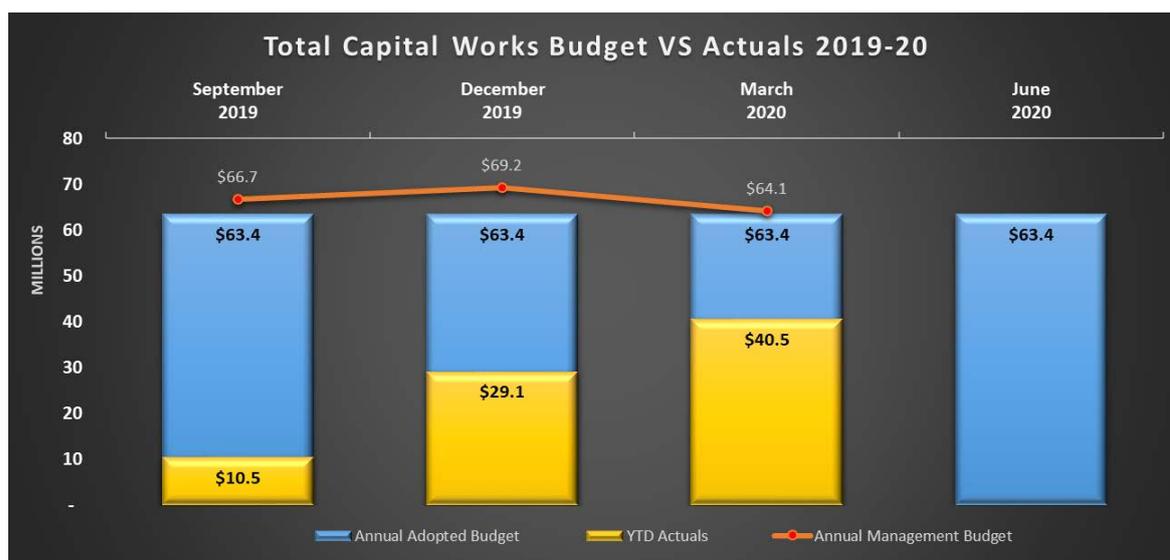
Liquidity of Investments

Type of investments	Term	Amount Invested
Call accounts	At Call	-
Term deposits	30 days or less	-
Term deposits	31 to 60 days	-
Term deposits	61 days to 90 days	28,000,000
Term deposits	91 days to 120 days	-
Term deposits	121 days to 365 days	71,000,000
Term deposits	365 days +	-
Total funds invested		99,000,000

STATEMENT OF CAPITAL WORKS

The Statement of Capital Works presents Council’s performance against the Adopted 2019/20 Capital Works Budget. As at 31 March 2020, Council has expended \$40.5M of its Adopted Capital Works Budget of \$63.4M.

The Annual Plan target is to achieve a minimum of 90% expenditure of the agreed Capital Works Budget, adjusted to \$64.1M as detailed below. As at 31 March 2020, Council has achieved 63.2% (\$40.5M/\$64.1M) against this target. It is anticipated that the Annual Plan target of 90% spend from the Agreed Capital works budget in 2019/20 will be achieved. Despite the COVID-19 impacts, the capital works program will continue.



Adjustments to the Capital Works Expenditure Budget

Table 1 summarises funding adjustments that have been made to the Adopted 2019/20 Capital Works Budget.

The Adopted 2019/20 Capital Budget of \$63,439,631 has been adjusted to an Agreed Management Budget of \$64,137,970 as at 31 March 2020, taking account of new projects with external income, and additional funds required for completion of the existing program (Appendix A for Capital Budget detail).

Table 1: Summary of Adjustments to the 2019/20 Capital Works Budget – at 31/03/2020

