



Management Reporting



CITY OF
MONASH

Management Reporting

- Previously 50 page document to CEO
- Month End Process
- Changed focus to Forecasts not YTD
- Dashboard style reporting to ELT, Managers and Councillors
- Monthly reporting to ELT
- Quarterly reporting Councillors

Management Reporting

MONASH CITY COUNCIL MONTHLY FINANCIAL SUMMARY - MARCH 2019

KEY FINANCIALS

	Full Year Budget	Full Year Forecast	Forecast Variance		
	2018/19 \$'000	2018/19 \$'000	\$'000	%	
Total income	185,195	192,527	7,331	3.8%	●
Employee Costs	74,599	79,544	(948)	(1.3%)	●
Materials, Services & Contracts	87,288	71,004	(3,717)	(4.3%)	●
Depreciation & Other Expenses	29,422	29,490	(68)	(0.2%)	●
Total expenses	171,308	176,038	(4,730)	(2.7%)	●
Surplus (deficit) for the year	13,888	16,489	2,601	18.8%	●
Less Capital Income (non-recurrent)	(2,841)	(3,105)	264	8.5%	●
Adjusted underlying surplus/ (deficit)	11,047	13,384	2,337	17.5%	●
Working Capital Ratio	241.1%	259.1%		18.0%	●
% of Rates collected	76.00%				
% of Rates arrears collected	41.0%				

	Full Year Budget	Full Year Forecast	Forecast Variance		
	2018/19 \$'000	2018/19 \$'000	\$'000	%	
Net Directorate results:					
Chief Executive	17,536	17,614	(78)	(1.6%)	●
Corporate Services	3,865	3,963	303	8.5%	●
Community Development & Services	14,306	15,738	(1,433)	(9.1%)	●
City Development	3,663	7,050	(3,387)	(48.0%)	●
Infrastructure Services	49,223	48,554	669	1.4%	●
Non-Departmental Items (eg. Rate revenue, Contri, Cap Income, Dep)	(102,480)	(109,208)	(6,728)	6.2%	●
Surplus for the year	(13,890)	(16,491)	(2,603)		●

Year-to-date Result:

The March 2019 result shows a favourable year-to-date variance of \$1.69M which comprises a favourable income variance of \$3.59M and expenditure over budget of \$1.9M (Refer to Income Statement).

Forecasted Result:

Forecasted net result is expected to be \$2.6M more than the budget surplus of \$13.89M. This favourable turnaround is mainly due to \$2.85M capital grant from SRRIP and the settlement of the Open Space Contribution from Vicinity \$2.3M.

Divisional Results:

• **Community Development & Services:** the red light indicates most of these overpends relate to Councilor approved expenditure for Moonlight festival, Indian film festival, Greek National Day and extended Mulgrave library services (\$183K), additional EFT to support the creation of another child and family centre in Glen Waverley (\$35K forecasted for 3 months in this FY). Income from green fees is also adjusted down due to contact variations.

• **City Development:** the red light indicates provisional costs for contingent liabilities (\$450K) and an under recovery of court fines (\$200K), in addition to a Council resolution to provide a provision of \$2.6M to pay fines for PIN Legal Matter.

Waste Transfer Station - Income/Expenditure Statement

	Mar YTD Actuals	Feb YTD Budgets	Variance	Annual Budget	Annual Forecast	Forecast Variance
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
User Charges	1,901	2,321	(419)	3,040	2,540	(500)
Other Income	198	220	(22)	288	288	0
Recoup Income	579	676	(97)	892	792	(100)
Total Income	2,678	3,216	(538)	4,219	3,619	(600)
Expenditure						
Employee Costs	522	374	(148)	528	644	(116)
Materials, Services & contracts	1,549	2,321	772	3,039	2,323	716
Recoup Costs	195	725	(530)	299	299	0
Total Expenditure	2,266	2,920	653	3,866	3,267	600
Net Result - Surplus/(Deficit)	412	296	116	353	353	0

