

#### **4.2.4 June 2020 Financial Report (interim results)**

File Id:

Responsible Officer:

Director Corporate Services

Attachments:

Financial Report – 1 July 2019 to 30 June 2020  
(interim results)

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### **Report Summary**

The purpose of this report is to present to Council the June 2020 Financial Report. This report is designed to provide financial performance reporting against the Mid-Year Budget adopted by Council on 9 December 2019.

#### **Status of financial information**

The information in this report has been audited by Council audit agent however it has not yet been endorsed by the Victorian Auditor General (VAGO) and may be subject to further change. At the time of preparation, this report is presented as an interim result prior to the final Annual Report which will be available on 30 September in accordance with Section 131 of the *Local Government Act 1989*. The report has been presented in the quarterly financial report format that provides greater detail to Council on the respective variations between the actual outcomes compared to the Original Budget and the Mid-Year Budget amounts.

### **Recommendation Summary**

This report recommends that the financial report for the year ended 30 June 2020 be noted by Council including the proposed capital and operating carry forwards from the 2019-20 financial year listed in (**Appendix 5**) of the financial report will form the basis of an 2020-21 Amended Budget for management reporting purposes.

**4.2.4 June 2020 Financial Report (interim results) (Cont.)****Background**

The attached financial report is designed to inform Councillors of the results of Council operations for the year ended 30 June 2020 including financial performance against the Mid-Year Budget adopted by Council on 9 December 2019.

At the time of preparation, this report is presented as an interim result. The information in this report has not been signed off by VAGO.

The financial report incorporates a set of financial statements and a Directorate analysis of financial performance by Business Unit. The following are contained in the Attachment:

- Income Statement
- Balance Sheet
- Cash Flow Statement
- Capital Expenditure Statement
- Capital Expenditure report
- Investment Report
- Directorate Analysis
- Capital and Operating Carry Over's from 2019-20 to 2020-21

Whilst the financial statements are prepared in accordance with Australian Accounting Standards, they contain several items which are "non-cash" in nature such as depreciation on assets and the written down (book) value of assets sold. They also exclude capital expenditure, new borrowings and loan repayments and as such, these Statements do not provide an accurate indication of the surplus/deficit cash position within a financial year.

The table on the following page provides a management accounting summary of the financial performance for the year ended 30 June 2020 which removes non-cash items and adds back cash items.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

#### Management Accounting Summary as at 30 June 2020

Description	FULL YEAR ACTUAL \$'000	ANNUAL MID YEAR BUDGET \$'000	VARIANCE Fav (unfav) \$'000	FULL YEAR FORECAST \$'000	VARIANCE Fav (unfav) \$'000
<b>Income Statement</b>					
Income	215,640	222,228	(6,588)	223,493	(1,265)
Expenditure	199,379	195,512	(3,867)	196,862	1,350
<b>Net surplus - ongoing operations</b>	<b>16,261</b>	<b>26,716</b>	<b>(10,455)</b>	<b>26,631</b>	<b>85</b>
<b>Management Accounting reconciliation</b>					
<u>Add back (less) non cash items</u>					
Depreciation	31,241	30,816	425	30,816	-
Amortisation - right of use assets	562	-	562	-	-
Amortisation - intangible assets	77	-	77	-	-
Narre Warren land fill debtor adjustment	20	-	20	-	-
Spring Valley landfill provision adjustment	93	-	93	-	-
Fair value adjustments - investment property	383	-	383	-	-
Contributions non-monetary assets	(8,043)	(15,000)	6,957	(15,000)	-
Assets written off	4,053	-	4,053	-	-
Prior year capital expenditure unable to be capitalised	3,891	-	3,891	-	-
Written down value of assets sold/dispensed	346	300	46	300	-
Opening balance equity adjustment on transition to new Accounting Standards	(3,175)	-	(3,175)	-	-
<b>Sub total</b>	<b>29,448</b>	<b>16,116</b>	<b>13,332</b>	<b>16,116</b>	<b>-</b>
<b>Net operating surplus</b>	<b>45,709</b>	<b>42,832</b>	<b>2,877</b>	<b>42,747</b>	<b>85</b>
<u>Add/less non operating cash items</u>					
Capital expenditure	58,008	93,823	35,815	97,119	3,296
Net transfers to (from) reserves	(15,178)	(22,154)	(6,976)	(22,811)	(657)
Repayment of borrowings	8,634	8,634	-	8,634	-
Proceeds from borrowings	(10,000)	(10,000)	-	(10,000)	-
Repayment of lease liabilities	547	-	(547)	-	-
<b>Sub total</b>	<b>42,011</b>	<b>70,303</b>	<b>28,292</b>	<b>72,942</b>	<b>2,639</b>
<b>Cash surplus (deficit)</b>	<b>3,698</b>	<b>(27,471)</b>	<b>31,169</b>	<b>(30,195)</b>	<b>2,724</b>
Accumulated surplus brought forward	27,471	27,471	-	27,471	-
Capital project carry overs (net)	(21,520)	-	(21,520)	-	-
Capital unearned income carry over (AASB 1058)	1,882	-	1,882	-	-
Operating carry overs (net)	(4,536)	-	(4,536)	-	-
Financial Assistance Grants funding distributed in advance	(6,124)	-	(6,124)	-	-
<b>Surplus (deficit) position</b>	<b>871</b>	<b>-</b>	<b>871</b>	<b>(2,724)</b>	<b>2,724</b>