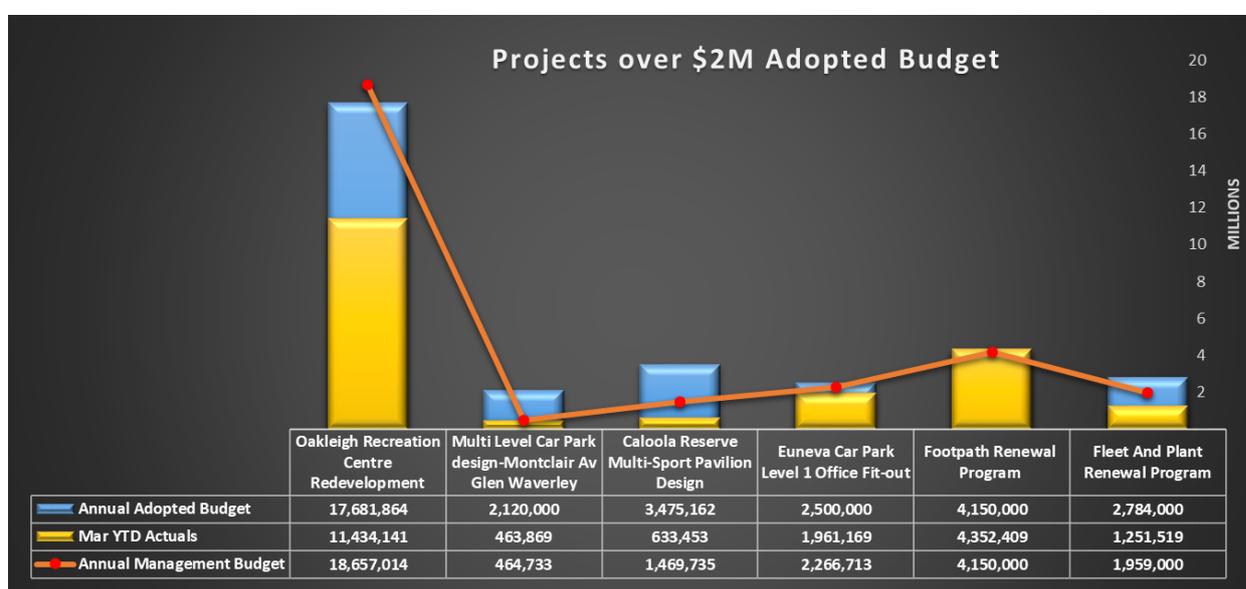
Description	Amount \$
2019-20 Adopted Budget	\$63,439,631
New Projects	\$1,459,584
Current projects that require additional funding	\$1,464,717
Unbudgeted income	\$471,361
Surplus Funds	-\$150,974
Agreed Capital Works Budget at 30 September 2019	\$66,684,319
New Projects	\$780,723
Current projects that require additional funding	\$1,441,073
Unbudgeted income	\$296,688
Surplus Funds	\$0
Agreed Capital Works Budget at 31 December 2019	\$69,202,803
New Projects	\$2,361,709
Current projects that require additional funding	\$1,005,663
Unbudgeted income	\$1,200,588
Surplus Funds	-\$2,053,481
Carry forward to next financial year	-\$7,579,312
Agreed Capital Works Budget at 31 March 2020	\$64,137,970

Table 2: Capital Program funding sources summary at 31/03/2020

Description	Adopted Budget	Management Budget	Movement
Grants	\$3,543,326	\$5,027,474	\$1,484,148
Contributions	\$115,000	\$1,440,013	\$1,325,013
Council Fund	\$59,781,305	\$57,670,483	-\$2,110,822
Reserves	\$0	\$0	\$0
Agreed Capital Works Budget at 31 March 2020	\$63,439,631	\$64,137,970	\$698,339

Highlights: Top 6 capital works projects over \$2M adopted budget

The graph below shows the top 6 capital works projects with adopted budgets over \$2M in 2019/20.



- \$0.07M of remaining funds from Wetland Water Management and Amenity Program is being put towards the Brick-makers Wetland (as part of the Oakleigh Recreation Centre Development project), this ensures additional storm water sources are directed to top up the Brick-makers Wetland.
- Council in its meeting on 13 March 2020 approved the \$0.1M of additional funds for the Caloola Reserve Multi-Sport Pavilion Design project. The total budget is \$1.5M this year, with a carry forward of \$2M next year.
- Euneva Car Park Level 1 Community Infrastructure project has returned surplus funds of \$0.3M.
- Two other major capital projects will also carry forward budgets to 2020/21. These are the Plant and Fleet Renewal Program, and the Multi-level Car Park – Montclair Avenue Glen Waverley.

ANNUAL PLAN

Included in the adopted Annual Budget are a set of Major Initiatives and Initiatives that Council planned to undertake during 2019/20. Council is requested to endorse changes to the initiatives set out in the table below due predominantly to the sudden impact of COVID-19, and limitations on work that can be undertaken, as well as the commencement of the Local Government Act 2020.

