

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

Agenda item 6.7

2015–16 Third Quarter March 2016 YTD Financial Performance Report

17 May 2016

Presenter: Phu Nguyen, Chief Financial Officer

Purpose and background

1. The purpose of this report is to inform the Future Melbourne Committee of the financial performance of the Council for the third quarter ending 31 March 2016, in accordance with the *Local Government Act 1989* and to provide information on supplementary valuations adopted by the Chief Executive Officer under delegation (refer Attachment 3).

Key issues

2. The preliminary result from ordinary activities for the quarter ending 31 March 2016 shows an underlying surplus on the Income Statement of \$14.93 million. This is a favourable variance of \$6.50 million against the budgeted underlying surplus of \$8.43 million.
3. The most significant revenue variances have occurred in sundry fees and charges (\$2.05 million), sales and recoveries (\$1.81 million favourable), parking fees (\$1.64 million favourable), and grants and subsidies (\$1.54 million favourable). The more significant expenditure variations arose in materials and services (\$4.42 million favourable), employee costs (\$0.52 million favourable), grants and contributions (\$0.92 million unfavourable), and finance and insurance costs (\$0.89 million unfavourable).
4. While the current financial performance is ahead of budget by \$6.50 million, a significant portion relates to timing differences. Allowing for timing differences, the full year forecast projects a result \$2.54 million ahead of budget for 2015-16.
5. A detailed analysis of revenue and expenditure is included in Attachment 2.

Recommendation from management

6. That the Future Melbourne Committee accepts the quarterly financial performance report as at 31 March 2016.

Attachments:

1. Supporting Attachment (page 2 of 20)
2. Financial Performance Report March 2016 (page 3 of 20)
3. Summary Listing of Supplementary Valuations (page 20 of 20)

Supporting Attachment

Legal

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

Finance

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

Conflict of interest

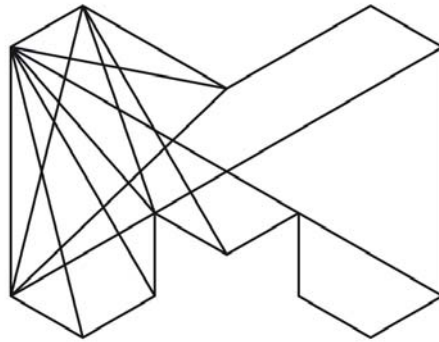
3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a direct or indirect interest in relation to the matter of the report.

Stakeholder consultation

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

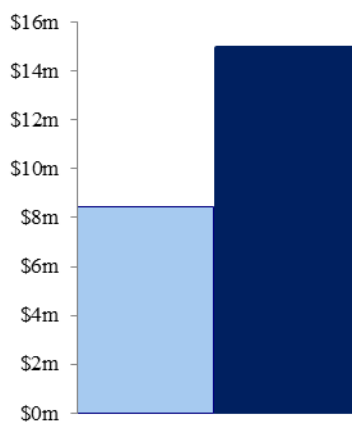
Environmental sustainability

5. The financial performance for the quarter ended 31 March 2016 reflects many activities impacting on environmental sustainability. There is no direct impact on environmental sustainability from the recommendations in this report.



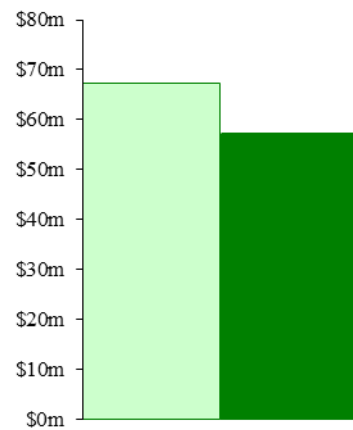
CITY OF MELBOURNE FINANCIAL PERFORMANCE REPORT Mar 2016

Underlying Surplus/(Deficit)



YTD Budget	\$8.434m
YTD Actual	\$14.934m
YTD Variance	\$6.500m

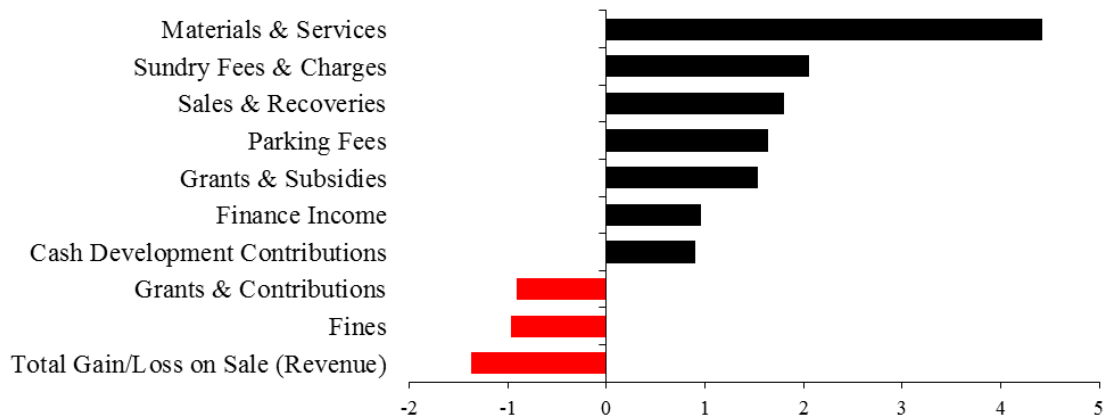
Council Works Program



YTD Budget	\$67.311m
YTD Actual	\$57.127m
YTD Variance	\$10.184m

Executive Summary

Top 10 Variances (\$millions)



