

Monthly Report

Executive Update and Monthly Finance Report

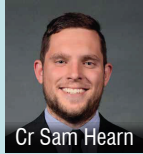


January 2017

Your Councillors

Port Phillip Bay

Briars



Cr Sam Hearn
0437 170 083



Cr Bev Colomb
0418 506 638



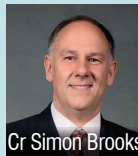
Cr Rosie Clark
0437 152 991

Watson



Cr Julie Edge
0437 156 531

Seawinds



Cr Simon Brooks
0437 174 486



Cr Antonella Celi
0408 974 143



Cr Frank Martin
0437 153 578

Cerberus

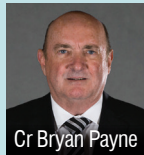


Cr Kate Roper
0437 134 168

Nepean

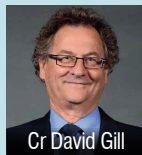


Cr Hugh Fraser
0428 258 354



Cr Bryan Payne
0437 193 039

Red Hill



Cr David Gill
0437 129 016

Bass Strait

Western Port Bay



MORNINGTON
PENINSULA
Shire

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The Executive Update summarises for the information of the community and other interested stakeholders, all of the many activities of the Shire for the preceding month, ranging from policy development and implementation through to service delivery, the provision of infrastructure, and the Shire's financial position.

Any resident, ratepayer or other stakeholder seeking further information should contact the relevant Shire manager or director, or in the first instance can contact:

Communications
Ph. 5950 1200

CHIEF EXECUTIVE OFFICER'S SUMMARY

Dear Ratepayers and Residents of Mornington Peninsula Shire,

January 2017 marks the beginning of the third quarter (Q3) of FY'17. Council continues its strong management of the Shires finances and officers were pleased to present a \$2M surplus on operations to the Council for its consideration and subsequent distribution to a range of important community improvement initiatives.

This result follows on from a \$2.8M surplus identified at the same time for the previous financial year, demonstrating Councils ongoing commitment and focus to optimize value for money for our ratepayers and residents.

Notwithstanding the 2% 'rate cap' for FY '18 officers are working hard already on the draft budget to provide Council with as positive a financial position as possible.

On the advocacy front Council is continuing to advocate strongly with its neighbouring Councils for the Port of Hastings as the next container port for Victoria. As you may know Infrastructure Victoria are required to prepare a report for the Parliament on where they think the next port should be located. The two options being considered are Port of Hastings and Bay West on the Geelong side of Port Phillip. Their draft report is due out for consideration in early March and that document is keenly awaited by all.

Significant work is ongoing within the Shire managing for the summer crowds which come to the Peninsula, it puts significant stress on Council resources but by and large the Shire officers and contract staff have responded well to the challenge of such a large influx of people. This is an ongoing budget issue for Council as they try to ensure that everyone can enjoy the Peninsula's townships experience.

Australia Day celebrations were widely enjoyed by many thousands of Shire residents. It was a great pleasure to be part of the Australia Day Citizenship Ceremony, to welcome, congratulate and recognize the following people for their outstanding contributions to the community of the Mornington Peninsula Shire; **"Citizen of the Year" Ms Bianca Appleford**, for her inspiring work for the Light Up Autism Foundation which she set up for children with Autism Spectrum Disorder and other learning difficulties, **"Young Citizen of the Year" Ms Steph Byrne**, who works as a full time volunteer at Fusion, an organization committed to the cause of helping homeless young people. Mornington Peninsula Shire's inaugural recipient of the **Lifetime Achievement Award was presented to, Mr Barry Irving**, for his extensive voluntary service to the community and the Shire's inaugural **Bravery Award** was awarded to two young boys **Ed Fuggle** and **Ben Brunton** who saved the life of a jet-ski rider in the Bay.

We welcome any feedback or suggestions for improvement you care to give us and we will continue to strive for optimal performance in serving you. I commend the January 2017 Report to you.

CHIEF FINANCIAL OFFICER

The Shire continues to be in a good financial position at the end of January with net operating income (funds available for capital works and debt repayment) \$12m ahead of Budget. While the majority of this is driven by timing differences, a number of permanent surplus improvements have been identified in the areas of rate revenue, contract savings and operating efficiencies.

We are pleased to report that these permanent surplus improvements amounted to an additional \$2m available to Council to put back into services and projects for the community. Council have determined that these additional funds will be utilised to accelerate a number of programs including the solar panels project (a carbon neutrality initiative); the very successful the rapid response team which will now move beyond a trial; emergency management; and additional resources for our planning team, to name a few.

The team continues to track the progress of capital works and projects very closely – at the end of January it is estimated that approximately \$6.0m worth of projects will be carried over into FY18 with a further \$6.5m under review.

As always we strive to improve on all of our customer service metrics so it is pleasing to be able to report continued improvement in a number of our targets - including call answer times (less than 20 seconds) and call resolution times. This month also saw the release of the Local Government Performance Reporting Framework quarterly metrics (comparisons across all councils) and we can report improvements in animal management metrics (animals reclaimed and time taken to respond to animal queries) and waste collection metrics (fewer bins missed and more waste redirected away from landfill).

The preparation of the Council Plan is well underway. There is a very strong focus on community engagement and communication and the feedback provided through the Your Peninsula 2012 process will be a key driver of the strategic priorities for the next four years. We look forward to being able to present the Council Plan to you over the coming months.

Running in parallel to the Council Plan process is the FY18 Budget process and the refresh and update of our community Health and Wellbeing Plan. The Health and Wellbeing Plan will take key themes from the Council Plan and will drill down into more detail about the specific initiatives aimed at improving the health of our community.

The budget process will also be driven by the Council Plan and we invite members of the community to put their thoughts/preferences/projects to the Council through the section 223 process that will take place following the public exhibition period (details and dates available on the website). The budget process also includes the setting of the rating strategy for next financial year – we note that the state government has set the rate cap for FY18 at 2.0%.

It was great to see the announcement during January that the Mornington Peninsula Shire has secured a significant event in the DreamWorks Lights show that will run at the Village Green in Rosebud during late March and April. This event was secured through our ongoing partnership with the Regional Tourism Board and the state government and will be the first time this significant event is being held in Australia – we hope the kids of the Shire will really enjoy seeing their favourite movie characters in a whole new way.