Current Action	Revised Action	Reason for Change
A Liveable and Sustainable Monash		
1.2 Progress the feasibility study of the Civic Precinct redevelopment	Progress the feasibility study of the Civic Precinct redevelopment as practical due to COVID-19	Due to the COVID 19 restrictions the consultant will be unable to conduct the appropriate levels of feasibility works contained in the contract (given the levels of lockdown) to complete the work.
Inviting Open and Urban Spaces		
2.19 Complete the Implementation the Asset Management Framework	Progress the Implementation the Asset Management Framework	The Open Space Asset Management Plan (ASAMP) component will not be fully delivered in 19/20. As the resource assigned to (ASAMP) is now assigned to the business continuity team dealing with our response to COVID-19 and the completion of this Plan will occur in 20/21.
An Inclusive Community		
3.8 Develop a Glen Waverley Community Action Plan	Commence the Glen Waverley Community Action Plan	Community engagement is currently on hold due to the COVID-19 restrictions on community contact. It is unlikely that this project will be delivered by 30 June 2020.
3.9 Deliver the Ashwood Chadstone Pathways Project to build on equality and respect	Commence the Ashwood Chadstone Pathways Project to build on equality and respect	Community engagement is currently on hold due to the COVID-19 restrictions on community contact. It is unlikely that this project will be delivered by 30 June 2020.
3.13 Implement Year Two of the Monash Gallery of Art Strategic Plan	Implement Year Two of the Monash Gallery of Art Strategic Plan as practical due to COVID-19	Due to COVID-19 protocols, MGA closed to the public on 24 March 2020. All exhibitions, programs and events from this date for 2019-20 have been postponed.
3.14 Commence the Integrated Cultural Precinct Study. (MGA -	Commence the Integrated Cultural Precinct Study (MGA - Wheelers Hill	Due to the COVID-19 restrictions some components of the feasibility works cannot be conducted. An

Current Action	Revised Action	Reason for Change
Wheeler's Hill Feasibility Study)	Feasibility Study) as practical due to COVID-19	extension has therefore been sought from the State Government for completion in March 2021.
Responsive and Efficient Services		
4.5 Analyse the results of the annual Community Satisfaction Survey and provide recommendations to the Executive Leadership Team for continual improvements to performance	Delayed	Due to the COVID 19 restrictions limited responses were received. One weekend of doorknocking was conducted also attempted to undertake the survey by phone but this also proved unsustainable and limited.
4.6 Implement actions from the People and Culture Strategy	Progress actions from the People and Culture Strategy	As a result of resource limitations due to agency reductions the action for the Learning and Development Framework review is now on hold. All other actions will be delivered.
4.9 Complete and implement Year 1 of Council's Financial Sustainability - Revenue & Rating Strategy	Progress Council's Financial Sustainability - Revenue & Rating Strategy	With the new Local Government Act commencing the draft Revenue & Rating Strategy will now be progressed to completion and implementation in conjunction with the Long Term Financial Plan.

CONCLUSION

Council's financial position reflects an overall positive performance against budget, made up of a number of variances, both favourable and unfavourable across the breadth of Council services. The 2019/20 budget has been impacted by the COVID-19 restrictions and these variances will continue to be monitored for the remainder of the financial year.

The Capital Works budget deficit of \$0.7M at 31 March 2020 will be funded from a combination of surplus project budgets, unbudgeted fund and Council's retained earnings.