Key Financial Implications:

The year to date underlying surplus is \$14.934 million, which is \$6.500 million favourable against budget. The most significant variances are:

- Materials & Services (\$4.420 million Fav) due mainly to timing of professional costs, administrative expenses and utilities costs.
- Sundry fees & charges (\$2.053 million Fav) due mainly to higher building fees.
- Sales & Recoveries (\$1.806 million Fav) due mainly to grants-in-kind revenue, higher legal cost and water assessment recoveries.
- Parking Fees (\$1.635 million Fav) due mainly to higher parking meter revenue.
- Grants & Subsidies (\$1.536 million Fav) due mainly to additional grants received, including Dockland Park Enhancement and City Road Improvement project.
- Finance Income (\$0.960 million Fav) due to higher investment income as a result of cash holdings being higher than budget. This was due to funds received from the Clean Energy Finance Corporation.
- Fines (\$0.975 million Unfav) due to lower than anticipated parking infringements being issued as a result of higher compliance and lower vehicle turnover.
- Grants & Contribution expense (\$0.917 million Unfav) due mainly to earlier payment of Triennial Arts Grants and grants in kind expenditure.

Underlying Operating Results

2014-15 Actual	2015-16 Budget	\$000s	Year to Date		
			Budget	Actual	Variance
422,832	409,688	Revenue	306,102	313,123	7,021
375,620	385,804	Operating Expenditure	286,060	282,768	3,293
47,212	23,884	Results from Ordinary Activities	20,042	30,355	10,313
1,382	920	Net Gain/(Loss) on disposal of Assets	869	(507)	(1,376)
0	0	Transfer assets to external parties	0	0	0
11,562	0	Contributed Assets	0	909	909
60,156	24,804	Profit/(Loss)	20,911	30,757	9,846
(31,940)	(15,393)	Less External Contributions to Capital	(12,477)	(14,914)	(2,437)
(364)	0	Less Gain on Investment Revaluation	0	0	0
(11,562)	0	Less Contributed Assets	0	(909)	(909)
232	0	Add Writedown on Investment	0	0	0
16,522	9,411	Underlying Surplus/(Deficit)	8,434	14,934	6,500

Council Works Program

The value of works completed is \$57.126 million compared to the planned \$67.312 million work.

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Income Statement

\$ Thousands

Period: Mar-16

2014-15 Actual	2015-16 Budget		Year to Date		
			Budget	Actual	Variance
		REVENUE			
231,190	243,601	Rates	183,373	182,721	(652)
33,389	22,234	Grants & Subsidies	16,978	18,514	1,536
12,111	6,000	Cash Development Contributions	4,500	5,405	905
49,270	46,593	Parking Fees	34,944	36,579	1,635
43,813	43,628	Fines	33,196	32,221	(975)
22,262	23,247	Sundry Fees & Charges	18,331	20,384	2,053
8,088	8,058	Property Rental & Hire	5,959	6,240	281
7,409	3,487	Sales & Recoveries	2,381	4,187	1,806
3,416	652	Finance Income	589	1,549	960
6,780	7,761	Intercompany Revenue - City Wide	2,530	2,405	(125)
5,104	4,429	Intercompany Revenue - QVM	3,321	2,918	(403)
422,832	409,688	Total Revenue	306,102	313,123	7,021
		EXPENDITURE			
132,797	139,429	Employee costs	104,633	104,116	517
150,753	149,898	Materials & Services	109,615	105,195	4,420
9,808	10,701	Finance & Insurance Costs	8,236	9,126	(890)
57,684	59,749	Depreciation & Amortisation	44,712	44,337	375
10,373	12,205	Maintenance Costs	7,560	7,125	435
13,216	12,533	Grants & Contributions	10,148	11,065	(917)
990	1,287	Government Taxes & Levies	1,156	1,804	(647)
375,620	385,804	Total Operating Expenditure	286,060	282,768	3,293
1,382	920	Total Gain/(Loss) on Sale	869	(507)	(1,376)
0	0	Transfer assets to external parties	0	0	0
11,562	0	Contributed Assets	0	909	909
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232	0	Add Writedown on Investment	0	0	0
16,522	9,411	Underlying Surplus/(Deficit)	8,434	14,934	6,500