We are also pleased to report that the Shire Animal Shelter is undergoing a significant rebuild that will improve facilities for animals. The rebuild commenced in January and we will open the new shelter in the coming months.

There is a lot more going on around the Shire so please have a look at our website for more details and as always please feel free to give us a call or send an email if you have any questions, concerns or feedback.

CHIEF OPERATING OFFICER

The first month of 2017 has been an incredibly busy month for the Infrastructure and Planning Group with an array of services and projects progressing throughout this time.

The delivery of many of our services peaked in the first two weeks of January with the very high visitation levels we experience, particularly in the southern areas of the Mornington Peninsula. Ensuring that our cleansing services keep pace with peak visitation periods is a key focus for our Infrastructure Services team, with the frequency and effectiveness of our township litter collection, street sweeping, beach cleaning and high visibility township cleaners under constant evaluation. A particularly warm Saturday evening in the second weekend in January saw some instances of waste overflowing in bins located on the Rye foreshore on the Saturday evening. This incident has led to consideration of temperature dependent litter collection frequencies during the peak period. For example, where the temperature is predicted to be above 30 degrees Celsius on a weekend, the frequency of collection could be further increased later in the evening to increase capacity and accommodate the higher demand. Officers are working with our service provider partners to cost out these additional improvements so that they can be considered by Council.

The first Council meeting for 2017 was a Special Council meeting held on the 24th January to consider the management of the Mount Martha Pillars foreshore site. The meeting was scheduled in response to the concerns raised by local residents, who have been significantly impacted by the increasing visitation numbers to the Pillars. Previously a place only known to local residents, the popularity of the Pillars has dramatically increased in the past few years as a result of promotion articles on travel websites as a 'must visit' location and posts on social media (such as Facebook, Instagram and YouTube).

This increased visitation has contributed to a number of issues in the area including:

- Environmental and cultural heritage impacts of foot traffic accessing the Pillars including erosion;
- Safety risks associated with accessing the Pillars (pedestrian movements on and across public roads, steep and uneven cliff edges etc.);
- Risk of injury associated with jumping from the Pillars;
- Illegal and unsafe parking in the vicinity of the Pillars;
- Anti-social and offensive behaviour by some visitors to the Pillars including in nearby streets.

Following consideration of the issues Council resolved to restrict access to the site via construction of a fence, with the addition of Authorised Officer to promote awareness and educate any visitors on the need to close the Pillars for safety/environmental/cultural heritage reasons) be implemented. Officers are currently preparing an Implementation Plan and a Communication and Media Plan to deliver on this Council resolution.

Finally, our Project Delivery Unit has continued to progress the delivery of the Capital Works Program with several projects moving from design to works delivery phase during January. Of particular note is the fact that Council accepted a tender for the \$3.8M Citation Recreation Reserve Sports Pavilion project at its meeting held 30th January. This is one of the largest projects in this year's Capital Works Program and it pleasing to see that it has progressed according to the planned timelines and budget.

Monthly Financial Report



MORNINGTON
PENINSULA
Shire

January 2017

Monthly Financial Report Contents



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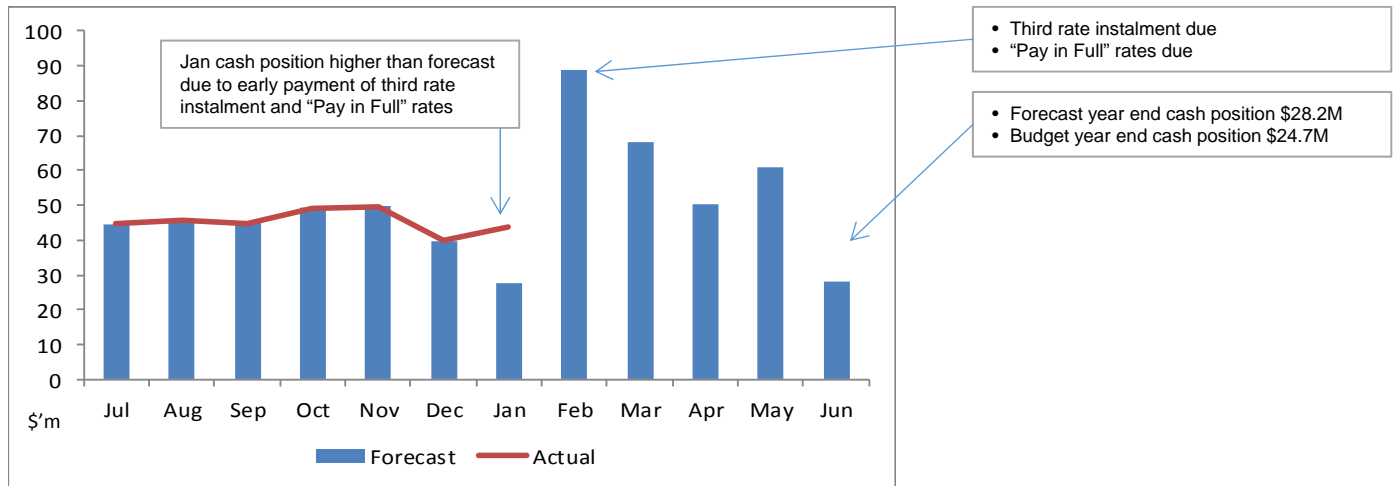
Appendix