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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

##### Results of the year ended 30 June 2020

The overall management accounting result for the period ended 30 June 2020 shows a positive financial outcome for Council with an accumulated cash surplus result of \$871,000 after consideration of expenditure budgeted in 2019-20 which was unspent but required to be carried forward to the 2020-21 financial year. A full list of operating and capital carry overs is included in **Appendix 5** of this financial report.

The minor favourable cash surplus result is due to the offsetting of the following variations:

##### *Favourable*

- Savings in the Capital Improvement program (\$2.14 million).
- Savings across a number of operational areas including Roads and Drains (\$630,000), Fleet Management - primarily asset sale proceeds and fuel (\$624,000), Parks Services - after reserve transfers and carry overs (\$580,000), Planning and Design - primarily salaries offset by lower planning application fee income (\$520,000), Asset Management – primarily lower than anticipated street lighting and asset condition audit costs (\$519,000), Maternal and Child Health – primarily salaries (\$508,000) and Communications and Customer Service – primarily salaries (\$450,000).

##### *Unfavourable*

- Unbudgeted COVID-19 pandemic costs including \$1.15 million for the rate waiver package for resident pensioners/jobseekers (\$1.59 million).
- Dandenong Market rental return waiver in response to COVID-19 (\$1.45 million).
- Building and Compliance Services department – primarily Health (\$699,000).
- Community Care department – primarily due to unearned State Government grant income for unsatisfied performance obligations (\$584,000).
- Lower than anticipated car park/parking ticket machines/meters income (\$555,000).

##### COVID-19 pandemic

Like many organisations, Council has not been immune to the financial impacts of COVID-19. Council's decisions to provide community support and rate relief, the required shut down of some services, increased demand on other services combined with lower economic activity levels due to Victorian State Government restrictions have impacted Council financially.

A series of measures were introduced to ease the financial burden on Greater Dandenong residents, local businesses and community groups. The measures combined with other costs has impacted Council's operations for the financial year end 30 June 2020 as follows:

- Council extended its Financial Hardship Policy in response to COVID-19 on the 14 April 2020. No interest charged on outstanding rates and immediate relief to residents by way of \$100 rate waivers to each of the City's 10,728 pensioners and \$200 to those residents receiving the new Jobseeker allowance. Rate waivers provided up until 30 June 2020 resulted in foregone revenue \$1.15 million.

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

- Deferral of rates revenue received/interest free period has resulted in the rate debtor balance as at 30 June 2020 to increase by \$1.99 million compared to 2018-19. Penalty interest waived on outstanding rates is estimated to around \$250,000.
- Council provided rental waivers for all traders at the Dandenong Market at a cost of \$1.5 million to provide stimulus funding to encourage traders to remain open and allow the market to continue to be a source of fresh, affordable food.
- Council supported the distribution of around 15 tonnes of food to our community, including fresh fruit, vegetables and non-perishable food through material aid funding. Expenses relating to the provision of material aid at 30 June 2020 was \$159,000.

In response to significant decrease in demand / government directive amidst the COVID-19 outbreak, Council's leisure centre facilities / libraries / community centres including Council's Drum Theatre were closed. Council waived rents for many of Council's commercial leaseholders and for those that continued to trade, rent reductions of 50% from 1 April - 30 June 2020. Rental rebates were offered to sporting clubs for seasonal venue hire and other facilities that were forced to close. Council also suspended enforcement of time restrictions for parking in and around the municipality. As a result, Council's revenue in the following areas were impacted unfavourably:

- Statutory fees, fines and user fees \$1.04 million.
- Building and Compliance services income (\$525,000) – mainly health and building statutory fees and fines.
- Civil development and design income (\$331,000) – mainly subdivision fees.
- Drum Theatre fees and other income (\$371,000).

Council will continue to monitor the impacts during 2020-21 and will actively manage its budgets to ensure the financial outcomes to Council remain in alignment with Council budgets.