Balance Sheet

\$ Thousands

Period: Mar-16

Prior Year 2014-15 Actual		Current Mar-16 Actual	Movement 2014-15 Actual
	Assets		
	Current Assets		
108,519	<i>Ref 1</i> Cash assets	108,063	(456)
25,552	<i>Ref 2</i> Receivables	61,861	36,309
10,030	Prepayments	1,357	(8,673)
2,634	Other Current Assets	348	(2,286)
146,735	Total Current Assets	171,629	24,894
	Non current assets		
31,658	Investments	31,658	0
10,852	<i>Ref 3</i> Intangible Assets	11,756	904
3,552,267	<i>Ref 3</i> Property, Plant & Infrastructure	3,635,166	82,899
3,594,777	Total Non-Current Assets	3,678,580	83,803
3,741,512	TOTAL ASSETS	3,850,209	108,697
	Liabilities		
	Current Liabilities		
(59,420)	<i>Ref 4</i> Payables	(45,598)	13,822
0	<i>Ref 5</i> Income in Advance Rates	(61,349)	(61,349)
(28,606)	Employee entitlements	(28,772)	(166)
(1,663)	Provisions	(1,889)	(226)
0	Loans & Borrowings	(21)	(21)
(89,689)	Total Current Liabilities	(137,629)	(47,940)
	Non- current Liabilities		
(2,900)	Employee entitlements	(2,900)	0
0	<i>Ref 6</i> Non-Current Loans & Borrowings	(30,000)	(30,000)
(2,900)	Total Non-Current Liabilities	(32,900)	(30,000)
(92,589)	TOTAL LIABILITIES	(170,529)	(77,940)
3,648,923	NET ASSETS	3,679,680	30,757
	Equity		
(1,892,914)	Accumulated Surplus	(1,909,697)	(16,783)
(1,731,409)	Asset revaluation reserve	(1,731,409)	0
(18,672)	Public Open Space reserve	(20,377)	(1,705)
0	QVM renewal reserve	(11,752)	(11,752)
(5,928)	Other reserves	(6,445)	(516)
(3,648,923)	TOTAL EQUITY	(3,679,680)	(30,757)

Balance Sheet

Comparison to prior Year June 2015 Actual

1. Cash assets have decreased by \$0.456 million due mainly to year to date operating and capital work expenses.
2. Receivables are higher by \$36.309 million due mainly to rates and fire service levy receivables which are offset by income in advance rates and fire service levy payable.
3. Property, Plant and Infrastructure assets have increased by \$83.803 million due to capital works (\$57.127 million) and settlement of Munro Site (\$76.345 million), which are partially offset by asset depreciation (\$44.337 million).
4. Payables are lower by \$13.822 million due mainly to creditors and accrued expenses.
5. Income in advance rates increased by \$61.349 million which is offset by increase in rates receivable.
6. Non-Recurrent Loan & Borrowings increased by \$30.000 million due to loan from Clean Energy Finance Corporation for sustainability capital projects.

Statement of Cash Flows

\$Thousands

Period: Mar-16

2014-15 Actual		2015-16 Actual
	Cashflows from Operating Activities	
	Receipts	
351,454	Rates, Fees and Charges	322,125
41,342	Grants and Other Contributions	23,404
3,416	Interest	1,549
9,140	Tax Equivalents - Subsidiaries	5,321
6,250	Sales & Recoveries	4,187
411,602		356,586
	Payments	
(133,691)	Employee Costs	(103,950)
(152,096)	Materials & Services	(125,212)
(33,460)	Grants and Other Payments	(29,099)
(319,247)		(258,261)
92,355	Net Cash Inflow / (Outflow) from Operating Activities	98,325
	Cashflows from Investing Activities	
1,382	Profit/(Loss) from sale of property, plant & equipment	(507)
(87,302)	Payments for property, plant & equipment	(128,276)
(85,920)	Net Cash Inflow / (Outflow) from Investing Activities	(128,783)
	Cashflows from Financing Activities	
2,744	Dividends received	2
0	(Repayments)/Proceeds from borrowings	30,000
2,744	Net Cash Inflow / (Outflow) from Financing Activities	30,002
9,180	Net Cash Inflow/ (Outflow) from all Activities	(456)
99,339	Cash at beginning of the financial period	108,519
108,519	Cash at the end of Mar-16	108,063
9,180	Movement in cash equivalents	(456)

Statement of Cash Flow (reconciliation)

\$ Thousands

Period:

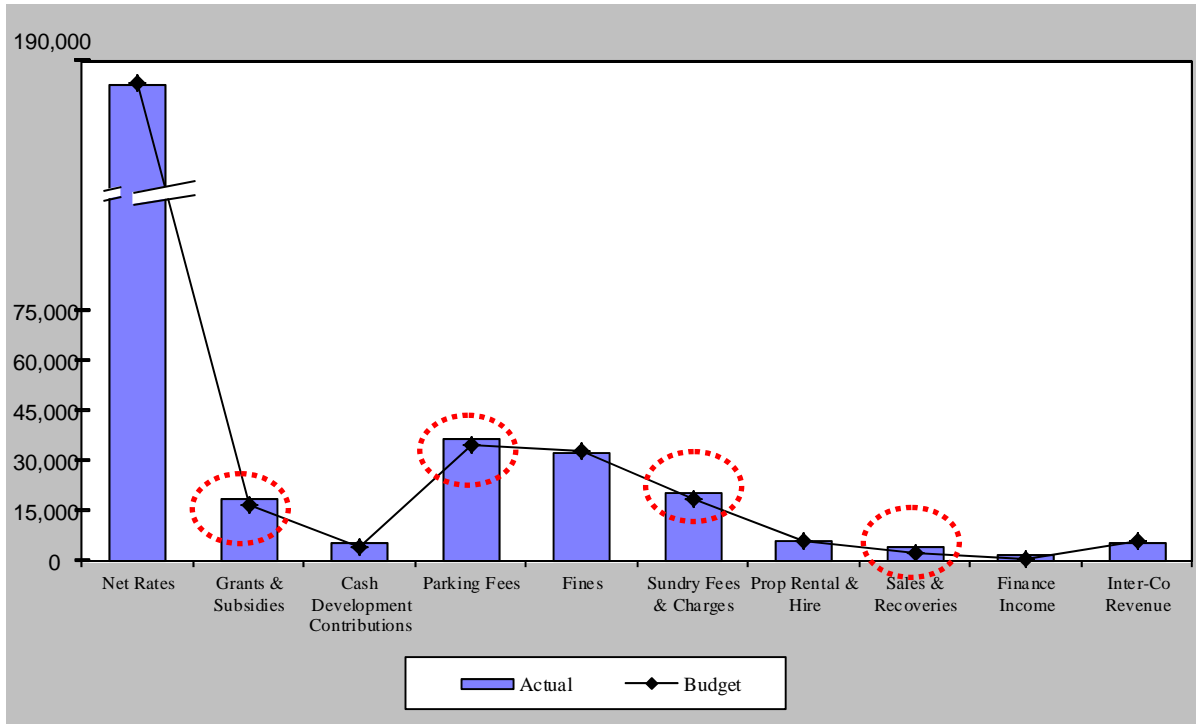
Mar-16

2014-15 Actual		2015-16 Actual
62,157	Net Surplus/(Deficit) from operations	30,757
	Add Back Non-Cash Items	
57,684	Depreciation & Amortisation	44,337
(1,382)	Loss/(Profit) on Sale of Assets	507
(364)	Recognition of increase in investment	0
(11,562)	Non Current Assets Additions	(909)
0	Transfer Assets to External Parties	0
657	Writedown on Investment	0
107,190	Operating Surplus/(Deficit) before Non cash items	74,692
(12,635)	Net Movement in Working Capital	21,808
0	Procees from borrowings	30,000
(87,302)	Capital Expenditure	(51,931)
0	Purchase of Munro Site	(76,345)
1,927	Proceeds from sale of assets	1,321
9,180	Net Cash inflow/(outflow)	(456)

On a year-to-date basis Council had a total cash outflow of \$0.456 million. This is comprised of:

- An operating surplus before non-cash items of \$74.692 million;
- Proceeds from sale of assets of \$1.321 million;
- An outflow associated with capital expenditure of \$21.808 million;
- An outflow on purchase of Munro Site of \$76.345 million;
- An inflow from borrowings of \$30.000 million; and
- An inflow from working capital of \$21.808 million.

YTD Revenue Summary



\$ Thousands

Period: Mar-16

Annual Budget	REVENUE	Year to Date		
		Budget	Actual	Variance
243,601	<i>Ref 3.1</i> Net Rates	183,373	182,721	(652)
22,234	<i>Ref 3.2</i> Grants & Subsidies	16,978	18,514	1,536
6,000	<i>Ref 3.3</i> Cash Development Contributions	4,500	5,405	905
46,593	<i>Ref 3.4</i> Parking Fees	34,944	36,579	1,635
43,628	<i>Ref 3.5</i> Fines	33,196	32,221	(975)
23,247	<i>Ref 3.6</i> Sundry Fees & Charges	18,331	20,384	2,053
8,058	<i>Ref 3.7</i> Property Rental & Hire	5,959	6,240	281
3,487	<i>Ref 3.8</i> Sales & Recoveries	2,381	4,187	1,806
652	<i>Ref 3.9</i> Finance Income	589	1,549	960
12,190	<i>Ref 3.10</i> Intercompany Revenue	5,851	5,323	(528)
409,688	Total Revenue	306,102	313,123	7,021

Analysis of Revenue Variances

Budget \$306.102m

Actual \$313.123m

Variance \$7.021m favourable

3.1 Net Rates**-0.4% Variance****(\$0.652m) Unfav**

This unfavourable variance is due mainly to \$1.507 million valuer general adjustments (*timing difference*) which is offset by \$0.694 million higher Rates income (*permanent difference*).

3.2 Grants & Subsidies**9.0% Variance****\$1.536m Fav**

This favourable variance is due mainly to:

- \$0.750 million grants from Places Victoria in relation to Dockland Park Enhancement Works (*permanent difference*);
- \$0.357 million fund for City Road Improvement project (*permanent difference*);
- \$0.241 million Rockefeller Foundation funding (*permanent difference*);
- \$0.254 million Roads to Recovery received earlier than anticipated (*timing difference*); and
- \$0.111 million Blackspot funding from VicRoads (*permanent difference*).

The above favourable variance is partly offset by:

- \$0.255 million arts grants received in year 2014-15 (*permanent difference*);
- \$0.315 million lower Federal arts grants allocation to Australia Council (*permanent difference*);
- \$0.094 million lower events sponsorship income mostly due to commercial sponsorship for Melbourne Spring Fashion Week being less than expected.

3.3 Cash Development Contributions**20.1% Variance****\$0.905m Fav**

This favourable variance is due to higher Public Open Space contributions (*permanent difference*).

