

APPENDIX A



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FINANCIAL REPORT

Q2 Forecast for 2015/2016

Operating Budget

29 January 2016

Council

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1 Executive Summary

1.1 Operating Performance

	Q1 YTD Forecast \$'000	YTD Actual \$'000	Q1 YTD Variance		Annual Budget \$'000	Q1 Forecast \$'000	Q2 Forecast \$'000	Variance \$'000
			(\$'000)	(%)				
			(unfav)	(unfav)				(unfav)
Directorates	(43,555)	(41,075)	2,480	6	(90,799)	(91,348)	(90,592)	756
Other non-attributable	98,633	100,475	1,842	2	91,189	88,019	91,213	3,193
Underlying Surplus/ (Deficit)	55,078	59,399	4,322	8	389	(3,329)	620	3,949
Capital items	3,037	3,755	718	24	6,489	6,557	5,888	(669)
Net Surplus/ (Deficit)	58,114	63,154	5,040	9	6,878	3,228	6,508	3,280

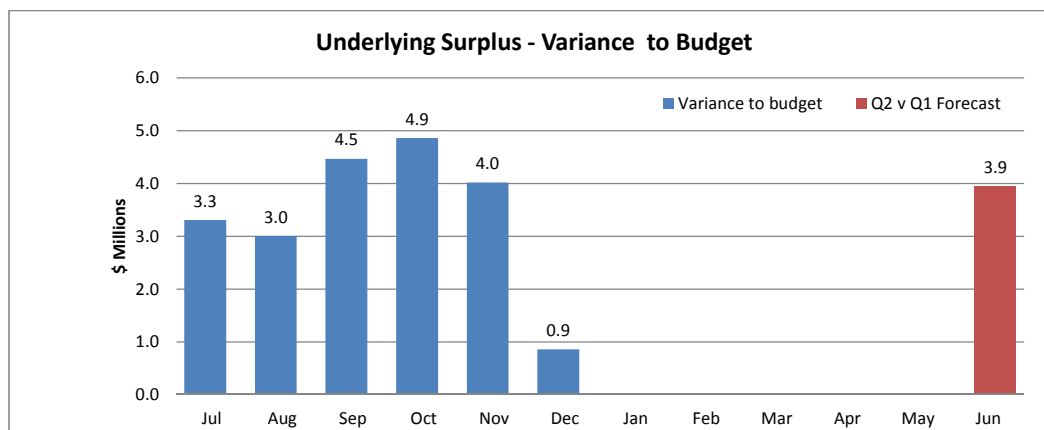
Reconciliation of Annual Budget to Q1 Forecast

	TOTAL	Directorates	Non Attributable
2015/16 Adopted Budget Net Surplus	6,878	(90,799)	97,677
less operating carry forwards	1,170	549	621
less Victorian Grants Commission prepayment	2,480	0	2,480
Q1 Forecast *	3,228	(91,348)	94,576

* The inclusion of expenditure related to grants received but not fully spent in 2014/15 and the Victorian Grants Commission prepayment adjustment were the only changes made in the Q1 forecast.

Reconciliation of Q1 Forecast to Q2 Forecast

	TOTAL	Directorates	Non Attributable
Q1 Forecast	3,228	(91,348)	94,576
Facilities Maintenance	(231)	(231)	
Asset Strategy	90	90	
Strategic Planning	68	68	
Building Services	137	137	
Utilities	340	340	
Environmental Operations	264	264	
Leisure Contracts	(102)	(102)	
Mgr Parks & Vegetation	(233)	(233)	
DIR Community Services	(96)	(96)	
Manager Aged & Disability	(186)	(186)	
Access & Support	(153)	(153)	
Comm Participation & Development	109	109	
People & Resources	(126)	(126)	
Community Facilities	110	110	
Equity & Diversity	74	74	
Customer Services	121	121	
Human Resources	147	147	
Health & Urban	94	94	
Civic Compliance	(93)	(93)	
Corporate Risk	71	71	
Depreciation	1,427		1,427
DCP/POS contributions	(816)		(816)
Sups rate income	206		206
Oncosts - other	1,169		1,169
Interest	167		167
Major maintenance	163		163
Insurance premiums	172		172
Corporate Initiatives	200		200
Sundry adjustments	187	350	(163)
Q2 Forecast	6,508	(90,592)	97,101