- A. Project Listing

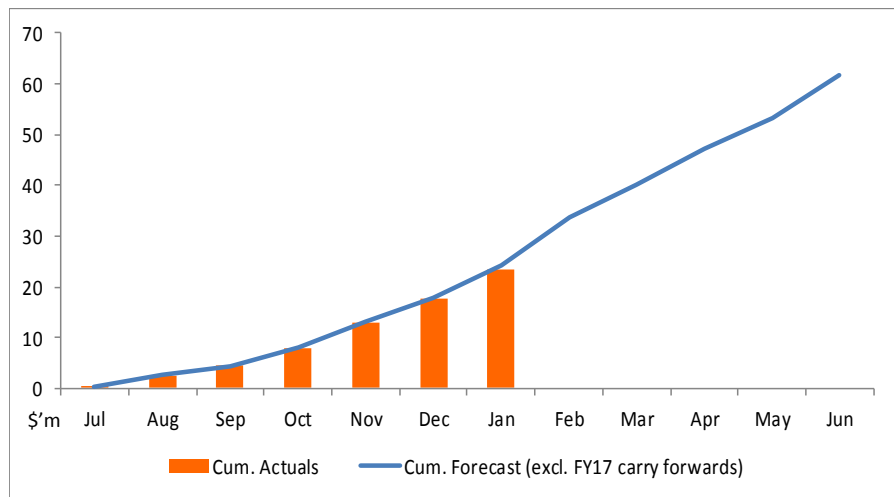
Section 1.1 – Financial Performance – Overview

As detailed in the CPS, year to date (“YTD”) net operating income (funds available) is \$12.0M ahead of Budget (14% positive variance), driven by a positive variance of \$8.3M in materials and services (15%) and \$3.0M increase in operating income (2%). Actual YTD surplus is marginally ahead of Budget by \$0.7M (1%). The Mid-Year Review forecast savings of \$3.1M at net operating income level, after restructuring costs and funding of urgent capital works programs, net savings of \$2.0M have been identified to fund additional projects. After completion of the Mid-Year Review, year end closing cash position is forecast to be \$28.2M (\$3.5M ahead of Budget).

Cash Position FY17



Capital & Priority Works Cumulative Expenditure FY17



Section 1.2 – Corporate Performance Statement

	Actual YTD FY17 \$'000	Year to Date				Full Year					
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Operating Income											
Rates	156,397	156,291	-	155,446	1%	150,202	4%	156,384	155,549	835	1%
Grants and Subsidies	9,543	8,099	18%	8,154	17%	7,926	20%	13,131	13,019	112	1%
User Charges	18,854	18,823	-	18,223	3%	17,824	6%	29,496	28,984	512	2%
Grants Commission	3,051	3,058	-	3,058	-	1,584	93%	6,116	6,116	-	-
Total Operating Income	187,844	186,271	1%	184,882	2%	177,536	6%	205,126	203,667	1,459	1%
Operating Expenditure											
Employee Costs	(39,741)	(39,913)	-	(40,235)	1%	(37,042)	(7%)	(70,268)	(70,094)	(173)	-
Materials and Services	(46,178)	(48,058)	4%	(54,462)	15%	(48,174)	4%	(87,107)	(88,946)	1,839	2%
Other Expenses	(3,063)	(3,054)	-	(3,356)	9%	(3,387)	10%	(5,982)	(5,996)	14	-
Total Operating Expenditure	(88,983)	(91,025)	2%	(98,052)	9%	(88,602)	-	(163,357)	(165,037)	1,680	1%
Net Operating Income/Funds Available	98,861	95,246	4%	86,829	14%	88,934	11%	41,769	38,630	3,139	8%
Capital Income/Expenditure											
Priority Works (Net)	(678)	(868)	22%	(628)	(8%)	(964)	30%	(3,580)	(1,561)	(2,019)	(129%)
Capital Grants	602	602	-	90	569%	5,947	(90%)	7,962	3,960	4,002	101%
Capital Contributions	2,132	2,145	(1%)	1,209	76%	1,622	31%	2,899	2,273	626	28%
Capital Expenditure	(22,543)	(23,180)	3%	(10,053)	(124%)	(13,650)	(65%)	(69,527)	(32,864)	(36,663)	(112%)
Special Charge Schemes	-	-	-	-	-	(60)	-	2,108	-	2,108	100%
Asset Sales	(29)	(33)	11%	-	(100%)	70	(142%)	6,717	-	6,717	100%
Total Capital Income/Expenditure	(20,516)	(21,334)	4%	(9,382)	(119%)	(7,034)	(192%)	(53,421)	(28,191)	(25,230)	(89%)
Other Income/Expenditure											
Interest Income	704	686	3%	678	4%	528	33%	1,404	1,163	241	21%
Interest Expense	(920)	(920)	-	(962)	4%	(732)	(26%)	(1,411)	(1,452)	41	3%
Debt Servicing Principal	(4,453)	(4,453)	-	(4,797)	7%	(4,368)	(2%)	(7,595)	(7,595)	-	-
Priority Projects (Net)	(941)	(1,560)	40%	(1,253)	25%	(436)	(116%)	(5,596)	(2,535)	(3,061)	(121%)
Restructuring Costs	(951)	(951)	-	-	(100%)	(1,605)	41%	(951)	-	(951)	(100%)
Total Other Income/Expenditure	(6,561)	(7,198)	9%	(6,334)	(4%)	(6,612)	1%	(14,149)	(10,419)	(3,729)	(36%)
Surplus/(deficit)	71,784	66,715	8%	71,114	1%	75,287	(5%)	(25,801)	20	(25,821)	
Cash & Cash Equivalents	43,649							28,205	24,708	3,497	

Section 1.2 – Corporate Performance Statement

Year to date net operating income (per CPS) is ahead of Budget by \$12.0M (14%) and Forecast by \$3.6M (4%), attributed to both timing and permanent differences. Major YTD income and expense variances against Budget are detailed below.

Operating Income Variances against Budget

Category	Permanent \$'000	Timing \$'000	Commentary
Rates	835		Supplementary rate notices (\$622k) and "Opt-in Green Waste" users (\$213k) have both exceeded full year Budget.
Grants & Subsidies	112		Increased FDC Child Assistance subsidy due to higher attendance rates and increased unit cost charged to DET (offset with matching expense).
Grants & Subsidies		1,277	Mainly attributed to early receipt of HACC funding, which is now paid quarterly in advance.
User Charges	512		Driven by increased "take-up" of large capacity garbage bins (\$476k)

Operating Expense Variances against Budget

Category	Permanent \$'000	Timing \$'000	Commentary
Employee Costs	(173)	667	Reduction in permanent employee costs (\$1.6M), offset by increased casual employee costs (\$1.1M) to backfill/cover vacant positions.
Materials & Services - Contracts	1,706		YTD contract indexation savings.
Materials & Services - Contracts		3,023	Driven by growth provision in contracts (\$333k) and under utilisation of a variety of contracted services (mainly attributed to seasonality and unusual weather conditions) including fire management programs (\$408k) and recycling/waste costs not yet incurred (\$328k).
Materials & Services		3,555	Utility costs not yet incurred (\$496k), under utilisation of external contractors and consultants (\$516k). Capital recovery income (\$3.4Mk) due to accounting treatment of safer local roads (SLR) program (corrected during Mid-Year Review).
Other Expenses		293	Driven by YTD underspend on staff training (\$258k) and outplacement services (\$150k).