3.4 Parking Fees**4.7% Variance****\$1.635m Fav**

This favourable variance is due to \$2.030 million higher parking meter revenue as a result of increased revenue from construction zones and more parking spaces than budgeted on Latrobe and William streets (*permanent difference*) which is partially offset by \$0.254 million lower car park parking fees and \$0.094 million lower towaway fees (*permanent differences*).

3.5 Fines (Parking Fines and General Fines)**-2.9% Variance****(\$0.975m) Unfav**

This unfavourable variance is due to lower than anticipated parking infringements being issued as a result of increased compliance and lower vehicle turnover (*partly timing difference*).

3.6 Sundry Fees & Charges (excluding parking and hire fees)**11.2% Variance****\$2.053m Fav**

This favourable variance is due mainly to:

- \$2.002 million higher building fees due to invoicing of construction management permit fee revenue (*permanent difference*);
- \$0.106 million property services fees from Transfield (*permanent difference*);
- \$0.095 million event site fees and admission income (*timing difference*); and
- \$0.247 million higher than expected tree removal fees (*permanent difference*).

The above favourable variance is partially offset by:

- \$0.165 million lower sales of tickets for the Melbourne Visitor Shuttle (*permanent difference*); and
- \$0.214 million lower membership income from Recreation Centres (*partly timing difference*).

3.7 Property Rental & Hire Fees**4.7% Variance****\$0.281m Fav**

This favourable variance is due mainly to lower property rental revenue (*permanent difference*).

Analysis of Revenue Variances

Budget \$306.102m

Actual \$313.123m

Variance \$7.021m favourable

3.8 Sales & Recoveries (includes proceeds from asset sales) 75.9% Variance \$1.806m Fav

The favourable variance is mainly due to:

- \$0.495 million grants-in-kind revenue which is fully offset by grants-in-kind expenditure (*permanent difference*);
- \$0.464 million higher assessment charges to water authorities and State Revenue Office supplementary valuations (*partly permanent difference*);
- \$0.232 million legal cost recoveries (*partly timing difference*);
- \$0.143 million recoveries in relation to subsidiaries revenue (*permanent difference*);
- \$0.120 million sustainability salary recoveries from Melbourne Water (*permanent difference*); and
- \$0.352 million other recoveries for project across council (*timing difference*).

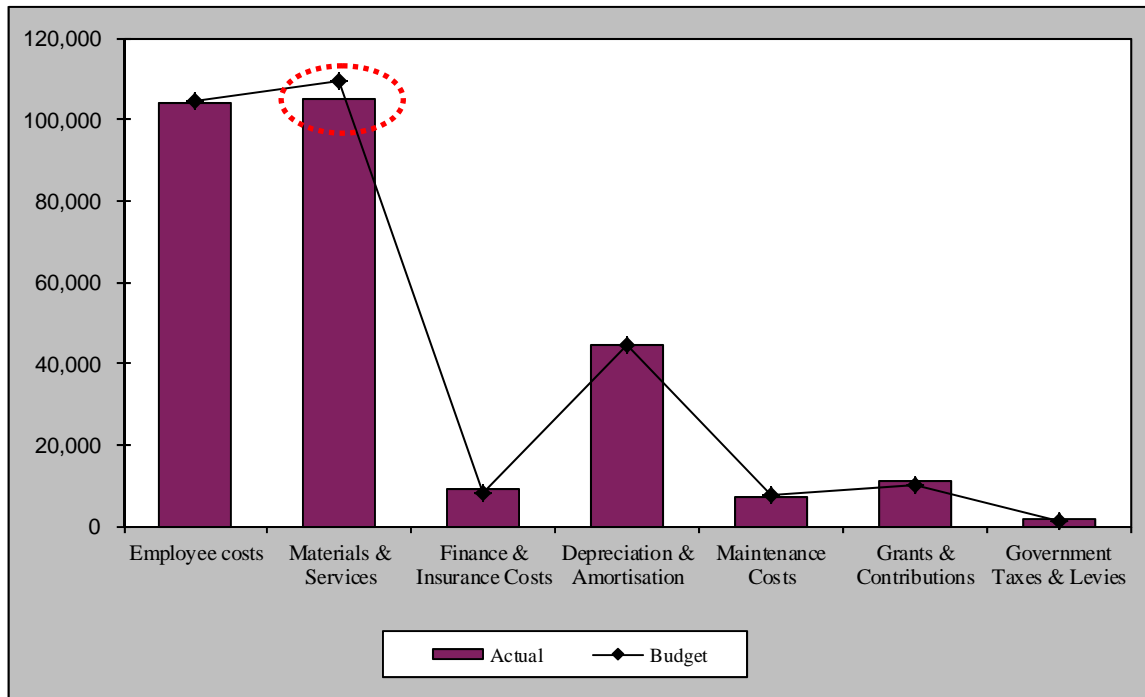
3.9 Finance Income 163.0% Variance \$0.960m Fav

This favourable variance is due to higher investment income as a result of year to date cash holdings being higher than budget (*permanent difference*).

3.10 Intercompany Revenue -9.0% Variance (\$0.528m) Unfav

This unfavourable variance is due to lower than budgeted returns from QVM (*permanent difference*).