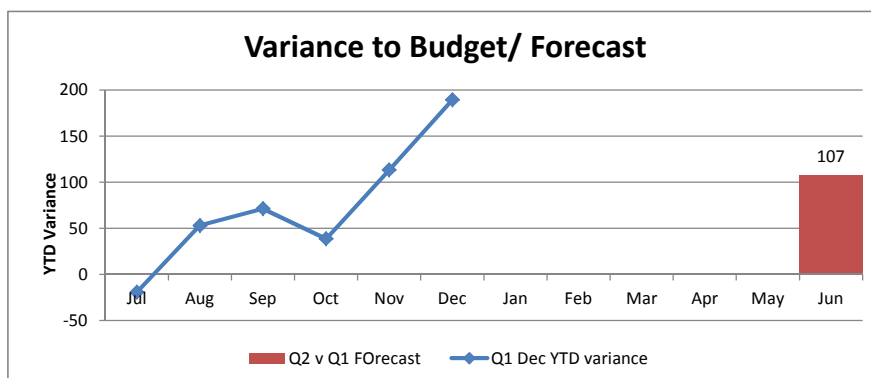
APPENDICES

Further details of the financial position

2 Operating Performance

2.1 Council Directorates								
Directorates	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance
	Forecast	Actual	Variance	%	Budget	Forecast	Forecast	
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000	\$'000
			(unfav)	(unfav)				(unfav)
REVENUE								
Chief Executive Officer	49	57	8	17	82	82	87	5
Assets & Business Services	1,728	2,176	448	26	3,243	3,243	3,907	664
Culture, Leisure & Works	6,780	7,076	296	4	11,353	11,353	12,070	717
Community Development	6,976	6,635	(341)	(5)	12,896	12,896	12,524	(372)
Corporate Services	3,476	3,713	237	7	6,818	6,818	6,970	151
Total Revenue	18,960	19,599	640	3	34,310	34,310	35,471	1,161
EXPENSES								
Chief Executive Officer	2,267	2,086	181	8	4,409	4,409	4,307	102
Assets & Business Services	9,296	9,122	173	2	19,000	19,027	19,266	(240)
Culture, Leisure & Works	22,207	21,827	380	2	44,571	44,603	45,238	(636)
Community Development	18,016	17,403	612	3	36,031	36,500	36,231	270
Corporate Services	10,780	10,294	486	5	21,180	21,201	21,108	93
Total Expenses	62,564	60,732	1,832	3	125,191	125,740	126,150	(410)
NET COST								
Chief Executive Officer	2,217	2,028	189	9	4,328	4,328	4,220	107
Assets & Business Services	7,567	6,946	621	8	15,758	15,784	15,359	425
Culture, Leisure & Works	15,427	14,751	676	4	33,218	33,250	33,168	82
Community Development	11,040	10,769	271	2	23,134	23,604	23,707	(103)
Corporate Services	7,304	6,581	723	10	14,361	14,383	14,138	245
Net cost	43,555	41,075	2,480	6	90,799	91,348	90,592	756

2.2 Chief Executive Officer									
Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance	Ref
	Forecast	Actual	\$'000	%	Budget	Forecast	Forecast		
	\$'000	\$'000	\$'000	(unfav)	\$'000	\$'000	\$'000	\$'000 (unfav)	
REVENUE									
Chief Executive Officer	0	0	0	0	0	0	0	0	
Mgr Corp Governance	0	0	0	0	0	0	0	0	
Council Business	0	2	2	>100	1	1	2	1	
Performance Support	0	0	0	0	0	0	0	0	
Civic Services	49	55	7	14	81	81	85	4	
Procurement & Contracting	0	0	0	0	0	0	0	0	
Total Revenue	49	57	8	17	82	82	87	5	
EXPENSES									
Chief Executive Officer	417	327	90	21	855	855	806	49	
Mgr Corp Governance	148	151	(3)	(2)	293	293	284	9	
Council Business	611	600	11	2	1,135	1,135	1,116	19	
Performance Support	392	347	44	11	727	727	681	46	
Civic Services	434	431	4	1	869	869	886	(17)	
Procurement & Contracting	265	230	35	13	531	531	535	(4)	
Total Expenses	2,267	2,086	181	8	4,409	4,409	4,307	102	
NET COST									
Chief Executive Officer	417	327	90	21	855	855	806	49	1
Mgr Corp Governance	148	151	(3)	(2)	293	293	284	9	
Council Business	611	598	13	2	1,134	1,134	1,114	20	
Performance Support	392	347	44	11	727	727	681	46	2
Civic Services	386	375	10	3	788	788	801	(13)	
Procurement & Contracting	265	230	35	13	531	531	535	(4)	
Net cost	2,217	2,028	189	9	4,328	4,328	4,220	107	



Summary of Key Variance from Q1 Forecast

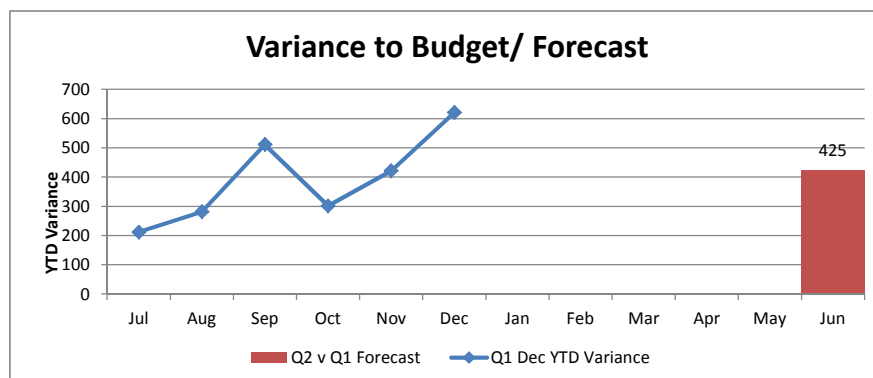
	Variance	Explanation of Variance
	Fav (Unfav)	
	\$'000s	
1	Chief Executive Officer	49 Staff vacancy - Executive Coordinator & Council Liaison Position \$63K
2	Performance Support	46 Staff vacancy in Corporate Planning \$32K

YTD Variance not recognised in the Q2 Forecast

Chief Executive Officer	41	Contractors \$11K YTD variance and Consultants \$8K YTD variance rephased
Civic Services	24	Staff vacancy for the month of December not factored into the Q2 Forecast \$13K, Electricity incorrectly phased \$8K
Procurement & Contracting	39	Staff vacancies currently showing a favourable YTD Variance of \$23K, however due to staff movement from trainee into full-time employee the increase in annual cost is \$16K