The results at the Waste Transfer Station (WTS) show actual profits of \$412K, which is \$116K over the budgeted figure. Overall it is forecasted that the WTS will result in a \$233K net result, as the reduction in income (\$600K) is offset by reduction in expenditure from lower disposal costs (\$563K). Employee costs are over budget mainly due to a number of staff vacancies in both admin and outdoor areas, part of this has been addressed with the workforce alignment review. Additional temporary staff has also been engaged to assist with workloads due to a several projects, these include Bin Audit and Charge Project, Transition to Confirm and At Call Hard Waste collection service.

CASHFLOW SUMMARY

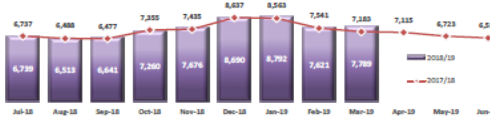
Cash Flow Summary 2018/19



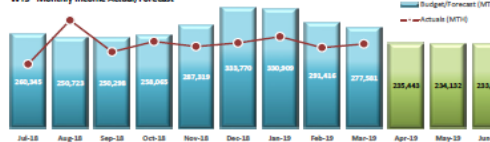
Cash Flow Summary:

The cash position at the end of March is \$112.6M which is \$14.6M favourable variance against a forecast of \$98.4M. The higher cash balance compared to budget has been due to additional developer contributions for public open space and advance receipt of VISC funding which was received at 30 June 2018. In addition to the receipt of the full instalment of rate income.

No. of External Fines & WTs



WTS - Monthly Income Actual/Forecast



WORKFORCE ALIGNMENT - BUDGET TO BUDGET ALLOCATIONS

WORKFORCE ALIGNMENT

	2019/20 Budget	%
Capital Works Chargeback	\$1,998,741	100.0%
Net Labour Costs	\$1,998,741	100.0%

Funded by:	Amount	%
Increase in Income	\$596,820	30%
Reduction in Contractors	\$589,409	29%
Reduction in Contract Staff/Temp Staff	\$981,766	48%
Funded from Capex	\$(150,000)	(7.5%)
Reduction in Other Expenditure	\$51,746	3%
Total Funding Amount	\$1,998,741	100%

Division	Advertised	Recruited	Status
City Development	5	5	
Infrastructure	3	5	1*
Corporate Services	1	1	
Community Dev	1	1	
CEO		2	
Total	4	13	18

* Horticulture staged Contractor conversion

Advertiser	Advertiser	Advertiser
Advertiser Jul/Aug	3	3
Advertiser May/June	5	5
Advertiser May	5	5
Total	13	13



Management Reporting

Key messages

- Snapshot financial performance to ELT
- Focus on 'hot topics' or flag concerns
- Increased financial engagement and interaction with Executive
- Use Graphs and get the balance right between graphs/words
- Improved communication of financial information to non-accountants
- Continue to evolve