YTD Expense Summary



\$ Thousands

Period:

Mar-16

Annual Budget	Year to Date				
	Budget	Actual	Variance		
EXPENDITURE					
139,429	Ref 4.1	Employee costs	104,633	104,116	517
149,898	Ref 4.2	Materials & Services	109,615	105,195	4,420
10,701	Ref 4.3	Finance & Insurance Costs	8,236	9,126	(890)
59,749	Ref 4.4	Depreciation & Amortisation	44,712	44,337	375
12,205	Ref 4.5	Maintenance Costs	7,560	7,125	435
12,533	Ref 4.6	Grants & Contributions	10,148	11,065	(917)
1,287	Ref 4.7	Government Taxes & Levies	1,156	1,804	(648)
385,804		Total Expenditure	286,061	282,768	3,293

Analysis of Expense Variances

Budget \$286.061m

Actual \$282.768m

Variance \$3.293m favourable

4.1 Employee Costs

0.5% Variance

\$0.517m Fav

The favourable variance is due mainly to savings on vacant positions. The savings have been offset by higher agency staff costs used to backfill positions (*mostly permanent difference*).

4.2 Materials & Services

4.0% Variance

\$4.420m Fav

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

- Professional services favourable \$3.813 million;
- Administrative expenses favourable \$1.175 million;
- Utilities and supplies favourable \$0.968 million;
- Plant and equipment favourable \$0.452 million;
- Contractors and Intercompany Contractors unfavourable \$3.258 million.

The main variances in each category are listed below.

Professional Services (favourable \$3.813 million)

This favourable variance is due mainly to:

- \$0.549 million lower costs in relation to arts projects. Of this favourable variance, \$0.450 million relates to Arts House and reflects lower artist fees to offset unfavourable arts grants revenue (*permanent difference*);
- \$0.757 million consultancy expenditure in sustainability projects (*partly timing difference*);
- \$0.408 million costs in relation to various events including Melbourne Spring Fashion Week and Moomba (*partly timing difference*);
- \$0.305 million in relation to urban strategy variability of panel hearings and the associated consultant and witness/expert costs (*partly timing difference*);
- \$0.352 million engineering asset management and waste management consultancy (*timing difference*);
- \$0.219 million legal/solicitor expenses (*timing difference*);
- \$0.271 million consultancy costs in relation to social investment projects (*timing difference*);
- \$0.223 million city business related projects, including Melbourne Visitor Shuttle promotion, Retail Development and City Yield (*partly permanent difference*);
- \$0.175 million relates to Master branding and marketing campaign programs (*timing difference*); and
- \$0.122 million consultant and promotion expenses related to Knowledge Melbourne (*timing difference*).

Administrative Expense (favourable \$1.175 million)

This favourable variance is due mainly to:

- \$0.486 million lower marketing campaigns and event advertising costs (*partly timing difference*);
- \$0.308 million training programs (*partly timing difference*); and
- \$0.138 million court filing fees and Bylaw search fees related with lower parking fines revenue (*partly timing difference*).

Utilities and supplies (favourable \$0.968 million)

This favourable variance is due mainly to:

- \$0.296 million telecommunication costs (*timing difference*);
- \$0.372 million water usage with \$0.163 million being less than anticipated as a result of water saving initiatives (*permanent difference*);
- \$0.173 million supplies, including stationary, catering, clothing and paper usages (*partly timing difference*).

Analysis of Expense Variances

Budget \$286.061m

Actual \$282.768m

Variance \$3.293m favourable

Plant and Equipment (favourable \$0.452 million)

This favourable variance is due to timing of IT related maintenance and support costs.

Contractors and Intercompany Contractors (unfavourable \$3.258 million)

This unfavourable variance is due mainly to:

- Efficiency savings realised in other expenditure categories (*timing/permanent difference*); and
- Agency costs mainly used for backfilling vacant positions (*mostly permanent difference*).

The above unfavourable variances are partially offset by:

- \$0.541 million intercompany Civil Infrastructure Services contract (*timing difference*);
- \$0.442 million council property maintenance and cleaning costs (*permanent difference*); and
- \$0.635 million aged care services expenditure being lower than anticipated (*timing difference*).

4.3 Finance and Insurance**-10.8% Variance****(\$0.890m) Unfav**

The unfavourable variance is due mainly to bad debt provision for construction management permit fee (*permanent difference*). This is partially offset by lower provision for PINs doubtful debts as a result of lower PINs revenue (*permanent difference*).

4.4 Depreciation**0.8% Variance****\$0.375m Fav**

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

4.5 Maintenance**5.8% Variance****\$0.435m Fav**

This favourable variance is due to timing of Street Lighting Upgrade and other maintenance works (*timing difference*).

4.6 Grants & Contributions**-9.0% Variance****(\$0.917)m Unfav**

This unfavourable variance is due mainly to \$0.780 million earlier payment of Triennial Arts Grants (*timing difference*) and \$0.495 million grants in kind expenditure (*permanent difference*), fully offset from favourable grants in kind revenue.