Note: Explanations are provided for all variances +/- \$20,000

2.3 Assets & Business Services									Ref
Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance \$'000 (unfav)	
	Forecast	Actual	Variance		Budget	Forecast	Forecast		
	\$'000	\$'000	\$'000	% (unfav)	\$'000	\$'000	\$'000		
REVENUE									
DIR Assets & Business Services	0	0	0	0	0	0	0	0	
Major Projects & Activity Centres	0	0	0	0	0	0	0	0	
Facilities Maintenance	6	22	15	>100	13	13	27	14	
Capital Works	28	33	5	18	50	50	51	1	
Asset Strategy	311	400	89	29	691	691	794	104	
Manager City Development	0	0	0	0	0	0	0	0	
Strategic Planning	0	53	53	0	3	3	53	50	
Statutory Planning	670	660	(10)	(2)	1,305	1,305	1,305	0	
Building Services	502	636	134	27	1,018	1,018	1,173	156	
Transport	54	76	22	41	126	126	188	63	
Mgr Environment & Natural Resources	0	0	0	0	0	0	0	0	
Environmental Strategy	157	295	139	89	38	38	314	276	
Utilities	0	0	0	0	0	0	0	0	
Total Revenue	1,728	2,176	448	26	3,243	3,243	3,907	664	
EXPENSES									
DIR Assets & Business Services	199	211	(12)	(6)	401	401	380	21	
Major Projects & Activity Centres	110	220	(110)	(100)	239	239	289	(50)	
Facilities Maintenance	2,495	2,418	77	3	4,772	4,772	5,017	(245)	
Capital Works	583	563	20	3	1,201	1,201	1,182	19	
Asset Strategy	693	734	(41)	(6)	1,393	1,393	1,407	(14)	
Manager City Development	285	304	(18)	(6)	576	576	613	(36)	
Strategic Planning	639	564	75	12	1,598	1,600	1,583	17	
Statutory Planning	1,628	1,632	(5)	(0)	3,206	3,206	3,212	(6)	
Building Services	604	576	29	5	1,230	1,230	1,248	(18)	
Transport	708	749	(41)	(6)	1,386	1,386	1,409	(22)	
Mgr Environment & Natural Resources	99	97	2	2	209	209	209	0	
Environmental Strategy	530	488	41	8	1,139	1,163	1,409	(246)	
Utilities	722	567	155	21	1,649	1,649	1,309	340	
Total Expenses	9,296	9,122	173	2	19,000	19,027	19,266	(240)	
NET COST									
DIR Assets & Business Services	199	211	(12)	(6)	401	401	380	21	1
Major Projects & Activity Centres	110	220	(110)	(100)	239	239	289	(50)	2
Facilities Maintenance	2,489	2,396	92	4	4,760	4,760	4,991	(231)	3
Capital Works	554	529	25	5	1,151	1,151	1,130	20	
Asset Strategy	382	334	49	13	702	702	613	90	4
Manager City Development	285	304	(18)	(6)	576	576	613	(36)	5
Strategic Planning	639	511	128	20	1,595	1,597	1,529	68	6
Statutory Planning	958	972	(15)	(2)	1,901	1,901	1,907	(6)	
Building Services	103	(60)	162	>100	212	212	75	137	7
Transport	654	673	(18)	(3)	1,261	1,261	1,220	40	8
Mgr Environment & Natural Resources	99	97	2	2	209	209	209	0	
Environmental Strategy	373	193	180	48	1,101	1,125	1,094	31	9
Utilities	722	567	155	21	1,649	1,649	1,309	340	10
Net cost	7,567	6,946	621	8	15,758	15,784	15,359	425	



Summary of Key Variance from Q1 Forecast

		Variance Fav (Unfav) \$000s	Explanation of Variance
1	DIR Assets & Business Services	21	Reduction in Other Expenses by \$19K - no future planned spending for this financial year
2	Major Projects & Activity Centres	(50)	Project Management Office (\$50K). Ongoing budget to be determined based on this year's result
3	Facilities Maintenance	(231)	Half cost fencing forecast has increased by (\$30K) due to higher number of requests, (\$160K) increase in programmed maintenance due to audit finding, (\$40K) increase in Power and Light Pole program for major building works for Bracken Avenue and (\$20K) increase in the Urgent Works Facilities program
4	Asset Strategy	90	\$80K increase in Right of Way sales than budgeted
5	Manager City Development	(36)	Legal Advocate program (\$40K) due to increases in legal costs from planning matters
6	Strategic Planning	68	Developer Contributions Plan consultancy \$60k due to program expenditure not going ahead
7	Building Services	137	Increase in building activity within the municipality has resulted in a higher number of damage fee inspections issued in Asset Protection and Permits Program \$31K and Council Consents income in Building Supervision Program \$106K
8	Transport	40	Salary savings \$40K in Transport Planning due to staff vacancies
9	Environmental Strategy	31	Salary Savings \$14K in Environmental Strategy program due to vacancies. Increased bin permits income \$19K
10	Utilities	340	Lower than anticipated Street Lighting bills due to energy savings \$154K through Energy Efficient Street Lights and lesser hours of street light operation

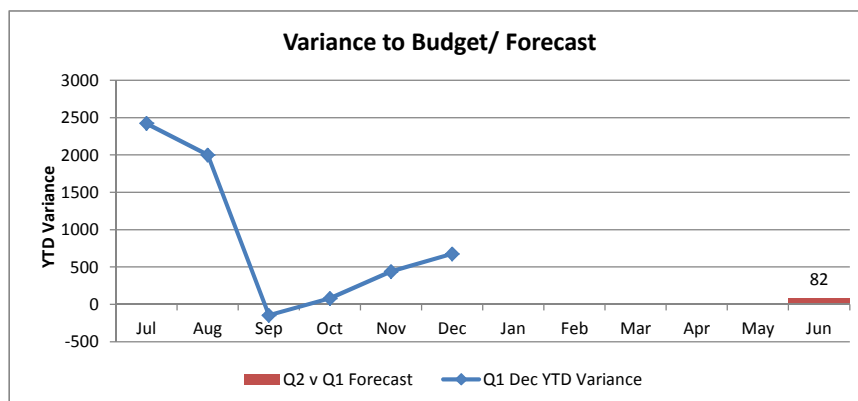
YTD Variance not recognised in the Q2 Forecast