Section 1.3 – Capital & Priority Works

Capital and priority works have an annual gross expenditure of \$73.4M (including carry forward program items, additional grant/matching funding and Council approved projects of \$38.9M), of which 32% (\$23.4M) has been spent YTD and a further \$15.0M committed via issued purchase orders (in total 52% of gross expenditure forecast). Combined YTD expenditure and purchase order commitments exceeds 100% of the Full Year Budget, which indicates carry forward projects are being “caught up”/completed. As part of the Mid-Year Review process, additional funding was allocated to urgent capital works programs, namely, guard rail replacement (\$0.3M), high risk tree removal (\$0.1M) and kerb and channel risk management works (\$0.1M).

Based on the current works schedule, \$11.8M worth of projects (16%) are not likely to commence and/or complete in FY17 and have been identified as carry forward projects. Land sales program of \$6.7M is being finalised and is subject to Council approval (Council briefing on sale program proposed for February 2017). A complete project listing is included at Appendix A.

	Actual YTD FY17 \$'000	Year to Date				Full Year					
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Income											
Special Charge Scheme	-	-	-	-	-	(60)	-	2,108	-	2,108	100%
Capital Grants	602	602	-	90	569%	5,947	(90%)	7,962	3,960	4,002	101%
Contributions Subdividers	1,891	1,904	(1%)	1,181	60%	1,338	41%	2,025	2,025	-	-
Contributions Capital Works	241	241	-	29	743%	284	(15%)	874	248	626	252%
Land Sales	(29)	(33)	11%	-	(100%)	70	(142%)	6,717	-	6,717	100%
Priority Works	191	186	3%	-	100%	341	(44%)	267	-	267	100%
Total Income	2,895	2,900	-	1,299	123%	7,920	(63%)	19,952	6,233	13,719	220%
Expenditure											
Land	(98)	(41)	(137%)	(71)	(38%)	(486)	80%	(5,686)	(125)	(5,561)	(4449%)
Buildings	(2,952)	(3,138)	6%	(3,487)	15%	(1,987)	(49%)	(13,004)	(8,413)	(4,591)	(55%)
Plant and Equipment	(324)	(331)	2%	(4)	(7436%)	(867)	63%	(397)	(62)	(335)	(540%)
Artworks	(40)	(40)	-	(30)	(34%)	-	(100%)	(40)	(45)	5	11%
Library Bookstock	(530)	(530)	-	(641)	17%	(683)	22%	(1,120)	(1,100)	(20)	(2%)
Infrastructure - Roads	(10,180)	(10,342)	2%	(2,182)	(366%)	(4,740)	(115%)	(27,868)	(13,731)	(14,137)	(103%)
Infrastructure - Other	(8,418)	(8,757)	4%	(3,638)	(131%)	(4,886)	(72%)	(21,411)	(9,388)	(12,023)	(128%)
Priority Works	(868)	(1,054)	18%	(628)	(38%)	(1,305)	33%	(3,846)	(1,561)	(2,286)	(146%)
Total Expenditure	(23,412)	(24,234)	3%	(10,681)	(119%)	(14,955)	(57%)	(73,373)	(34,424)	(38,949)	(113%)
Net Total	(20,516)	(21,334)	4%	(9,382)	(119%)	(7,034)	(192%)	(53,421)	(28,191)	(25,230)	(89%)

Section 1.4 – Priority Projects

Priority Project items have an annual net expenditure of \$5.6M (including carry forward program items and Q1 Council approved projects of \$3.5M), of which 17% (\$0.9M) has been spent YTD. Council election costs are expected to be finalised in February, and MPS contribution to Portsea SLSC is expected to be in March. Green Army Teams expenditure is currently behind forecast, but project is expected to be completed within FY17. The Tootgarook Wetland Management Plan is not expected to be fully delivered in FY17, with 43% of the allocated funding requested to be carry forward.

Based on the current project schedule, \$0.8M worth of projects (14%) are not likely to commence and/or complete in FY17 and have been identified as carry forward projects. A complete project listing is included at Appendix A.

	Actual YTD FY17 \$'000	Year to Date				Full Year			
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Income									
Priority Projects Income	568	443	28%	146	289%	789	250	539	(216%)
Expenditure									
Carbon Neutrality	(60)	(57)	(5%)	(15)	(298%)	(220)	(30)	(190)	(634%)
Council Elections	(24)	(24)	7%	(435)	92%	(870)	(870)	-	-
Green Army Teams	(51)	(79)	35%	(68)	24%	(135)	(135)	-	-
Heritage Review Blairgowrie-Portsea	-	-	-	(20)	100%	(120)	(60)	(60)	(100%)
Lifecycle Condition Inspection Prog	(22)	(16)	(38%)	(75)	71%	(150)	(150)	-	-
Portsea SLS Club Redevelopment	-	-	-	-	-	(300)	-	(300)	-
Provision - Matching Grant Funding	-	-	-	(75)	100%	(120)	(150)	30	20%
Pt Nepean Rd Streetscape Design	-	-	-	-	-	(105)	-	(105)	-
Tootgarook Wetland Management Plan	(32)	(58)	45%	(25)	(27%)	(138)	(50)	(88)	(175%)
WOL - Septic/Waste Water Program	(49)	(58)	15%	-	(100%)	(113)	-	(113)	-
WOL Official Visitors Guide	(11)	(60)	82%	-	(100%)	(141)	-	(141)	-
WOL Tourism Marketing/Advert	(99)	(63)	(57%)	-	(100%)	(105)	-	(105)	-
Priority Projects Other	(1,160)	(1,589)	27%	(686)	(69%)	(3,870)	(1,340)	(2,530)	(189%)
Net Total	(941)	(1,560)	40%	(1,253)	25%	(5,596)	(2,535)	(3,061)	(121%)

Section 1.5 – Treasury

As detailed below, MPS paid \$1.0M in scheduled principal debt repayments during January. Full year principal debt repayments remain on schedule, with a budgeted closing position of \$19.3M. Interest expense for the full year is forecast at \$1.4M with an average interest rate of 6.45%, which is offset by forecast interest income of \$1.4M.