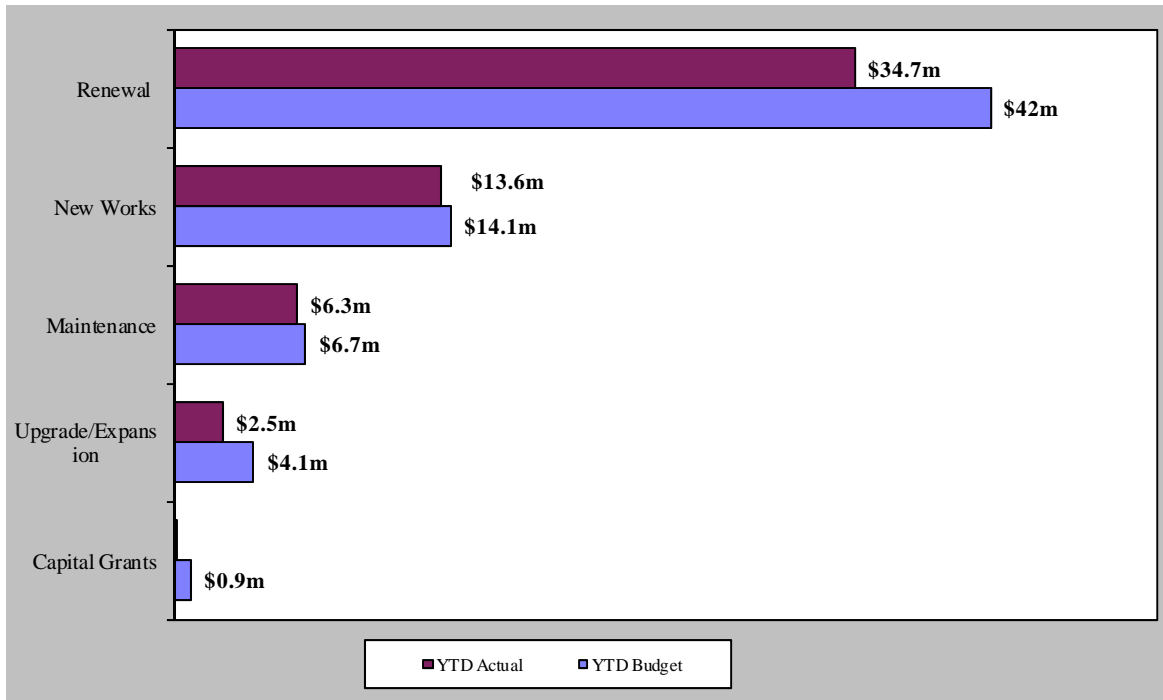
The above unfavourable variances are partially offset by:

- \$0.274 million social enterprise and precinct program (*partly timing difference*); and
- \$0.138 million the Chair of Resilient Cities grant (*timing difference*).

4.7 Government Taxes & Levies**-56.1% Variance****(\$0.648m) Unfav**

This unfavourable variance is due to unbudgeted land tax for the Munro site (*permanent difference*).

YTD Council Works Program Summary



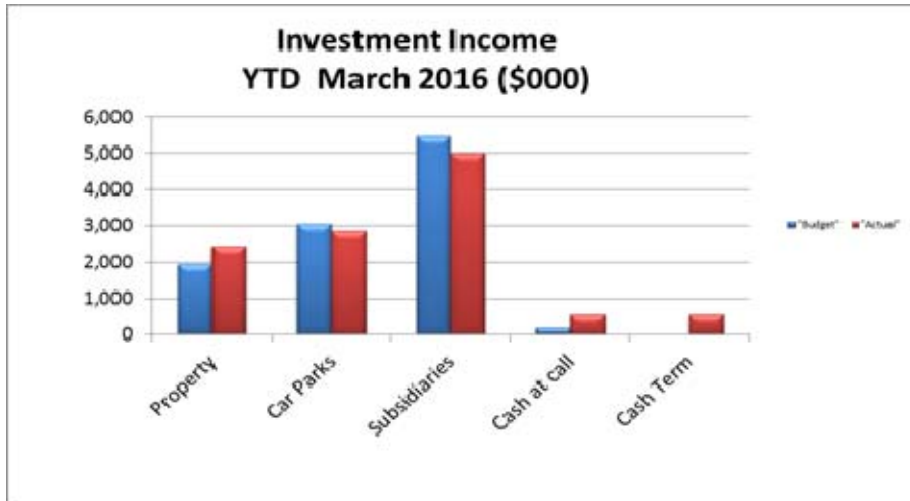
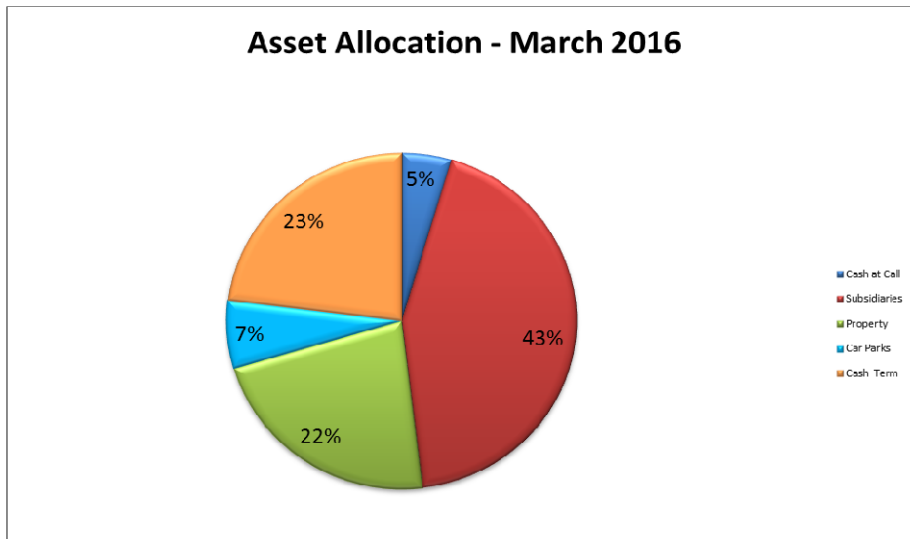
\$ Thousands

