



# Higher Rate Cap Application 2018/19 - Further Information Part 2

Monash City Council  
1 May 2018

## Question

2. We note there are changes in council's forecasts in the income statements, balance sheets and capital works statements between the 2017-18 budget, budget baseline information template and the 2018-19 budget. Could council please provide a breakdown of the major factors or projects that have caused these changes? In particular, the changes in cash and cash equivalents in the balance sheet, and expansion and upgrade capital works in the capital works statement

## Monash's Response

The changes in Council's Capital Works program are due to a re-phasing of two major projects as well as recognising projects that will now be completed in 2018/19 and therefore will Carry Forward funds from 2017/18. As the changes in two major projects were not approved by Council until the 27 March meeting there was not sufficient time to revise Council's application to the ESC to take these into account.

\$M	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Oakleigh Recreation Centre</b>					
– ESC submission	3.8	17.6			
– proposed Budget	0.5	3.5	19.3		
<b>Montclair Car Park</b>					
– ESC submission	0.7	23.75	21.4		
– proposed Budget	0.1	0.6	13.75	21.4	10.0
<b>Carry Forward funds</b>		+4.85			
<b>Net difference</b>		-32.35			

\$'000	2017/18	2018/19	2019/20	2020/21	2021/22
<b>Capital Works Budget</b>					
– ESC submission	45,318	75,121	52,564	35,923	45,130
– proposed Budget	42,837	43,008	65,136	56,823	54,130
<b>Net difference</b>	-2,481	-32,113	12,572	20,900	9,000

From the above two tables it is clear the substantive change between Council's higher rate cap application and proposed Budget is accounted for in the two re-phased major projects and Carry Forward Funds. Both projects involve various income sources including land sales, external grants and contributions and parking reserve. This then translates into the changes in the cash and cash equivalents in the balance sheet in the proposed Budget.

### Oakleigh Recreation Centre & Waverley Gymnastics Redevelopment

The Oakleigh Recreation Centre & Waverley Gymnastics Redevelopment is a \$23M project involving the relocation of Waverley Gymnastics to the Oakleigh Recreation Centre and the redevelopment of the Oakleigh Recreation Centre's indoor Basketball Courts.

This is a complex project that involves Federal and State Government Funding, contributions from the Waverley Gymnastics club and the bringing together of two tennis clubs at a new site. Finalising agreements with all parties has taken longer than originally anticipated and shifted design and early construction from 2017/18 out by 12 months.

[27 March 2018 Council Report](#) and [29 March 2018 Media Release](#)

### Montclair Car Park

Montclair Car Park is a \$46M multi-story car park development in Glen Waverley, originally intended to start construction in 2018/19. An alternative proposal was investigated by Council (Central Car Park) and this led to a delay in undertaking the design of the Montclair Car Park.

Council considered Glen Waverley Central Car Park as a Confidential item (9.1) at the 27 March 2018 Council meeting and resolved to not proceed with that proposal.

[27 March 2018 Council Meeting – Central Car Park](#)

[29 March 2018 Media Release](#)

### Carry Forward Funds

At the end of March 2018, Council identified 14 Capital Works projects totalling \$4.85M expenditure to be Carried Forward into 2018/19.

Figure 1: Carry Forward funds, p70 proposed 2018/19 Budget

#### 4.5.3 Works carried forward from the 2017/18 year

Capital Works Area	Project cost \$'000	Asset expenditure type				Summary of funding sources			
		New \$'000	Renewal \$'000	Upgrade \$'000	Expansion \$'000	Grants \$'000	Contributions \$'000	Council \$'000	Borrowings \$'000
<b>PROPERTY</b>									
Land	0	0	0	0	0	0	0	0	0
Land Improvements	0	0	0	0	0	0	0	0	0
<b>Total Land</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Buildings</b>									
Integrated Early Years Hub Partnership with Albany Rise Primary School	281	0	0	0	281	0	0	281	0
Columbia Park Pavilion Renewal	974	0	847	127	0	0	0	974	0
Caloola Reserve Pavilion Renewal	59	0	30	15	15	0	0	59	0
Mount Waverley Community Centre and Youth Centre Refurbishment	401	0	361	40	0	0	0	401	0
Equitable Access MGA Stage 2	65	0	0	65	0	0	0	65	0
<b>Total Buildings</b>	<b>1,780</b>	<b>0</b>	<b>1,237</b>	<b>247</b>	<b>296</b>	<b>0</b>	<b>0</b>	<b>1,780</b>	<b>0</b>
Building Improvements	0	0	0	0	0	0	0	0	0
Leasehold Improvements	0	0	0	0	0	0	0	0	0
<b>TOTAL PROPERTY</b>	<b>1,780</b>	<b>0</b>	<b>1,237</b>	<b>247</b>	<b>296</b>	<b>0</b>	<b>0</b>	<b>1,780</b>	<b>0</b>
<b>PLANT AND EQUIPMENT</b>									
<b>Computers and Telecommunications</b>									
BT Enterprise Project Portfolio Management Solution (EPPM)	300	0	0	300	0	0	0	300	0
<b>TOTAL PLANT AND EQUIPMENT</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>300</b>	<b>0</b>
<b>INFRASTRUCTURE</b>									
<b>Roads</b>									
Road Reconstruction - Atherton Road, Oakleigh, between Clyde Street and Warrigal Road (Stage 2)	780	0	624	156	0	0	0	780	0
Eaton Mall Pedestrian Safety Project	175	0	0	175	0	0	0	175	0
<b>Footpaths and Cycleways</b>									
Melbourne Water Pipe Track (Highbury Road to Cherry Street, Glen Waverley)	200	0	0	0	200	0	0	200	0
<b>Drainage</b>									
Strategic Drainage - 1558-1568 Dandenong Road Huntingdale	388	0	233	155	0	0	0	388	0
<b>Recreational, Leisure and Community Facilities</b>									
Caloola Reserve Synthetic Tennis Courts	833	833	0	0	0	0	0	833	0
Ashwood Reserve Sports Lighting Development Project	128	0	51	77	0	0	0	128	0
<b>Waste Management</b>									
Reg Harris Reserve Leachate Management System	53	0	42	11	0	0	0	53	0
<b>Parks, Open Space and Streetscapes</b>									
Columbia Park Reserve Pavilion – Whole of Reserve Opportunities	213	0	64	0	149	0	0	213	0
<b>TOTAL INFRASTRUCTURE</b>	<b>2,770</b>	<b>833</b>	<b>1,014</b>	<b>574</b>	<b>349</b>	<b>0</b>	<b>0</b>	<b>2,770</b>	<b>0</b>
<b>TOTAL CARRIED FORWARD WORKS 2017/18</b>	<b>4,850</b>	<b>833</b>	<b>2,252</b>	<b>1,120</b>	<b>645</b>	<b>0</b>	<b>0</b>	<b>4,850</b>	<b>0</b>