	Facilities Maintenance	92	External contracts across facilities maintenance rephased
	Strategic Planning	61	Consultants \$44K and Legal costs \$19K rephased
	Building Services	(25)	Unpredictable nature of the use of Legal Expenses
	Environmental Strategy	149	Recycling Waste Education \$100K contributions and Sustainable Homes \$30K contributions received earlier than forecast

Note: Explanations are provided for all variances +/- \$20,000

2.4 Culture, Leisure & Works									Ref
Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance \$'000 (unfav)	
	Forecast	Actual	Variance		Budget	Forecast	Forecast		
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000		
			(unfav)	(unfav)					
REVENUE									
DIR - Culture, Leisure & Works	16	16	0	0	16	16	16	0	
Manager City Works	0	0	0	0	0	0	0	0	
Infrastructure Maintenance & Suppor	243	333	90	37	574	574	758	185	
Environmental Operations	2,538	2,523	(15)	(1)	2,912	2,912	2,963	51	
Operational Projects & Fleet	54	55	1	2	136	136	120	(16)	
Bundoora Homestead	33	75	42	>100	67	67	112	45	
Arts & Culture	22	8	(14)	(66)	44	44	30	(14)	
Darebin Arts & Entertainment Centre	653	826	174	27	839	839	1,265	426	
Northcote Town Hall	189	226	38	20	391	391	407	16	
Creative Culture Department Program	45	52	7	16	137	137	145	8	
Darebin Arts Box Office	110	146	36	33	160	160	197	37	
Leisure Services	198	201	3	2	295	295	313	18	
Mgr Leisure & Public Realm	0	0	0	0	(100)	(100)	(100)	0	
Leisure Contracts	977	927	(50)	(5)	2,416	2,416	2,428	13	
Reservoir Leisure Centre	1,264	1,245	(20)	(2)	2,616	2,616	2,563	(53)	
Public Realm	0	0	0	0	0	0	0	0	
Bundoora Park Heritage Village, Caf	417	414	(3)	(1)	814	814	813	(1)	
Mgr Parks & Vegetation	0	0	0	0	0	0	0	0	
Parks & Vegetation	0	2	2	0	0	0	2	2	
Bundoora Park Golf Operations & Par	22	27	5	23	36	36	35	(0)	
Arboriculture	0	0	0	0	0	0	0	0	
Bushlands	0	0	0	0	0	0	0	0	
Turf Management	0	0	0	0	0	0	0	0	
Total Revenue	6,780	7,076	296	4	11,353	11,353	12,070	717	
EXPENSES									
DIR - Culture, Leisure & Works	276	240	36	13	584	584	574	10	
Manager City Works	95	82	12	13	203	203	194	9	
Infrastructure Maintenance & Suppor	2,040	2,138	(98)	(5)	3,999	3,999	4,205	(206)	
Environmental Operations	6,768	6,550	217	3	14,594	14,594	14,380	214	
Operational Projects & Fleet	1,962	1,897	65	3	3,878	3,878	3,825	53	
Bundoora Homestead	267	268	(1)	(0)	566	566	621	(55)	
Arts & Culture	215	143	71	33	450	450	436	14	
Darebin Arts & Entertainment Centre	725	788	(63)	(9)	975	975	1,370	(395)	
Northcote Town Hall	389	407	(19)	(5)	784	784	785	(1)	
Creative Culture Department Program	718	717	1	0	1,471	1,471	1,466	5	
Darebin Arts Box Office	74	88	(15)	(20)	142	142	157	(15)	
Leisure Services	287	268	19	7	585	616	603	14	
Mgr Leisure & Public Realm	166	143	23	14	355	355	343	12	
Leisure Contracts	530	540	(10)	(2)	1,027	1,027	1,141	(115)	
Reservoir Leisure Centre	1,385	1,417	(32)	(2)	2,783	2,783	2,773	9	
Public Realm	460	463	(2)	(1)	692	692	688	5	
Bundoora Park Heritage Village, Caf	753	777	(23)	(3)	1,504	1,504	1,525	(21)	
Mgr Parks & Vegetation	387	440	(52)	(13)	850	850	1,083	(233)	
Parks & Vegetation	1,826	1,753	73	4	3,723	3,723	3,687	36	
Bundoora Park Golf Operations & Par	614	529	85	14	1,153	1,153	1,138	14	
Arboriculture	1,169	1,056	112	10	1,965	1,965	1,957	8	
Bushlands	576	587	(11)	(2)	1,208	1,208	1,208	(1)	
Turf Management	525	535	(10)	(2)	1,081	1,081	1,078	3	
Total Expenses	22,207	21,827	380	2	44,571	44,603	45,238	(636)	

Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance	Ref
	Forecast	Actual	Variance	%					
	\$'000	\$'000	\$'000	%					
		(unfav)	(unfav)	\$'000	\$'000	\$'000	\$'000		
NET COST									
DIR - Culture, Leisure & Works	260	224	36	14	568	568	558	10	
Manager City Works	95	82	12	13	203	203	194	9	
Infrastructure Maintenance & Suppor	1,797	1,804	(8)	(0)	3,425	3,425	3,446	(21)	1
Environmental Operations	4,229	4,027	202	5	11,682	11,682	11,417	264	2
Operational Projects & Fleet	1,908	1,842	66	3	3,741	3,741	3,705	37	3
Bundoora Homestead	234	193	41	17	499	499	509	(10)	
Arts & Culture	193	136	57	30	406	406	406	(0)	
Darebin Arts & Entertainment Centre	73	(38)	111	>100	136	136	105	31	4
Northcote Town Hall	200	181	19	9	393	393	378	15	
Creative Culture Department Program	673	665	8	1	1,334	1,334	1,321	13	
Darebin Arts Box Office	(37)	(58)	21	(57)	(18)	(18)	(40)	22	5
Leisure Services	90	67	23	25	290	321	290	32	6
Mgr Leisure & Public Realm	166	143	23	14	455	455	443	12	
Leisure Contracts	(447)	(387)	(60)	13	(1,389)	(1,389)	(1,287)	(102)	7
Reservoir Leisure Centre	121	172	(51)	(42)	167	167	210	(43)	8
Public Realm	460	463	(2)	(1)	692	692	688	5	
Bundoora Park Heritage Village, Caf	337	363	(26)	(8)	690	691	712	(22)	9
Mgr Parks & Vegetation	387	440	(52)	(13)	850	850	1,083	(233)	10
Parks & Vegetation	1,826	1,751	76	4	3,723	3,723	3,685	38	11
Bundoora Park Golf Operations & Par	592	502	90	15	1,118	1,117	1,103	14	
Arboriculture	1,169	1,056	112	10	1,965	1,965	1,957	8	
Bushlands	576	587	(11)	(2)	1,208	1,208	1,208	(1)	
Turf Management	525	535	(10)	(2)	1,081	1,081	1,078	3	
Net cost	15,427	14,751	676	4	33,218	33,250	33,168	82	