**Mid-Year Budget cash surplus allocation**

Council finished 2019-20 with a positive result absorbing the impacts of the COVID-19 pandemic without recording a deficit result. In terms of the accumulated outcome as at the end of 2019-20, the accumulated cash surplus result is \$871,000 after consideration of capital and operating carry overs and will be considered by Council as part of the Mid-Year Budget review in December 2020.

It is anticipated that a gradual return out of each COVID-19 lockdown stage is likely to occur for the remainder of the calendar year and the surplus funds will be required to contribute to further negative financial impacts on Council's operations in 2020-21

**2019-20 Result (net surplus – ongoing operations)**

The full year surplus for 2019-20 is \$16.26 million, which is \$10.46 million unfavourable to the Mid-Year Budget.

The net operating surplus excluding non-cash items is a favourable variance of \$2.88 million, which is mainly due to:

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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

- Higher operating grants - Financial Assistance Grants for 2020-21 paid in advance of \$6.12 million.
- Lower employee costs – across all Directorates \$4.63 million (\$2.85 million of this relates to unspent grant funded programs to be carried forward).

Partly offset by unfavourable income variances in other income, grants – capital, user fees and statutory fees and fines.

Detailed comments about some of the significant variances contributing to the financial year outcomes are included below.

#### **Income**

Income for the period ended 30 June 2020 is unfavourable against budget. This is primarily due to the following:

**Other income (\$3.08 million unfavourable)** – Unfavourable variance mainly due to:

- A delay in landfill rehabilitation works program for Spring Valley Landfill resulting in lower recovery income (\$2.27 million) required from partner councils, partly offset by higher than anticipated Asset Protection Reinstatement recovery income (Engineering Services \$1.81 million).
- Rental income of \$1.45 million that won't be received from the Dandenong Market due to COVID-19 partly offset by higher than anticipated recovery income for the follow up of outstanding rates debtors (pre COVID-19) and an unbudgeted insurance claim recovery for a fire damaged building (Corporate Services \$998,000).

**Grants – capital (\$2.41 million unfavourable)** – Unfavourable variance due to capital grant income that has not been recognised in the Income Statement due to performance obligations not yet completed in accordance with the new Accounting Standard AASB 1058 'Income of Not-For-Profit Entities'. Mainly relates to Ross Reserve Plaza, Playground, Path and Oval, Ross Reserve Pavilion, Thomas Carroll Pavilion and Police Paddocks Reserve Grandstand (Capital Works Program \$2.41 million).

**User fees (\$1.60 million unfavourable)** – Mainly due to lower than expected income from parking ticket machines/meters, parking permits and Drum Theatre box office and programming income (City Planning, Design and Amenity \$1.02 million, Community Services \$453,000 and Engineering Services \$147,000). This variance has been particularly impacted by COVID-19 in the last quarter of 2019-20.

**Statutory fees and fines (\$1.02 million unfavourable)** – Unfavourable variance due to lower than anticipated income from sub-divisions and plan checking fees (Civil Development and Design \$299,000) combined with lower planning applications, local laws, health and food infringements (Building and Compliance Services \$248,000, General Law Enforcement \$194,000 and Planning and Design \$220,000). A number of these unfavourable variances were impacted by lower activity levels both pre and post COVID-19.

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

**Rates and waste charges (\$839,000 unfavourable)** – The unfavourable variance is due mainly to Council's rate waiver package for pensioners and residents entitled to the JobSeeker payment allowance (Pandemic \$1.15 million). This is offset by higher than anticipated supplementary rates (favourable variance transferred to reserves) and Keysborough South maintenance levy (all levies transferred to reserves) (Corporate Accounting \$308,000).

The unfavourable variances above are partly offset by favourable variances in:

**Grants – operating (\$6.63 million favourable)** – Early receipt of \$6.12 million (50%) of the 2020-21 Financial Assistance Grant funding allocation via the Victorian Grants Commission in May 2020 (Corporate Services) and unbudgeted grants received for recycling (Waste Services \$349,000) and the Communities Environment Program, Connecting to Country and Corridors of Green – Yarraman Creek projects which will be offset by associated expenditure (Parks Services \$247,000).

**Contributions – monetary (\$2.41 million favourable)** – Favourable variance due to recognition of Keysborough South Residential Development Contribution Plan (DCP) income, better than anticipated income from public open space contributions (Non-Directorate \$3.44 million) and unbudgeted income received from developers in lieu of future maintenance responsibilities at Logis and Somerfield Offset Reserves (Engineering Services \$314,000). These items have all been transferred to reserves. This favourable variance is partly offset by lower contribution income relating to delays in completion of DCP projects (Capital Works Program \$1.53 million).