APPENDIX A – Financial Statements and Indicators

Comprehensive Income Statement

Comprehensive Income Statement for the period ending 31 March 2020							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2019/20 Adopted Budget \$'000	2019/20 Forecast \$'000	Forecast Var \$	Forecast Var %
Revenue from Ordinary Activities							
Rates & Charges	125,578	125,745	(166)	125,740	125,740	0	0.0%
Statutory Fees & Fines	8,228	7,685	543	10,596	9,121	(1,475)	(13.9%)
User Fees	17,546	19,191	(1,645)	24,469	19,829	(4,639)	(19.0%)
Contributions - cash	9,531	4,016	5,516	6,587	10,300	3,713	56.4%
Grants - Operating	13,286	12,398	888	16,339	16,621	282	1.7%
Grants - Capital	2,626	1,791	835	3,544	5,028	1,484	41.9%
Interest Revenue	1,319	1,760	(441)	2,415	1,780	(635)	(26.3%)
Other Revenue	867	757	110	952	934	(18)	(1.9%)
Profit from Sale of Assets	375	463	(88)	0	463	463	0.0%
Total Revenue	179,356	173,805	5,552	190,641	189,817	(824)	(0.4%)
Expenses from Ordinary Activities							
Employee Costs	61,312	61,115	(197)	80,747	79,166	1,581	2.0%
Materials, Services & Contracts	50,745	52,437	1,692	69,268	65,582	3,686	5.3%
Finance costs	159	0	(159)	0	214	(214)	0.0%
Depreciation & Amortisation	23,601	22,338	(1,263)	29,792	31,413	(1,621)	(5.4%)
Other Expenses	1,100	1,242	141	1,605	1,451	154	9.6%
Total Expenses	136,917	137,132	214	181,412	177,826	3,586	2.0%
Net Surplus/(Deficit) from Ordinary Operations	42,439	36,673	5,766	9,229	11,991	2,762	29.9%
Transfer to Reserves	2,315	-	2,315	-	4,015	4,015	0.0%
Net Surplus/(Deficit) after Transfers to Reserves	40,124	36,673	3,451	9,229	7,976	(1,253)	(13.6%)

Balance Sheet

Balance Sheet as at 31 March 2020					
	31 March 2020 Actual \$'000	2019/20 Adopted Budget \$'000	2019/20 Annual Forecast \$'000	Forecast Var \$	Forecast Var %
ASSETS					
Current Assets					
Cash & Cash Equivalents	107,457	76,783	88,650	11,867	15.5%
Trade and Other Receivables	26,794	9,014	9,014	0	0.0%
Non-current assets classified as held for sale	2,905	11,965	11,965	0	0.0%
Other Assets	1,722	2,203	2,126	(77)	(3.5%)
Total Current Assets	138,878	99,966	111,755	11,790	11.8%
Non-Current Assets					
Property, Plant & Equipment	3,213,132	3,374,543	3,220,426	(154,117)	(4.6%)
Right of use assets	8,003	0	0	0	0.0%
Other Assets	(1,230)	1,171	1,171	0	0.0%
Total Non-Current Assets	3,219,905	3,375,714	3,221,597	(154,117)	(4.6%)
Total Assets	3,358,783	3,475,680	3,333,352	(142,327)	(4.1%)
LIABILITIES					
Current Liabilities					
Trade and Other Payables	12,387	21,888	21,888	0	0.0%
Trust Funds and Deposits	16,064	11,575	11,575	0	0.0%
Income in Advance	213	0	0	0	0.0%
Provision	16,985	17,701	17,701	0	0.0%
Finance Lease Liability	378	0	0	0	0.0%
Total Current Liabilities	46,027	51,164	51,164	0	0.0%
Non-Current Liabilities					
Provision	1,621	900	900	0	0.0%
Other Liabilities	0	2,245	2,245	0	0.0%
Finance Lease Liability	7,726	0	0	0	0.0%
Total Non-Current Liabilities	9,347	3,145	3,145	0	0.0%
Total Liabilities	55,374	54,309	54,309	0	0.0%
Net Assets	3,303,409	3,421,370	3,279,043	(142,327)	(4.2%)
EQUITY					
Accumulated Surplus	1,042,262	1,016,518	1,023,370	6,852	0.7%
Reserves	2,261,147	2,404,851	2,255,672	(149,179)	(6.2%)
Total Equity	3,303,409	3,421,370	3,279,043	(142,327)	(4.2%)