Period: Mar-16

Council Works Area	Year to Date		
	Budget	Actual	Variance
Maintenance			
Capital Grants	850	171	679
Maintenance	6,710	6,254	456
Total Maintenance	7,560	6,425	1,135
Capital Works			
Expansion	1,462	545	917
Upgrade	2,599	1,922	677
New Works	14,120	13,562	558
Renewal	41,570	34,673	6,897
Total Capital Expenditure	59,751	50,702	9,049
Total Council Works Program	67,311	57,127	10,184

Investment Portfolio Performance 2015-2016

The Investment Portfolio returned \$11.432 million for the year to date, above the budgeted \$10.853 million. The portfolio returned a yield of 4.37%.



Supplementary Valuations

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

In the January to March 2016 quarter, there were two supplementary valuation returns; the totals of these returns are as follows:

Date	NAV Change	Total Rate Change	New Rates	Exemptions	Objections
16 Feb 2016	(\$4,894,325)	(\$1,453,523)	\$224,249	(\$184,007)	(\$1,493,765)
30 Mar 2016	\$15,344,376	(\$11,593)	\$214,544	(\$7,116)	(\$219,021)
Total	\$10,450,051	(\$1,465,116)	\$438,793	(\$191,123)	(\$1,712,786)

The 2015-16 supplementary (new) rates budget is \$3.61 million. The year to date actual for new rates is \$3.64 million and the total rateable NAV is currently \$5.512 million.

The 2015-16 objections budget is \$3.80 million. The forecast actuals for objections is expected to be \$4.27 million. This is due to consideration of significant issues affecting several properties and subsequent decision at VCAT.

Ref #	Address	Category	Previous NAV	Current NAV	NAV Change	Rate Change	Comments
16 February 2016							
3	Melbourne Markets 476-602 Footscray Road, West Melbourne	Exempt	\$5,287,800	\$8,084,000	(\$2,796,200)	(\$177,767.43)	Majority of tenants have vacated, the Melbourne Market Authority
1	360 Dudley Street, West Melbourne	Exempt	\$121,000	\$121,000	-	(\$2,876.78)	Tenant vacated, property reverts back to Vic Track
7	578-606 Bourke Street, Melbourne	Objection	\$20,947,000	\$27,090,000	(\$6,143,000)	(\$574,069.49)	VCAT Order
9	113-149 Exhibition Street, Melbourne	Objection	\$17,998,000	\$18,623,900	(\$625,900)	(\$58,491.01)	VCAT Order
12	360-374 Collins Street, Melbourne	Objection	\$14,782,000	\$16,870,000	(\$2,088,000)	(\$195,125.69)	VCAT Order
7	568-580 Collins Street, Melbourne	Supplementary	\$14,542,850	\$516,000	\$14,026,850	\$218,707.95	Construction of multi-unit development, 207 residential units & 15 commercial lots
	Balance of 396 assessments		\$148,517,650	\$155,785,725	(\$7,268,075)	(\$663,900.27)	
			\$222,196,300	\$227,090,625	(\$4,894,325)	(\$1,453,522.72)	
30 March 2016							
5	110-124 Laurens Street, North Melbourne	Exempt	\$201,400	\$180,100	\$21,300	(\$2,772.17)	Property used for religious purposes.
4	74 Market Street, Kensington	Exempt	\$42,000	\$41,750	\$250	(\$1,750.58)	Correction to valuation.
6	Unit 604, 55 Swanston Street, Melbourne	Exempt	\$59,000	\$59,000	-	(\$1,423.12)	Property used for charitable purposes.
9	76-84 Collins Street, Melbourne	Objection	\$16,247,000	\$20,347,200	(\$4,100,200)	(\$194,964.55)	VGV approved objection
10	277-287 King Street, Melbourne	Objection	\$265,226	\$753,200	(\$487,974)	(\$23,203.16)	VGV approved objection
58	Concavo 1-13 Waterside Place, Docklands	Supplementary	\$11,815,650	\$600,000	\$11,215,650	\$125,080.10	Construction of multi-unit development, 238 Residential units and 13 Retail lots.
48	617-643 Spencer Street, West Melbourne	Supplementary	\$84,600	\$42,300	\$42,300	\$2,011.37	Property has been subdivided and converted into strata offices.
18	139-145 Chetwynd Street, North Melb	Supplementary	\$1,331,500	\$202,500	\$1,129,000	\$12,410.80	Construction of multi-unit development.
	Balance of 979 assessments		\$67,288,150	\$59,764,100	\$7,524,050	\$73,018.70	
			\$97,334,526	\$81,990,150	\$15,344,376	(\$11,592.61)	
Total for third quarter 2015-16			\$319,530,826	\$309,080,775	\$10,450,051	(\$1,465,115.33)	