Summary of Key Variance from Q1 Forecast

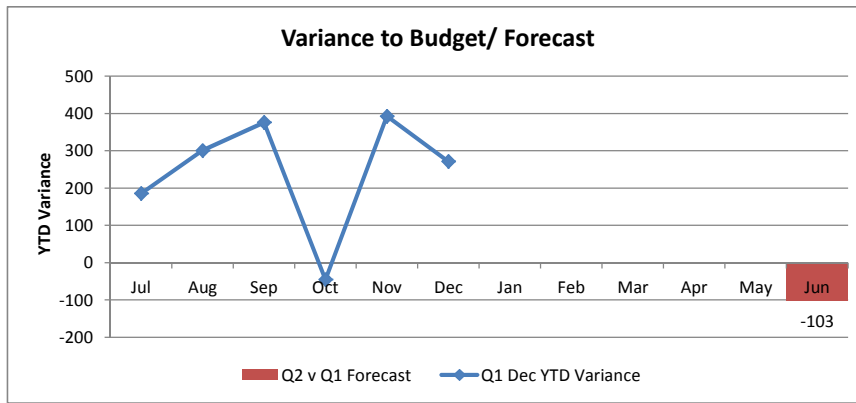
		Variance Fav (Unfav) \$000s	Explanation of Variance
1	Infrastructure Maintenance & Suppor	(21)	Casuals used to backfill frontline admin/customer service staff on leave in order to respond to high demand for service (\$21)
2	Environmental Operations	264	Reduction in fleet costs \$92K as new trucks are requiring less maintenance, Green Waste income \$43K due to an increase in the number of green bins, Street Cleaning \$75K due to reduced disposal costs
3	Operational Projects & Fleet	37	Lower fuel costs (446) due to lower than budgeted fuel prices and more fuel efficient fleet
4	Darebin Arts & Entertainment Centre	31	Increase in shows has resulted in increased Theatre income \$20K and Bar Services income \$13K
5	Darebin Arts Box Office	22	Increase in shows has resulted in increased Box Office income \$22K
6	Leisure Services	32	Forecast increase in licence income \$16K as there were less subsidies provided to sporting clubs than anticipated
7	Leisure Contracts	(102)	Forecast contract variation (\$100K) arising from part of NARC not being available (spa area after condition audit) and subsequent reduction in membership fees charged to users
8	Reservoir Leisure Centre	(43)	Forecast aquatic income lower than expected (\$24K), gas expense greater than budgeted (\$39K), and other savings found in operations to reduce variance (\$43K)
9	Bundoora Park Heritage Village, Caf	(22)	Forecast café income to be less than budgeted (\$12K). Casuals used to backfill staff unexpected leave (\$10K)
10	Mgr Parks & Vegetation	(233)	Forecast increase in water expenditure due to dry seasonal conditions
11	Parks & Vegetation	38	Forecast reduction in welding contractor \$12K and repairs and maintenance \$9K expenditure

YTD Variance not recognised in the Q2 Forecast

	Bundoora Homestead	41	Casual Staff (\$20K) and Contractors (\$19K) expenditure relating to the implementation of the Bundoora Homestead heritage project externally funded by ANZAC Centenary grant in the next 6 months
	Arts & Culture	57	Incorrect phasing of Kite Festival \$14K, Cultural Development \$16K and Music Feast \$18K - rephased
	Darebin Arts & Entertainment Centre	80	Casual budget overspent by \$8K and forecast to increase \$45K for full year to support increase in shows and audiences. DAEC Hospitality favourable \$30K but forecast to reduce over the remaining 6 months due to reduced margins via use of external catering contractors
	Parks & Vegetation	37	Springthorpe & New Estates \$16K rephased, awaiting cleaning invoices \$19K
	Bundoora Park Golf Operations & Par	76	Materials \$13K and repairs \$17K rephased. Backfilling vacancies with Contract Labour YTD variance of \$17K, increased by \$36K to cover recruitment period of permanent staff member
	Arboriculture	105	Contractors \$107K rephased in line with revised work plan