Statement of Cash Flows

Statement of Cash Flows for the period ending 31 March 2020							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance Fav (\$'000)	2019/20 Adopted Budget \$'000	2019/20 Forecast \$'000	Forecast Var \$	Forecast Var %
	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Fav (Unfav)
Cash Flows from Operating Activities							
Receipts							
Rates & Charges	107,654	107,818	(164)	125,740	125,740	0	0.0%
Fire Services Levy	1,318	1,602	(284)	0	0	0	0.0%
Statutory Fees & Fines	8,228	7,589	639	10,596	9,121	(1,475)	(13.9%)
User Fees	18,068	19,935	(1,867)	26,179	21,540	(4,639)	(17.7%)
Contributions - cash	9,531	5,096	4,436	6,587	10,300	3,713	56.4%
Grants - Operating	13,438	12,232	1,206	16,339	16,621	282	1.7%
Grants - Capital	2,626	1,536	1,090	3,544	5,028	1,484	41.9%
Interest Revenue	1,354	1,960	(606)	2,414	1,779	(635)	(26.3%)
GST reimbursed by Australian Tax Office	9,211	8,189	1,022	12,090	12,090	0	0.0%
Other Revenue	1,146	592	554	762	744	(18)	(2.3%)
Employee Costs	(63,322)	(63,162)	(160)	(80,047)	(78,466)	1,581	(2.0%)
Materials, Services and Contracts	(60,867)	(60,347)	(520)	(71,913)	(68,227)	3,686	(5.1%)
Other Expenses	(1,100)	(1,165)	64	(1,615)	(1,461)	154	(9.5%)
GST paid to Australian Tax Office	(1,122)	(1,074)	(48)	(1,713)	(1,713)	0	0.0%
Total Cash Inflow (outflow) provided by Operating Activities	46,163	40,801	5,362	48,963	53,096	4,133	8.4%
Cash Flows from Investing Activities							
Payments for Property, Plant and Equipment	(43,831)	(43,353)	(478)	(69,150)	(69,848)	(698)	(1.0%)
(Payments for) / Proceeds from Investment(Net)	0	0	0	0	0	0	0.0%
Proceeds from Sale of Property, Plant and	1,858	1,104	754	1,104	1,567	463	42.0%
Net Cash Inflow (Outflow) provided by Investing Activities	(41,973)	(42,248)	275	(68,046)	(68,281)	(235)	(0.3%)
Cash Flows from Financing Activities							
Trusts and Refundable							
Deposits	570	0	570	0	0	0	0.0%
Repayment of Lease Interest	(159)	0	(159)	0	(214)	(214)	0.0%
Repayment of Lease Liability	(1,115)	0	(1,115)	0	0	0	0.0%
Net Cash Inflow (outflow) provided by Financing Activities	(704)	0	(704)	0	(214)	(214)	0.0%
Net increase (decrease) in cash and cash	3,486	(1,447)	4,933	(19,083)	(15,399)	3,684	(19.3%)
Cash and cash equivalents at the beginning of the financial year	103,971	103,971	0	95,866	104,048	8,182	8.5%
Cash and cash equivalents at the end of the period	107,457	102,524	4,933	76,783	88,650	11,867	15.5%

Statement of Capital Works

Statement of Capital Works for the period ending 31 March 2020						
	YTD Actual \$'000	2019/20 Adopted Budget \$'000	% Complete	2019/20 Management Budget \$'000	Variance to Adopted Budget Var \$	Var %
Property						
Land	1	36	3.1%	36	0	0.0%
Land Improvements	0	0	0.0%	0	0	0.0%
Total land	1	36	3.1%	36	0	0.0%
Buildings and Building Improvements	18,125	33,668	53.8%	30,919	2,749	8.2%
Total buildings and building improvements	18,125	33,668	53.8%	30,919	2,749	8.2%
Total property	18,127	33,704	53.8%	30,955	2,749	8.2%
Plant & Equipment						
Plant, machinery and equipment	1,330	3,004	44.3%	2,109	895	29.8%
Fixtures, fittings and furniture	355	642	55.2%	656	(14)	(2.2%)
Computers and telecommunications	4,329	5,598	77.3%	5,662	(65)	(1.2%)
Library books	993	1,325	74.9%	1,325	0	0.0%
Total plant and equipment	7,006	10,569	66.3%	9,752	816	7.7%
Infrastructure						
Roads	4,250	4,422	96.1%	4,861	(439)	(9.9%)
Bridges	63	115	54.4%	284	(169)	(147%)
Footpaths and cycleways	4,973	5,568	89.3%	6,011	(443)	(7.9%)
Drainage	863	2,116	40.8%	2,742	(626)	(29.6%)
Recreational, leisure and community facilities	3,068	3,247	94.5%	4,941	(1,694)	(52.2%)
Waste management	154	236	65.3%	236	0	0.0%
Parks, open space and streetscapes	1,798	3,030	59.3%	3,837	(808)	(26.7%)
Aerodromes	0	0	0.0%	0	0	0.0%
Off street car parks	1	0	0.0%	0	0	0.0%
Other infrastructure	205	434	47.3%	520	(86)	(19.8%)
Total Infrastructure	15,374	19,167	80.2%	23,431	(4,264)	(22.2%)
Total capital works expenditure	40,507	63,440	63.9%	64,138	(699)	(1.1%)
Represented by:						
New Asset expenditure	2,056	3,220	63.9%	3,255	(34)	(1.1%)
Asset renewal expenditure	26,101	40,878	63.9%	41,328	(450)	(1.1%)
Asset expansion expenditure	3,488	5,462	63.9%	5,522	(60)	(1.1%)
Asset upgrade expenditure	8,862	13,880	63.9%	14,033	(153)	(1.1%)
	40,507	63,440	63.9%	64,138	(699)	(1.1%)
Funding sources represented by:						
Grants	2,626	3,543	4.1%	5,027	1,484	41.9%
Contributions	535	115	0.8%	977	862	749.4%
Council cash	37,346	59,782	58.9%	58,134	(1,648)	(2.8%)
Borrowings	0	0	0.0%	0	0	0.0%
Total capital works expenditure	40,507	63,440	63.9%	64,138	699	1.1%