MPS has \$29.3M on term deposit earning an average interest rate of 2.63% (2.65% December). As term deposit's mature, funds will be reinvested with longer maturity dates (>90 days) to more efficiently manage the shire's funding requirements (in particular timing of capital expenditure).

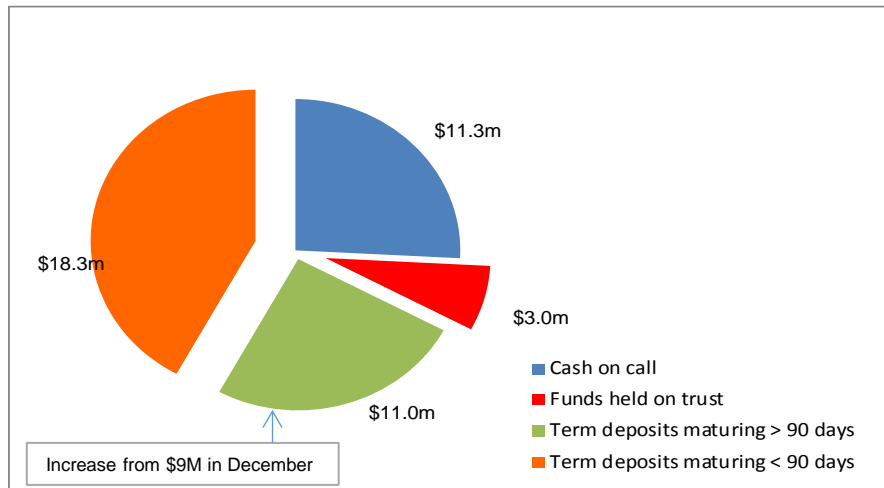
The Shire reviews its treasury position monthly to optimise return on cash assets. Surplus funds are invested in accordance with Council's Investment Policy whereby no more than 75% of term deposits can be invested with one financial institution (every financial institution must have a credit agency rating of "A" or above). Investments are placed for no longer than 6 months (except with approval of FC) and single investments greater than \$5M require CFO approval.

	January		
	Opening Balance \$'000	Principal Repaid \$'000	Closing Balance \$'000
Loans Maturing			
0 - 5 Years	13,952	1,032	12,920
5 - 10 Years	7,200	-	7,200
10+ Years	2,340	-	2,340
	23,492	1,032	22,460

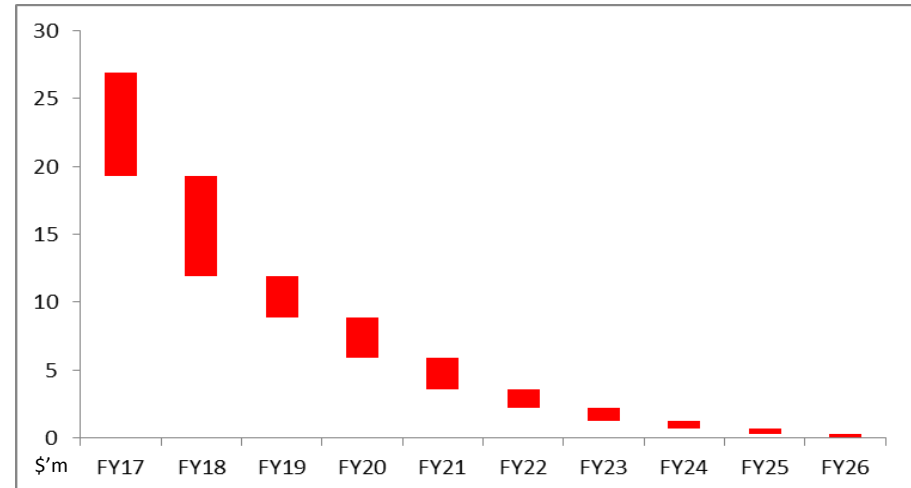
	Full Year		
	Opening Balance \$'000	Budgeted Repayments \$'000	Budgeted Closing Balance \$'000
	16,813	6,448	10,365
	7,760	981	6,779
	2,340	164	2,176
	26,913	7,593	19,320

Loan maturity categories based on term to maturity at commencement of financial year.

Cash Position – January 2017



Debt Repayment Schedule (FY17-FY26)



Section 2.1 – Income Statement

	Actual YTD FY17 \$'000	Year to Date					Full Year				
		Approved Forecast \$'000	Variance Fav/(Unfav) %	Adopted Budget \$'000	Variance Fav/(Unfav) %	Actual YTD FY16 \$'000	Variance Fav/(Unfav) %	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000	Variance Fav/(Unfav) %
Revenue											
Rates and Charges	156,397	156,291	-	155,446	1%	150,142	4%	158,492	155,549	2,943	2%
Statutory Fees and Fines	3,639	3,309	10%	2,992	22%	2,991	22%	5,038	4,806	232	5%
User Fees	13,556	13,874	(2%)	13,680	(1%)	13,753	(1%)	22,228	21,943	285	1%
Contributions	2,513	2,471	2%	1,356	85%	1,968	28%	3,546	2,525	1,021	40%
Contributed Assets	40	91	144%	1,749	(98%)	119	(67%)	3,034	3,000	34	1%
Grants - Operating	12,957	11,454	13%	11,212	16%	10,308	26%	19,651	19,135	516	3%
Grants - Capital	602	602	-	90	569%	5,947	(90%)	7,962	3,960	4,002	101%
Interest	704	686	3%	678	4%	528	33%	1,404	1,163	241	21%
Other Income	1,672	1,646	2%	1,549	8%	1,420	18%	2,235	2,232	2	-
Total Revenue	192,080	190,242	1%	188,754	2%	187,176	3%	223,589	214,314	9,276	4%
Expenditure											
Employee Costs	41,026	41,098	-	40,235	(2%)	39,016	(5%)	71,576	70,094	(1,482)	(2%)
Materials and Services	48,220	50,881	5%	56,488	15%	50,781	5%	96,982	93,292	(3,690)	(4%)
Depreciation and Amortisation	16,068	16,068	-	16,068	-	16,151	1%	27,556	27,556	-	-
Borrowing Costs	920	920	-	962	4%	732	(26%)	1,411	1,452	41	3%
Other Expenses	3,132	2,781	(13%)	3,195	2%	3,347	6%	5,710	5,721	12	-
Total Expenditure	109,367	111,748	2%	116,948	6%	110,028	1%	203,234	198,116	(5,118)	(3%)
Total Comprehensive Income	82,713	78,494	5%	71,806	15%	77,148	7%	20,355	16,198	4,157	26%