Councillor Engagement

CORPORATE SERVICES MONTHLY FINANCIAL SUMMARY - SEPTEMBER 2018

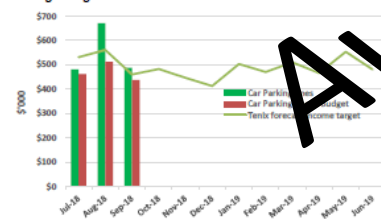
Key Financials

	YTD Actual	YTD Mgmt	YTD Variance	Variance %	Full Year	Full Year	Forecast Variance	%
	\$'000	Budget \$'000			2018/19	Forecast 2018/19		
Total income	138,246	136,963	1,282	0.9%	185,195	186,440	1,244	0.7%
Employee Costs	17,277	17,024	(253)	(1.5%)	74,395	75,000	(405)	(0.5%)
Materials, Services & Contracts	18,704	18,829	125	0.7%	67,288	67,830	(542)	(0.8%)
Depreciation & Other Expenses	7,281	7,279	(2)	(0.0%)	29,425	29,478	(54)	(0.2%)
Total expenses	43,262	43,132	(131)	(0.3%)	171,308	172,309	(1,001)	(0.6%)
Surplus (deficit) for the year	94,984	93,832	1,152	1.2%	13,888	14,131	246	1.7%
Less Capital income (non-recurrent)	(164)	(164)	(0)	0.0%	(4,211)	(2,997)	1,213	(40.6%)
Adjusted underlying surplus/ (deficit)	94,820	93,668	1,152	1.2%	9,678	11,137	1,460	13.1%
Working Capital Ratio	480.2%	241.1%	-	239.1%	241.1%	250.8%	-	9.7%

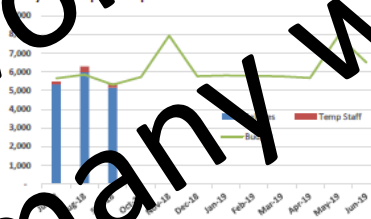
	YTD Actual	YTD Budget	YTD Variance	YTD Variance %	Full Year	Full Year	Forecast Variance	Forecast Variance %
	\$'000	\$'000	\$'000	%	2018/19	2018/19	\$'000	%
Net Directorate results:								
Chief Executive	3,196	3,110	-86	-1.65%	17,396	17,516	20	0.11%
Corporate Services	1,196	1,448	252	21.08%	3,885	3,563	303	4.9%
Community Development & Services	2,783	2,814	29	1.05%	14,306	14,790	(484)	(3.2%)
City Development	523	624	99	18.83%	3,663	3,898	(235)	(6.4%)
Infrastructure Services	10,984	11,238	254	2.31%	49,223	48,530	693	1.4%
Non-Departmental Items (eg. Rate revenue, Contri. Cap income, Dep)	(115,870)	(115,066)	604	-0.52%	(32,478)	(102,478)	(70,000)	0.26%
Surplus for the year	(94,984)	(93,832)	1,152	-1.21%	(14,131)	(14,131)	(246)	1.7%
% of Rates collected	19.0%							
% of Rates arrears collected	26.0%							

Highlights

Parking Infringements



Salary and Temporary Staff Expenditure



Commentary

- The September 2018 result shows a favourable year-to-date variance of \$1.15M, which comprises a favourable income variance of \$1.28M and expenditure over budget of \$131K.
- Forecasted surplus is expected to be \$246K more than budget of \$13.89M.

- Income is forecasted to be higher than budget by year's end due to unbudgeted operational grants (\$408K) and User Fees (\$814K). Unbudgeted grants have been received in the Children's & Family services and Community Wellbeing. This is largely due to services expanding over the next 2 years with Maternal Child Health and Integrated Family Services. The associated increases in salary and program costs to provide these additional services have also been forecasted. Other large income forecast increases include recoup of LXRA costs (\$436K) and timing difference relating to transition to Vauler General's Office (\$297K).

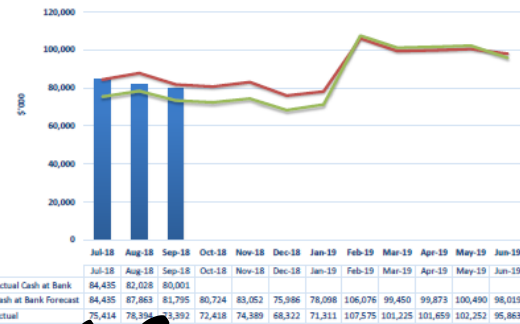
- Other expenditure which has been forecasted to exceed budget have been items approved outside of the budget process, which include the Moonlight festival, Indian film festival, Greek National Day and extended Mulgrave library services (\$139K). Program and Salary costs tied to unbudgeted grant funding has increased the forecasted expenditure.