Financial Indicators

Indicator	Measure	YTD Actual 2019/20	Full Year Budget 2019/20
<i>Operating position</i>			
Adjusted Underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	22.3%	3.7%
<i>Liquidity</i>			
Working Capital	Current assets / current liabilities	301.7%	195.4%
Unrestricted cash	Unrestricted cash / current liabilities	168.24%	106.0%
<i>Obligations</i>			
Loans and borrowings	Interest bearing loans and borrowings / rate	0.00%	0.00%
Loans and borrowings	Interest and principal repayments / rate revenue	0.00%	0.00%
Indebtedness	Non-current liabilities / own source revenue	6.1%	1.9%
Asset renewal	Asset renewal expenditure / depreciation	110.6%	137.2%
<i>Stability</i>			
Rates concentration	Rate revenue / adjusted underlying revenue	71.3%	66.8%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.2%	0.2%
<i>Efficiency</i>			
Expenditure level	Total expenses / No. of property assessments	\$1,709	\$2,264
Revenue level	Residential rate revenue/No. of residential assessments	\$1,498	\$1,444
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	7.7%	11.0%

Capital Works project detail

The details of these adjustments to the Capital Works budget are outlined below:

1.1 New fund request for new project in 2019-20

Description	\$
Central Reserve Electronic Scoreboard at Central Reserve South Oval	11,610
Gladeswood Reserve Baseball/Reserve Improvements	20,000
Pole Mounted Solar Led Radar Speed Variable Message Signs	24,000
Jack Edwards Electronic Scoreboard	45,210
Retaining Wall - 125 Leeds Road	45,800
Netball Court Redevelopment at Jells Park Detailed Design	52,820
Caloola Reserve Tennis Court Construction	58,021
Structures Renewal Program On Asset Condition	115,000
Streetscape Upgrade & Road Modification O`Sullivan Rd Glen Waverley	120,750
Integrated Child & Family Hub Scope–Wellington Kindergarten & Mulgrave Park MCH (Plan & Design)	197,566
MARC Group Change Room Upgrade	213,400
Wellington Reserve Sporting Lighting Upgrade	287,532
Central Reserve Grandstand construction	1,170,000
Total	2,361,709

1.2 Additional council funding required to complete current projects

Description	\$
Oakleigh Recreation Centre Redevelopment	75,150
Business Technology Asset Management Information System Implementation	196,023
Electra Reserve Ashwood Playspace Upgrade	180,000
Roof Renewal Program - Oakleigh Service Centre	140,148
Equitable Access - Glen Waverley Library Toilets Compliance Upgrade	114,720
Equitable Access Wellesley Dr Sensory Playspace	10,856
Advanced Playspace Design - Multiple Locations	7,003
Street Tree Strategy Implementation	50,423
Business Technology PC & Laptop Renewal	147,700
Eaton Mall Pedestrian Safety Project	83,640
Total	1,005,663