Section 2.2 – Balance Sheet

	January 2017 \$'000	June 2016 \$'000	Movement \$'000	Approved Forecast \$'000	Full Year Adopted Budget \$'000	Variance Fav/(Unfav) \$'000
Assets						
Current assets						
Cash and cash equivalents	43,649	53,729	(10,080)	28,205	24,708	3,497
Trade and other receivables	111,071	13,449	97,622	16,605	18,467	(1,862)
Inventories	138	138	-	138	132	6
Non-current assets classified as held for sale	2,195	2,195	-	2,195	-	2,195
Other assets	1,599	2,318	(719)	2,318	2,524	(206)
Total current assets	158,652	71,829	86,823	49,461	45,831	3,630
Non-current assets						
Trade and other receivables	791	1,187	(396)	1,187	1,175	12
Other financial assets	8	8	-	8	8	-
Property, infrastructure, plant & equipment	2,035,901	2,029,649	6,252	2,064,903	2,059,012	5,891
Investment property	9,360	9,360	-	9,360	-	9,360
Intangible assets	1,080	1,150	(70)	1,028	1,272	(244)
Total non-current assets	2,047,141	2,041,354	5,786	2,076,486	2,061,467	15,019
Total assets	2,205,792	2,113,183	92,609	2,125,947	2,107,298	18,649
Liabilities						
Current liabilities						
Trade and other payables	33,389	15,402	(17,987)	15,402	15,626	224
Trust funds and deposits	-	3,755	3,755	3,755	3,662	(93)
Provisions	10,770	11,465	695	11,465	13,430	1,965
Interest-bearing loans and borrowings	2,803	7,257	4,454	7,430	7,430	-
Total current liabilities	46,962	37,879	(9,083)	38,052	40,148	2,096
Non-current liabilities						
Provisions	4,769	3,951	(818)	3,951	4,046	95
Interest-bearing loans and borrowings	19,657	19,657	-	11,889	11,915	26
Total non-current liabilities	24,426	23,608	(818)	15,840	15,961	121
Total liabilities	71,388	61,487	(9,901)	53,892	56,109	2,217
Net assets	2,134,404	2,051,696	82,708	2,072,055	2,051,189	20,866
Equity						
Accumulated surplus	1,033,849	951,415	82,434	971,774	985,554	(13,780)
Reserves	1,100,555	1,100,281	274	1,100,281	1,065,635	34,646
Total equity	2,134,404	2,051,696	82,708	2,072,055	2,051,189	20,866

Section 2.3 – Cash Flow

	Actual YTD FY17 \$'000	Year to Date		Full Year		
		Approved Forecast \$'000	Variance Fav/(Unfav) \$'000	Approved Forecast \$'000	Adopted Budget \$'000	Variance Fav/(Unfav) \$'000
Cash flows from operating activities						
Rates and charges	70,927	70,821	106	158,492	155,549	2,943
User charges and other	21,689	21,651	38	27,266	26,749	517
Contributions - monetary	2,513	2,471	42	3,546	2,525	1,021
Government grants	13,550	12,047	1,503	27,613	23,095	4,518
Interest received	715	697	18	1,404	1,163	241
Net GST refund / payment	6,337	6,337	-	9,698	8,843	855
Employee costs	(40,854)	(40,925)	71	(71,576)	(70,094)	(1,482)
Materials and services	(54,181)	(56,841)	2,660	(106,680)	(99,545)	(7,135)
Other receipts / (payments)	(2,759)	(2,750)	(9)	(3,472)	(3,487)	15
Net movement in deposits and bonds	(259)	(259)	-	-	-	-
Net cash provided by/(used in) operating activities	17,678	13,249	4,429	46,291	44,798	1,493
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(22,331)	(22,967)	636	(69,527)	(32,864)	(36,663)
Proceeds from sale of property, infrastructure, plant and equipment	(54)	(58)	4	6,717	-	6,717
Net cash provided by/ (used in) investing activities	(22,385)	(23,025)	640	(62,810)	(32,864)	(29,946)
Cash flows from financing activities						
Finance costs	(920)	(920)	-	(1,411)	(1,452)	41
Repayment of borrowings	(4,453)	(4,453)	-	(7,595)	(7,595)	-
Net cash provided by/(used in) financing activities	(5,373)	(5,373)	-	(9,006)	(9,047)	41
Net increase/(decrease) in cash & cash equivalents	(10,080)	(15,149)	5,069	(25,525)	2,887	(28,412)
Cash and cash equivalents at the beginning of the financial year	53,729	53,729	-	53,730	21,821	31,909
Cash and cash equivalents at the end of the period	43,649	38,580	5,069	28,205	24,708	3,497