- Parking infringements is exceeding budgets with a year to date actual figure of \$1.64M against a budget of \$1.4M. Pns also issued for the year have surpassed last year's figure (16,403 in 18/19 and 15,474 in 17/18).

- Salary and temporary staff costs are unfavourable year-to-date by \$324K, this is due to savings in salaries of \$111K however temporary staff is exceeding budget by \$424K.

- The cash position at the end of September is \$80M, which is \$12.36M favourable variance against a year-to-date budget of \$67.6M. The higher cash balance has been due to additional developer contributions for public open space and advance receipt of VGC funding which was received at 30 June 2018.

Cash Flow Summary 2018/19



Capital Works Delivery

	YTD Actual	Budget	Variance	Variance %	Forecast 2018/19	Forecast Variance	Forecast Variance %
	\$'000	\$'000	\$'000	%	\$'000	\$'000	%
New	107	833	726	12.9%	841	(8)	-0.9%
Asset renewal	3,986	30,973	26,987	12.9%	31,258	(282)	-0.9%
Asset expansion	342	2,656	2,314	12.9%	2,680	(24)	-0.9%
Asset upgrade	1,145	8,897	7,752	12.9%	8,979	(82)	-0.9%
Total capital works	5,579	43,359	37,780	12.9%	43,758	(400)	-0.9%
Funding - External							
Government grants	174	2,576	(2,402)	-93.2%	2,576	-	0.0%
Contributions	33	437	(404)	-92.4%	442	(5)	-1.0%
Proceeds from sale of assets	350	-	350	0.0%	-	-	0.0%
Total External funding	557	3,013	(2,455)	-82%	3,017	(5)	-0.2%
Funding - Internal							
Reserve funding	-	4,430	(4,430)	0.0%	-	4,430	100.0%
Rates funding	5,022	38,929	(33,907)	-87.1%	40,741	(1,812)	-4.7%
Total Internal funding	5,579	43,359	(38,337)	-88%	40,741	2,618	6.4%

Councillor Engagement

COUNCILLOR SUMMARY

END OF 3RD QUARTER

\$43.8m

▲ 4.0% on year-to-date budget

Surplus

312.4%

▲ 71.3% on budgeted target

Working Capital

\$174.7m

▲ 3.3% on year-to-date budget

Revenue

\$130.9m

▲ 3.1% on year-to-date budget

Expense

\$112.4m

▲ 22% on year-to-date budget

Cash

\$28.3m

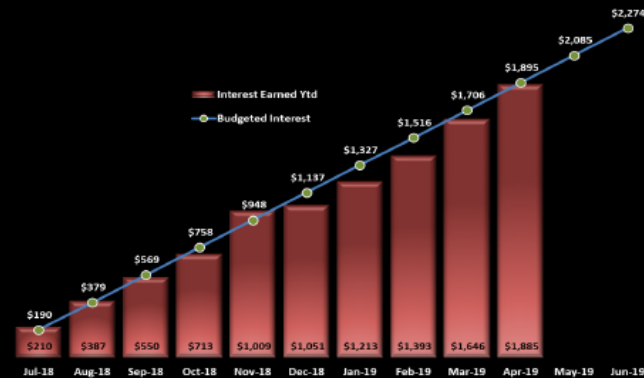
66.6% of agreed capital works budget

Capex

Capital Works Expenditure



Investment Performance



March 2019



CITY OF
MONASH

Councillor and Community Engagement

UNDERSTANDING YOUR RATES AND VALUATIONS

MONASH IS A GREAT PLACE TO LIVE WITH MORE THAN 125 PARKS AND RESERVES, FANTASTIC LIBRARIES AND RECREATIONAL SPACES

AND YOUR RATES PLAY A KEY ROLE IN KEEPING IT THAT WAY.

Monash Council receives funding from a number of different sources including ratepayers, government grants and fees and charges to provide for the essential services the community needs and expects. This includes waste management, preschools, parks, roadworks and local laws.