Note: Explanations are provided for all variances +/- \$20,000

2.5 Community Development									Ref
Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance	
	Forecast	Actual	Variance	%	Budget	Forecast	Forecast		
	\$'000	\$'000	\$'000	(unfav)	\$'000	\$'000	\$'000	\$'000 (unfav)	
REVENUE									
DIR Community Services	0	0	0	0	0	0	0	0	
Manager Aged & Disability	287	0	(287)	(100)	337	337	150	(187)	
Business Systems	0	0	0	0	0	0	0	0	
Access & Support	4,331	4,170	(161)	(4)	8,624	8,624	8,336	(288)	
Comm Participation & Development	123	110	(13)	(11)	242	242	242	(0)	
People & Resources	0	0	0	0	0	0	0	0	
Family & Community Programs	777	904	127	16	1,710	1,710	1,889	179	
Children, Families & Community Mgmt	12	7	(5)	(40)	24	24	24	1	
Children & Community Development	266	190	(76)	(29)	549	549	418	(131)	
Community Facilities	90	76	(14)	(15)	165	165	144	(21)	
Community Wellbeing	10	26	16	>100	10	10	32	22	
Equity & Diversity	0	1	1	0	0	0	0	0	
Darebin Libraries	1,019	1,023	5	0	1,108	1,108	1,114	6	
Youth Services	63	128	65	>100	127	127	175	48	
Customer Services	0	0	0	0	0	0	0	0	
Total Revenue	6,976	6,635	(341)	(5)	12,896	12,896	12,524	(372)	
EXPENSES									
DIR Community Services	207	259	(52)	(25)	404	404	500	(96)	
Manager Aged & Disability	124	126	(2)	(2)	230	271	270	1	
Business Systems	142	131	11	7	317	317	283	34	
Access & Support	7,178	7,146	32	0	14,268	14,316	14,181	135	
Comm Participation & Development	558	383	176	31	1,226	1,244	1,134	109	
People & Resources	481	525	(44)	(9)	966	966	1,092	(126)	
Family & Community Programs	2,183	2,215	(32)	(1)	4,418	4,487	4,691	(204)	
Children, Families & Community Mgmt	178	219	(41)	(23)	407	424	447	(23)	
Children & Community Development	665	551	113	17	1,315	1,565	1,375	190	
Community Facilities	597	422	175	29	1,297	1,304	1,173	131	
Community Wellbeing	940	879	61	6	1,461	1,475	1,501	(26)	
Equity & Diversity	469	362	107	23	1,028	1,028	954	74	
Darebin Libraries	2,662	2,524	138	5	5,316	5,323	5,325	(2)	
Youth Services	536	669	(133)	(25)	1,087	1,087	1,134	(47)	
Customer Services	1,098	991	107	10	2,290	2,290	2,169	121	
Total Expenses	18,016	17,403	612	3	36,031	36,500	36,231	270	
NET COST									
DIR Community Services	207	259	(52)	(25)	404	404	500	(96)	1
Manager Aged & Disability	(163)	126	(289)	>100	(107)	(66)	120	(186)	2
Business Systems	142	131	11	7	317	317	283	34	3
Access & Support	2,847	2,976	(129)	(5)	5,644	5,692	5,845	(153)	4
Comm Participation & Development	436	273	163	37	984	1,001	892	109	5
People & Resources	481	525	(44)	(9)	966	966	1,092	(126)	6
Family & Community Programs	1,406	1,311	95	7	2,709	2,777	2,802	(25)	7
Children, Families & Community Mgmt	166	212	(46)	(28)	384	400	423	(22)	8
Children & Community Development	399	361	38	9	766	1,016	957	59	9
Community Facilities	507	346	161	32	1,132	1,139	1,029	110	10
Community Wellbeing	930	853	77	8	1,451	1,465	1,470	(4)	
Equity & Diversity	469	361	108	23	1,028	1,028	954	74	11
Darebin Libraries	1,643	1,501	142	9	4,208	4,215	4,211	4	
Youth Services	473	541	(68)	(14)	959	959	959	0	
Customer Services	1,098	991	107	10	2,290	2,290	2,169	121	12
Net cost	11,040	10,769	271	2	23,134	23,604	23,707	(103)	



Summary of Key Variance from Q1 Forecast

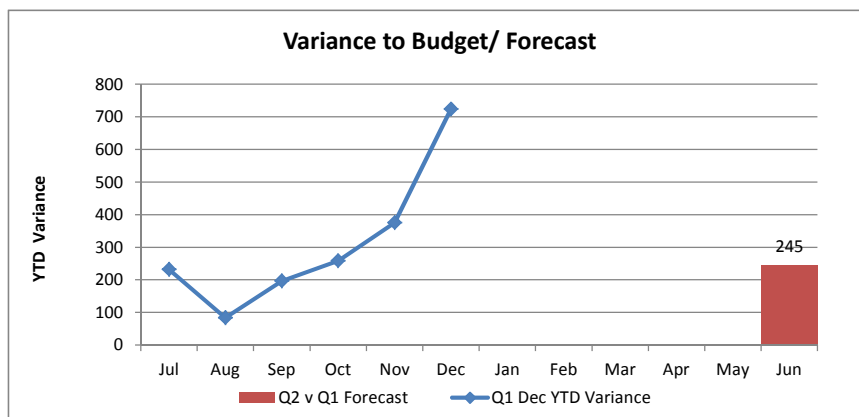
		Variance Fav (Unfav) \$000s	Explanation of Variance
1	DIR Community Services	(96)	Reallocation of position and associated salary
2	Manager Aged & Disability	(186)	Factored savings from restructure not realised. Permanent in 20152016/ budget
3	Business Systems	34	Expenditure reallocation
4	Access & Support	(153)	Forecast lower fee income than budget to be partly offset by forecast employee cost savings
5	Comm Participation & Development	109	Delay in recruitment of several positions
6	People & Resources	(126)	Increased employee costs associated with the implementation of the Carelink+ computer system
7	Family & Community Programs	(25)	Increase in employee costs associated with long term sick leave
8	Children, Families & Community Mgmt	(22)	Increased utility costs for non - Council pre school and childcare buildings
9	Children & Community Development	59	Reduction in expenditure in program areas
10	Community Facilities	110	Reduced operating expenditure and income associated with facilities not operating at full capacity
11	Equity & Diversity	74	Delay in employee recruitment plus temporary reduction in employee hours associated with return from parental leave
12	Customer Services	121	Decrease employee costs associated with staff vacancies and the implementation of the new Customer Service unit structure and trial of new rostering practices