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Capital & Priority Works (Expenditure)			Capital & Priority Works (Expenditure)		
17010. Plant & Equipment Replacement	189	204	17486. South Peninsula Aquatic Recreation	0	719
17012. Acquisition (splays, easements)	0	111	17489. Implement Rye Traffic Mgt Strategy	48	100
17016. Oval Rehab Program	154	227	17549. Bicycle Strategy	12	158
17027. Implement Public Toilet Strategy	793	1,549	17550. Kunyung Pre-school - Building Exten	17	50
17031. Provision of Library Books/Material	665	1,313	17552. Blackspot Program (Council contrib)	50	150
17032. MPRG Artworks - Acquisitions	40	40	17554. Skate & BMX Strategy	36	810
17038. Traffic Mgt Treatments (LATM)	184	1,276	17556. Soccer Strategy - Implementation	9	50
17044. Traffic & Transport Strategy	13	20	17558. Kerb and Channel Renewal	97	811
17050. Footpaths & Access Networks Renewal	428	1,772	17593. Local Integrated Drainage Strategy	1,437	2,900
17053. Drainage Rehabilitation	343	600	17624. SIMS2 Furniture & Signs	52	538
17054. Drainage Upgrades	209	450	17626. Foreshore Camping Areas - Amenities	860	863
17062. Signage - Traffic/Parking Areas	37	153	17630. Peninsula DriveSafe	7	30
17063. Signage	12	60	17638. Minor Renewal - Community Facilitie	375	947
17065. Marine Structures Renewal	165	1,344	17659. Urban Unmade Road Contributions	36	1,343
17187. Fruitgrowers Reserve Machinery Shed	14	234	17660. Pavilion Strategy Implementation	607	5,475
17260. Playground developments	71	644	17667. Sorrento Seawall	39	674
17261. Playspace Strategy Implementation	0	60	17671. Sorrento Streetscape Strategy	46	585
17263. Implement Recreation Master Plan	505	2,426	17672. Neighbourhood Activity Centre	195	504
17313. Equestrian & Mountain Bike Strategy	42	74	17673. Sporting Facilities Lighting	74	74
17322. Waste Disposal Cell- Rye Landfill	24	90	17675. Tennis Strategy Implementation	23	70
17362. Footpath Construction Strategy	986	5,225	17676. Netball Strategy Implementation	434	1,420
17401. Major Buildings - Renovations	158	1,602	17677. Blackspot Program	2,214	4,942
17402. Moderate Renewal Community Facility	216	1,200	17695. Roads to Recovery Programs	2,092	6,382
17465. Coastal Management MasterPlan	1,484	2,267	17696. Hastings Activity Centre Structure	217	730
17482. Safer Local Roads Program	3,627	4,000	17697. Rosebud Activity Ctr Structure Plan	2,098	3,365

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	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Capital & Priority Works (Expenditure)			Capital & Priority Works (Expenditure)		
17699. Unmade Carpark Construct Strategy	86	198	56275. Coastal Management	383	668
17701. Active Sports Strategy - Impl	13	45	58302. Library Buildings Furn & Fittings	0	80
17718. Timber Structures Renewal	89	390	58308. The Briars Fera Exclusion Fence	0	6
17720. Road/Bridges & Culvert Renewal	0	40	58317. Marine Drive Safety Beach	0	466
17721. Residential Dwellings	0	79	58324. Place Making - Minor Works	0	133
17738. Police Point Management Plan	16	119	58337. Sorrento Seawall	0	60
17742. Pedestrian Treatments	10	400	58338. Implement Waste Management Strategy	0	60
17745. Strategic Water Tank Project	17	55	58340. Fire Management	0	190
17767. Somerville Community House Accom.	654	649	58342. Street Lighting Design - Program	0	60
17768. Land Acquisition - Purchase	75	5,485	58347. Dam Safety Works	0	37
17771. Resource Recovery Centre Upgrades	0	25	58348. High Public Risk & OHS Works	16	80
17773. Empire Street Mall Streetscape	28	600			
17774. Wallaroo Rejuvenation	3	144		23,412	73,373
17775. Mornington Fire Brigade Competition	0	25			
56003. Developer Wks - Drainage Upgrades.	0	35			
56009. Conservation Works-MPRG.	16	27			
56013. Street Lighting Improvements.	15	100			
56030. Implement Dog free & leash areas	0	29			
56044. Dredging of Boatramp at Hastings	12	75			
56067. Coastal Reserves Biodiversity Cons.	41	254			
56107. Building Renovations Misc.	117	517			
56112. Risk Mgt Initiative former Landfill	83	691			
56146. Infrastructure Upgrades - Landfills	50	75			
56171. IT Systems Upgrades and Development	208	439			
56226. Landfill Cell Capping Provision	0	200			
56228. Corporate Water Conservation	45	204			

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Priority Projects (Expenditure)			Priority Projects (Expenditure)		
6443. Performing Arts Program	10	20	6679. Rosebud Promotional Fund 2012-19	19	99
6459. Hastings Promotional Fund	20	56	6680. Mt Eliza Promotional Fund 2012-19	28	70
6462. Corporate Strategy	0	15	6718. Green Wedge Action Plan	0	15
6581. Events	0	0	6736. Careers Expo	12	10
6619. Family Violence Project	11	25	6915. Men's Sheds	11	25
6637. King St Hastings Master Plan	7	20	6923. Red Hill Character Assessment and D	0	41
6638. Rye Town Centre Plan	0	60	6926. Parking Precinct Plans	5	35
6639. Tootgarook Wetland Biodiversity Pln	0	25	6927. Port Phillip Urban Design Framework	0	35
6640. Sthn Pen Congestion Mmnt Project	0	25	6938. WOL Comty Arts-Metro Access Project	0	2
6641. Equity Land Trust Feasibility Study	0	20	6942. Councillor Induction Training	0	65
6642. French St Rye, Feasibility Study	12	25	6943. Councillor Tools & Equip Replacemnt	51	50
6643. Lifecycle Condition Inspection Prog	22	150	6944. Councillor Media Training	0	15
6644. Eco Living Centre - Community Engag	13	35	6945. Risk & OHS Compliance Framework	48	50
6645. Eco Living Centre - Innovations	8	30	6946. Archaeology Literacy Village Worksh	0	5
6646. Kerbside Bins Aus Stds Bin Lids	0	15	6947. Asset Mment Information System	16	89
6647. Resource Rec Cntr - Asset Mgmt Plan	0	20	6949. WOL Mt Martha North Beach Erosion	0	54
6648. Green Army Teams	51	135	6948. Portsea SLS Club Redevelopment	0	300
6649. Domestic Animal Management Plan	0	10	8501. SCS Mornington Main St Act 2015-20	81	135
6650. Privately Owned CCTV Rebates	12	24	8507. WOL Integrated Graffiti Prevention	12	11
6651. Rosebud Youth Hub	0	30	8508. WOL - Septic/Waste Water Program	49	113
6652. Home Library Service	0	15	8509. WOL Tourism Destination Development	49	72
6653. Warringine Park Precinct Plan	0	5	8512. WOL MPT Tourism Industry Developmen	12	29
6654. Aboriginal Community Dev Symposium	0	5	8513. WOL Official Visitors Guide	11	141
6655. Community Gardens	11	15	8514. WOL RTB Operations	3	20
6665. Council Elections	24	870	8603. Local Housing and Settlement Strate	0	41
6672. Responsible Gaming Strategy	0	7	8606. Character Assessment and Design Gui	0	47