We remain the metropolitan council with the lowest rates on a rate per assessment basis and the lowest rates for any council in the State on a per capita basis.

HOW ARE RATES CALCULATED?

They are calculated by multiplying your property's value, by Monash's total rates divided by the total value of all Monash properties.

My rates = My property's value × Total of Monash's rates ÷ Total value of all properties

HAVE YOUR SAY?

Want to hear from you on our draft Budget Wednesday 29 May 2019 in a written submission

Monash Council, PO Box 1, Glen Waverley 3150, or
 Mail to: mail@monash.vic.gov.au
 Email to: Monash Civic Centre (293 Springvale Road, Glen Waverley) be.
 Drop in to: Monash Civic Centre

Please provide your name and address with your written submission so we can respond. A submission will have the opportunity to speak to their submission at a Council meeting. Monash Civic Centre on Tuesday 19 June 2019. Council will consider all feedback before its meeting on Tuesday 25 June 2019. We will respond to each submitter to advise them of their submission. For privacy information visit: www.monash.vic.gov.au/privacy

FREQUENTLY ASKED QUESTIONS

My valuation has gone down, why has my bill increased?
 The valuations do not affect the amount of revenue Council collects from rates. The valuations are used to work out how the rate revenue is distributed across all ratepayers. It influences the share of the rate revenue pie.

How are property's rates calculated?
 The formula for calculating the rates for an individual property is the property valuation multiplied by the rate in the dollar set by the Council.

How is a 'rate in the dollar' calculated?
 For a council using only a general rate (some use special rates for particular projects or needs), the rate in the dollar is calculated as in the following example:
 • A council plans to raise total rate revenue of \$123,498 million
 • The total Capital Improved Value (CIV) of all rateable properties in the municipality is \$67,040 billion CIV
 The rate in the dollar is calculated by dividing \$123,498 million by \$67.04 billion to obtain a rate in the dollar of 0.1835 cents.

Residential \$67.040 billion CIV
 The rate in the dollar is calculated by dividing \$123,498 million by \$67.04 billion to obtain a rate in the dollar of 0.1835 cents.

Non-Residential (commercial/Industrial) \$9.654 billion CIV
 The rate in the dollar is calculated by dividing \$12,295 million by \$9.654 billion to obtain a rate in the dollar of 0.1279 cents.

What are differential rates?
 Differential rates are where councils set different rates in the dollar for different categories of rateable land. For example, various categories of residential property or commercial/Industrial properties will each pay a higher or lower rate in the dollar.

What is land tax? How much do I have to pay?
 If you own property, you may have to pay land tax. If your home is the only property you own you will not pay land tax because your home is exempt. You pay land tax if the total taxable value of all the Victorian land you own, individually or jointly, as at 31 December, is equal to or exceeds \$250,000 (\$25,000 for trusts). For each year you own land in Victoria with a total taxable value equal to or above the relevant threshold, you must pay land tax. This is a tax determined and paid to the State Government, not Council.

Land tax payable

Total taxable value of land holdings	Land tax payable
< \$250,000	Nil
\$250,000 to < \$600,000	\$75 plus 0.2% of amount > \$250,000
\$600,000 to < \$1,000,000	\$975 plus 0.5% of amount > \$600,000
\$1,000,000 to < \$1,800,000	\$2,975 plus 0.8% of amount > \$1,000,000

Bar chart showing rate in the dollar for residential and non-residential properties:

Category	Rate in the dollar
Residential	0.1835%
Non-Residential (Commercial/Industrial)	0.1279%

Example calculation:
 For example for residential if the Capital Improved Value of a property is \$850,000 and the council rate in the dollar is set at 0.18355 cents, the rate bill would be \$1,545.97 (\$850,000 x 0.0018355).

Management Reporting

- Benefits to Monash:
 - Increased engagement and communication of financial information at all levels
 - Focus on more important things
 - Transparency of information
 - Business support and improved customer service