YTD Variance not recognised in the Q2 Forecast

Comm Participation & Development	54	Delay in employee recruitment and incorrect phasing of expenditure
Family & Community Programs	95	Ongoing adjustments associated with long term sick leave and grant funding income in Family Services
Community Facilities	51	Delay in receiving invoices for utilities plus expected equipment purchases at Reservoir Community and Learning Centre
Community Wellbeing	77	Expenditure/ Income recognised for an unbudgeted external grant received in Graffiti Reduction. Recognition of the new position of Aboriginal Health Promotion Officer position
Equity & Diversity	34	Delay in the service agreement payment which is awaiting acquittal of funds and sign off from 2014/2015, plus delay in program rollout
Darebin Libraries	138	Delay in the payment of system licence invoices, plus lower expenditure in utilities (allocated to RCLC directly). Employee cost savings not recognised

Note: Explanations are provided for all variances +/- \$20,000

2.6 Corporate Services									Ref	
Service Unit	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance		
	Forecast	Actual	Variance		Budget	Forecast	Forecast			
	\$'000	\$'000	\$'000	%	\$'000	\$'000	\$'000			
			(unfav)	(unfav)				\$'000	(unfav)	
REVENUE										
DIR Corporate Services	0	0	0	0	0	0	0	0	0	
Finance	241	245	4	2	614	614	612	(2)	(2)	
Human Resources	0	3			0	0	3	3	3	
Information Services	0	1	1	0	0	0	1	1	1	
Economic Dev & Employment	6	7	1	19	11	11	28	17	17	
Health & Urban Protection	560	653	93	17	578	578	665	87	87	
Civic Compliance	2,665	2,799	133	5	5,589	5,589	5,640	51	51	
Communications & Marketing	3	0	(3)	(100)	6	6	0	(6)	(6)	
Corporate Risk Management	0	5	5	0	20	20	20	0	0	
Total Revenue	3,476	3,713	234	7	6,818	6,818	6,970	151	151	
EXPENSES										
DIR Corporate Services	352	260	92	26	593	648	629	19	19	
Finance	1,492	1,509	(17)	(1)	2,943	2,943	2,986	(43)	(43)	
Human Resources	1,024	894	130	13	2,342	2,342	2,199	144	144	
Information Services	2,647	2,558	(90)	(3)	4,330	4,330	4,310	(20)	(20)	
Economic Dev & Employment	530	494	36	7	1,251	1,273	1,267.54	5	5	
Health & Urban Protection	636	610	26	4	1,343	1,343	1,336	7	7	
Civic Compliance	2,677	2,690	(13)	(0)	5,432	5,432	5,576	(144)	(144)	
Communications & Marketing	871	819	53	6	1,831	1,776	1,761	15	15	
Corporate Risk Management	550	461	89	16	1,115	1,115	1,044	71	71	
Total Expenses	10,780	10,294	165	2	21,180	21,201	21,108	53	53	
NET COST										
DIR Corporate Services	352	260	92	26	593	648	629	19	19	1
Finance	1,251	1,263	(13)	(1)	2,329	2,329	2,374	(45)	(45)	1
Human Resources	1,024	891	134	13	2,342	2,342	2,195	147	147	2
Information Services	2,647	2,557	90	3	4,330	4,330	4,309	21	21	3
Economic Dev & Employment	524	487	37	7	1,240	1,261	1,240	22	22	4
Health & Urban Protection	76	(43)	119	>100	764	764	671	94	94	5
Civic Compliance	11	(108)	120	>100	(157)	(157)	(64)	(93)	(93)	6
Communications & Marketing	869	819	50	6	1,826	1,771	1,761	9	9	7
Corporate Risk Management	550	456	94	17	1,095	1,095	1,023	71	71	7
Net cost	7,304	6,581	723	10	14,361	14,383	14,138	245	245	



Summary of Key Variance from Q1 Forecast

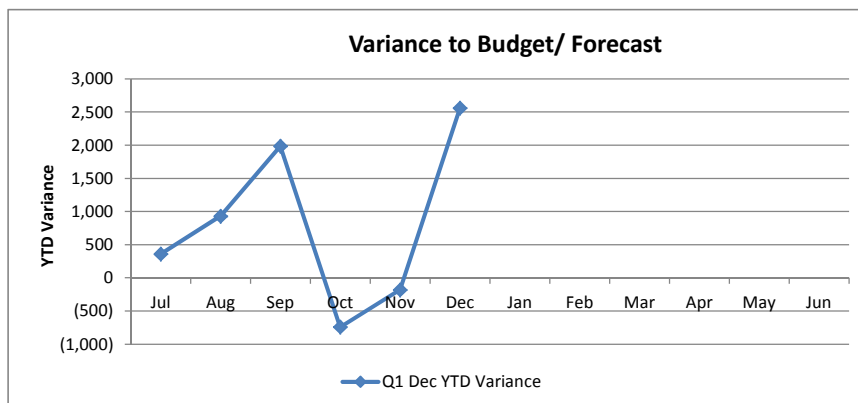
		Variance Fav (Unfav) \$000s	Explanation of Variance
1	Finance	(45)	Unbudgeted consultant costs for the service planning review partially offset by savings in operational expenditure
2	Human Resources	147	Staff vacancies \$50K and savings in operational expenditure \$12K in People and Development. Young leaders training program under development, will revisit in Q3 \$50K and transfer of expenditure for Prince 2 training to the Project Management Office program \$26K
3	Information Services	21	Staff vacancies \$87K offset by increased expenditure in IT telecommunications \$20K and system maintenance licence \$40K
4	Economic Dev & Employment	22	Incorrect recognition of the carry forward in Q1 in the ION program \$15K
5	Health & Urban Protection	94	Higher number of food act registrations \$57K, health registrations \$5K and an increase in income resulting from legal action \$25K in Environmental Health
6	Civic Compliance	(93)	Staff vacancies and on parental leave \$167K, higher income received for dog and cat registrations \$51K. This is offset by staff positions running the Third Chance program for impounded animals (\$250K) and increased costs for bad debts expenditure in local laws (\$38K) and Animal Control (\$34K)
7	Corporate Risk Management	71	Staff vacancies and manager on reduced hours \$52K. Salary costs for return to work is expected to be utilised \$15K