Appendix A – Project Listings (Expenditure Only)

	Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000		Actual YTD FY17 \$'000	Full Year Approved Forecast \$'000
Priority Projects (Expenditure)			Priority Projects (Expenditure)		
8632. WOL School Focussed	68	109	8790. Music Bursary Program	0	45
8642. Sorrento Promotional Fund SCS 14-18	47	47	8793. Land Subject to Inundations Overlay	0	15
8646. Provision - Matching Grant Funding	0	120	8799. Ranelagh Conservation Man Plan Impl	9	18
8649. Parking Precinct Plan Mornington To	0	20	8803. WOL FREEZA (D&A Free Entertainment)	6	33
8654. Early Home Learning P'ship (PRC)	0	7	8809. MPS Business Tourism	6	19
8669. Spatial Employment Strategy	0	13	8811. WOL Universal Access Planning & Cha	0	9
8670. Mount Eliza Town Centre Plan	0	30	8829. WOL Local Landcare Facil Initiative	32	22
8671. Somerville Town Centre Plan	0	2	8845. WOL History of Rosebud West	16	16
8674. Biodiversity Action Plan Modelling	11	85	8847. Peninsula Planning Statement	0	30
8678. Township Design Guideline Brochures	0	15	8849. Tootgarook Wetland Management Plan	32	138
8679. Heritage Review - Area 2	0	4	8852. Coastal Geotechnical Risk Assessmen	0	27
8683. Road Network Development Strategy	4	30	8854. Marine Industrial Precinct Zone	0	40
8706. Land Management Overlay Implementat	0	15	8863. Climate Adaption Plan Priorities	37	40
8711. Validation of Infrastructure Assets	21	21	8871. Sus Communities Planning Framework	0	11
8724. Public Recreation Space Strategy	0	60	8877. WOL Smalltalk Program	0	10
8726. Dromana Activity Centre Structure P	5	27	8878. WOL Willum Warrain	59	65
8757. WOL Iron Bar Project	0	12	8899. WOL Schoolies Week Project	2	10
8759. WOL Equipment Pilot	14	91	8902. Tyabb Airfield Precinct Plan	0	30
8760. Visitor Information Ctre Staffing	50	60	8907. Management of Closed Landfills	0	54
8761. M/ton Peninsula Branded Produce	0	8	8909. Bay Trails and Strat Network Paths	0	90
8762. Police Point Houses	0	12	8914. Place Planning	6	4
8764. Mobility Maps	(5)	0	8915. Let's Talk About Alcohol	4	4
8767. Review Ticket Machines	1	0	8918. Community Playgroup Initiative	0	12
8777. Creative Peninsula Program	31	67	8919. Southern Peninsula Arts Program	8	20
8778. Peninsula Reads	6	60	8920. Access & Equity Policy Implementati	4	9
8780. Local History Digitisation	24	46	8921. ANZAC Commemorative Naming Project	0	2

Appendix A – Project Listings (Expenditure Only)

Priority Projects (Expenditure)	Actual	Full Year	Priority Projects (Expenditure)	Actual	Full Year
	YTD FY17	Approved Forecast		YTD FY17	Approved Forecast
	\$'000	\$'000		\$'000	\$'000
8922. Baxter Township Plan	1	40	8972. Rye Foreshore Landscape Plan	0	2
8923. Pt Nepean Rd Streetscape Design	0	105	8975. Training for CTC Groups & Committee	9	10
8924. Heritage Review Blairgowrie-Portsea	0	120	8977. Community Harms Prevention Strategy	16	10
8925. Mt Martha Coastal Management Plan	20	50	8981. Chisholm SMP Connect Contribution	23	50
8926. Hastings Foreshore Landscape M/Plan	0	40	8982. Agricultural Land Use Fact Sheets	0	1
8927. iCAN Geomedia Smart Client	0	54	8992. WOL - A Place to Call Home	11	5
8928. Dam Safety Investigation & Analysis	27	40	8993. Tjaegan Wilson-Blow Reconcil Award	0	1
8929. Financial Analysis of Waste Portfol	0	50	8995. Contribution - Boardwalk Point Leo	16	16
8930. Waste - Litter Education Programs	0	5	8996. Tennis Aust Pro Tour Contribution	0	20
8931. Carbon Neutrality	60	220			
8934. Peninsula Short Film Festival	30	35		1,508	6,386
8935. MPRG Redevelopment Plan	15	106			
8938. Aboriginal Cultural Heritage W/shps	0	5			
8939. Shire Strategic Plan 2017-2020	41	75			
8940. Corporate Performance Reporting F/W	0	20			
8943. WOL - Kindergarten Central Enrolmnt	0	7			
8945. WOL A Healthy Childhood	6	55			
8946. Mothers Beach Seawall (DELWP)	0	12			
8948. WOL Peninsula Pride	14	12			
8951. WOL Tourism Public Relations	0	40			
8955. WOL Tourism Marketing/Advert	99	105			
8962. WOL Walk To School	8	10			
8966. WOL EPA Research Dumping	0	18			
8967. Forshore Community Engagement Revie	7	8			
8971. F/shore Svc & All Abilities Access	0	80			