1.3 Surplus

Description	\$
Avendon Estate Cypress Windrow Replacement	-29,075
Building Structure And Roof Renewal Projects Across Various Nominated Buildings And Facilities	-404,050
Business Technology Corporate Reporting Renewal	-125,000
Building HVAC & Mechanical Renewal Program (Wheelers Hill Library Air Condition Upgrade)	-164,304
Monash Gallery Of Art Collection Development And Acquisitions	-39,000
Scammell Reserve Sports Lighting Upgrade	-89,000
Essex Heights Reserve Improvement Projects	67,850
Waverley Bridge Club Solar Panel Installation	-42,217
Waverley District Netball Association Players Shelter	30,000
Building Fit-Out Renewal Program Across Various Nominated Buildings and Facilities	-253,012
Business Technology Enterprise Project Portfolio Management Solution - (EPPM)	-31,500
Notting Hill Neighbourhood Place Improvements	-47,000
Structures Renewal Program-Bridges, Culverts & Walls renewal at various Council locations	-240,000
Princes Highway West Reserve Sportsground Development	-184,070
Corporate Flags At Activity Centres	-15,558
Waste Transfer Station Perimeter Fence Replacement	-4,246
Minor Works At Monash Halls and Community Centres	-50,670
Euneva Car Park Level 1 Office Fit-out	-303,287
Clapham Road Car Parking	-44,733
Tally Ho Tennis Shade Structure	-5,565
Wetland Water Management and Amenity Program	-75,150
Libraries Internal Signage Upgrade (Formerly Clay. & Mt Waver. Lib. Signage Upgrade)	-3,894
Total	-2,053,481

1.4 Carry forward

Description	\$
Building Services Renewal Program Across Various Nominated Buildings and Facilities	-482,885
Waverley District Netball Association Whole of Reserve Opportunities	-330,000
Brine Street Staffroom And Children's Library Build - Year 2	-50,000
Damper Creek Reserve Operations Facility Renewal	-63,000
Caloola Reserve Multi-Sport Pavilion Design	-2,005,427
Refurbish Murals Oakleigh Station	-30,000
Ashwood Chadstone Pavement Markings to Raise Awareness of Family Violence	-47,000
Waverley Archers at Freeway Reserve-construction of modular change rooms	-75,000
Upgrade Of Financial System - Oracle	-280,000
Mayfield Park Reserve Sports Lighting Upgrade, Mount Waverley	-61,400
Fleet And Plant Renewal Program	-825,000
Polystyrene Extrusion Machine Upgrade	-70,000
Glen Waverley Civic Centre Precinct Feasibility	-150,000
Waste Transfer Station Improvement Works	-115,850
Isense Oakleigh: The Smart Connected Precinct	-125,850
Essential Works At Monash Halls And Community Centres	-529,340
Multi-Level Car Park design-Montclair Avenue Glen Waverley	-1,747,580
Level Crossing Road Authority Centre Road West Community Playspace	-137,480
Gardiners Reserve South Modular Change Rooms	-53,500
Brentwood Reserve Pavilion Redevelopment	-250,000
Mulgrave Reserve Pavilion Design	-150,000
Total	-7,579,312

1.5 Unbudgeted Income

Description	\$
Essex Heights Reserve Improvement Projects	1,088
Bus Stop Upgrade At Jacksons Road At Morawa Drive & Mulgrave	86,000
Jack Edwards Electronic Scoreboard	66,000
Central Reserve Electronic Scoreboard at Central Reserve South Oval	59,862
Bus Stop Upgrade At 757 Ferntree Gully Road & Wheelers Hill	54,000
Bus Stop Upgrade At Princess Highway At Franklyn Street & Huntingdale	54,000
Holmesglen Reserve Electronic Scoreboard	51,651
Bus Stop Upgrade At 648 Ferntree Gully Road & Wheelers Hill	50,000
Bus Stop Upgrade At 680 Ferntree Gully Road & Wheelers Hill	50,000
Netball Court Redevelopment at Jells Park Detailed Design	40,000
Wellington Reserve Sporting Lighting Upgrade	34,338
Waverley Rail Trail Shared Path Connection Feasibility Study	26,500
Pole Mounted Solar Led Radar Speed Variable Message Signs	26,180
Monash Gallery Of Art Collection Development And Acquisitions	53,000
Scammell Reserve Sports Lighting Upgrade	130,500
Safe System Road Infrastructure Program (SSRIP)-Cycling Infrast. Improve. Carinish To Cobain St Clayton	113,495
Safe System Road Infrastructure Program (SSRIP)-Scotchman Ck Trail - Atkinson St To Waverley Rd	160,000
Safe System Road Infrastructure Program (SSRIP)-Cycling Infrast. Improve. Gardiner Rd Clayton & Notting Hill	57,960
Safe System Road Infrastructure Program (SSRIP)-Cycling Infrast. Dorgan To Lawrence Rd M/W	60,905
Eaton Mall Pedestrian Safety Project	25,109
Total	1,200,588