YTD Variance not recognised in the Q2 Forecast

	DIR Corporate Services	73	Incorrect phasing of scheduled Internal Audit services \$17K and the Digital Economy Jobs & Community Learning Strategy has not been spent in consultants \$55K
	Information Services	70	Incorrect phasing of system maintenance costs \$36K, additional contract labour staff to be utilised in Network Maintenance \$32K
	Civic Compliance	120	Incorrect phasing of fire hazard infringements \$156K, ongoing adjustment for staff in the Third Chance program \$101K. This is partially offset by lower parking fine income to date (\$83K) which is expected to pick up in the second half of the year and incorrect phasing of permit income (\$22K)
	Communications & Marketing	41	Delay in Community Newspaper contract payments \$35K

Note: Explanations are provided for all variances +/- \$20,000

2.7 Non Attributable									
Item	Q1 YTD	YTD	YTD		Annual	Q1	Q2	Variance \$'000 (unfav)	Ref
	Forecast	Actual	Variance	%	Budget	Forecast	Forecast		
	\$'000	\$'000	\$'000	(unfav)	\$'000	\$'000	\$'000		
Cash									
Rates	(110,156)	(110,224)	68	0	(110,394)	(110,288)	(110,493)	206	1
Interest	(608)	(674)	66	11	(1,219)	(1,219)	(1,386)	167	2
Victorian Grants Commission	(1,154)	(1,154)	(0)	(0)	(4,789)	(2,309)	(2,309)	0	
Oncosts - other	(550)	(608)	58	(11)	(143)	(143)	(1,313)	1,169	3
Insurance premiums	1,230	1,063	167	14	1,288	1,288	1,116	172	4
Corporate Initiatives	0	59	(59)	0	700	700	500	200	5
Fire Services Levy	113	110	3	2	134	134	138	(4)	
Other non-attributable	16	20	(4)	(25)	(282)	(282)	25	(307)	6
Non Cash									
Depreciation	11,122	10,152	970	9	22,243	22,243	20,816	1,427	7
Oncost - leave provisions	63	115	(52)	(81)	0	0	314	(314)	8
Fleet Recovery	(2,687)	(2,517)	(170)	(6)	(5,274)	(5,274)	(5,160)	(114)	9
Capital									
DCP/POS contributions	(2,416)	(3,280)	863	(36)	(5,500)	(5,500)	(4,684)	(816)	10
Capital contributions - non-recurrent	(620)	(475)	(145)	23	(989)	(1,057)	(1,204)	148	11
Capital contributions - recurrent	(5)	0	(5)	100	(873)	(873)	(1,247)	374	12
Major maintenance	3,863	3,190	673	17	7,161	7,797	7,634	163	13
User fees	(0)	(17)	17	>(100)	0	0	(31)	31	14
Other income	0	(16)	16	0	0	0	(14)	14	
Proceeds on sale of assets	(136)	(49)	(87)	64	(482)	(534)	(534)	0	
WDV of assets sold	253	76	177	70	741	741	730	11	
Net cost (income)	(101,674)	(104,230)	2,556	3	(97,678)	(94,576)	(97,103)	2,525	



Summary of Key Variance from Q1 Forecast

		Variance Fav (Unfav) \$000s	Explanation of Variance
1	Rates	206	Increase in Supplementary Rates \$739K, offset by the delay of solar saver project income (\$755K) and \$250K expenditure
2	Interest	167	Higher opening cash balances, therefore more cash invested than budgeted
3	Oncosts - other	1,169	WorkCover levy lower than budget
4	Insurance premiums	172	Reduced premiums for public liability \$79K and property liability \$77K
5	Corporate Initiatives	200	Reduced need for budget
6	Other non-attributable	(307)	Removal of staff vacancy savings built into the budget (\$313K)
7	Depreciation	1,427	Less depreciation due to asset revaluation and less assets capitalised due to project carry forwards
8	Oncost - leave provisi	(314)	Parental leave (\$80K) timing issue of oncost recovery versus leave taken and increase in annual leave and gratuity (\$234K)
9	Fleet Recovery	(114)	Adjusted to reflect actual expenditure - reduction in recovery offset by reduced fleet expenditure in service units
10	DCP/POS contributions	(816)	No DCP in place therefore no income expected this year (\$2M) partially offset by increase in public open space contributions \$1.18M
11	Capital contributions - non-recurrent	148	Unbudgeted contribution of \$25K received Reservoir Cenotaph, Traffic Management / Road Safety program of \$127K, Unbudgeted Grant Funding received \$28K and increased forecast \$50K for Bundoora Park Golf course Asset Upgrade to reflect funding received in 2014/15
12	Capital contributions - recurrent	374	Additional funding received for Road to Recovery projects of \$374K
13	Major maintenance	163	Transferred forecast \$80K to the correct program for DRRC Noise Wall which is not a maintenance program and adjusted forecast for unbudgeted grant funding received of \$28K in Transport Planning Program
14	User fees	31	Increased forecast for user fees in Street Tree Planting Various program of \$21K and Mobile Garbage Bin Replacement program by \$10K based on past 5 months trend

YTD Variance not recognised in the Q2 Forecast

	Major maintenance	510	Variance is a result of incorrect phasing across various programs
	WDV of assets sold	166	Savings from lower than anticipated fleet sales not adjusted in Q2 Forecasting

Note: Explanations are provided for all variances +/- \$20,000