**Expenditure**

Actual expenditure at 30 June 2020 against the full year budget is unfavourable by \$3.87 million. Excluding the unfavourable variances in the non-cash accounting entries for prior year capital expenditure unable to be capitalised and asset write offs (\$7.94 million), the major variances are in employee costs and materials and services.

**Employee costs (\$4.63 million favourable)** – This favourable variance is mainly due to staff recruitment occurring later than planned and a delay in commencement of grant funded projects (Community Services \$3.80 million, City Planning, Design and Amenity \$999,000, Corporate Services \$349,000 and Engineering Services \$118,000). Of the \$3.80 million favourable variance in Community Services, \$2.90 million relates to grant funded programs which require an acquittal. Any unspent grant funds relating to these programs will be carried forward to the 2020-21 financial year.

**Materials and services (\$924,000 favourable)** – The major items contributing to this favourable variance are:

- Contract services (\$3.38 million) – mainly due to delay in Spring Valley landfill rehabilitation works (Engineering Services \$2.82 million).
- Administration costs (\$766,000) – lower than anticipated expenditure across a range of accounts including promotions, postage/courier, printing/stationery, Council publications, fuel, Australia Post charges, advertising and events (Community Services \$254,000, Greater Dandenong Business \$208,000 and Corporate Services \$206,000).

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#### **4.2.4 June 2020 Financial Report (interim results) (Cont.)**

- Utilities (\$369,000) – mainly due to lower than anticipated rates, telephone, electricity and water costs (Engineering Services \$183,000 and Corporate Services \$154,000).

The favourable variances detailed above are partly offset by unfavourable variances in:

- Materials, maintenance and services (\$2.25 million) – Comprises expenditure in the CIP program that is not able to be capitalised to the asset register because it was not capital in nature or it did not meet the relevant capitalisation threshold (\$2.62 million). This is partly offset by lower than anticipated expenditure due to delay in commencement of projects (Community Services \$243,000).
- Consultants, professional services (\$1.46 million) – Comprises expenditure in the CIP program (\$2.40 million) that is not able to be capitalised to the asset register because it was not capital in nature or it did not meet the relevant capitalisation threshold. This mainly relates to the Springvale Community Hub project (\$1.26 million). This is partly offset by lower than anticipated expenditure due to delay in commencement of projects (Community Services \$558,000, Greater Dandenong Business \$196,000, Engineering Services \$160,000 and Corporate Services \$127,000).

#### **Capital expenditure**

Full year capital works gross expenditure achieved is \$58.01 million, which is \$35.82 million favourable against Mid-Year Budget. Capital project carry over's totalling \$19.64 million (net) are included in Appendix 5 – 'Capital and Operating Carry Over's from 2019-20 to 2020-21. The full year capital works expenditure also includes \$1.41 million of operating expenditure as it meets the asset recognition criteria.

#### **Community Plan 'Imagine 2030' and Council Plan 2017-2021 – Strategic Objectives, Strategies and Plans**

After consultation with the Greater Dandenong community on what kind of future they wanted to see for themselves and the City in 2030, the result was the Greater Dandenong Community Plan 'Imagine 2030'. This report is consistent with the following community visions:

#### **Community Plan 'Imagine 2030'**

##### **Opportunity**

- *Leadership by the Council* – The leading Council

#### **Council Plan 2017-2021**

The Council Plan describes the kind of future the Council is working for, and how Council will do this over four years. This report is consistent with the following goals:

##### **Opportunity**

- An open and effective Council

**4.2.4 June 2020 Financial Report (interim results) (Cont.)****Financial Implications**

Notwithstanding the initial impacts of COVID-19, the City of Greater Dandenong completed the 2019-20 financial year with a small favourable cash surplus and in a sound financial position. This will now allow Council to further consider the allocation of the minor surplus funds to offset continuing COVID-19 impacts through the Mid-Year Budget review process in the 2020-21 financial year.

**Conclusion**

The financial operation of Council is a significant business with Council overseeing operational expenditures of around \$199 million, combined with capital works and debt repayments of another \$67 million. Council actively manages the financial performance of Council over the course of the financial year, particularly in light of COVID-19 during 2019-20. It is pleasing on these significant dollar amounts and the negative impacts of COVID-19, that Council has delivered a small favourable surplus result that is within budget.

**Recommendation**

**That Council notes the financial report for the year ended 30 June 2020 including the proposed capital and operating carry over's from the 2019-20 financial year listed in Appendix 5 of the financial report which will form the basis of the 2020-21 amended budget for management reporting purposes.**

**MINUTE 1581**

Moved by: Cr Matthew Kirwan

Seconded by: Cr Sophie Tan

**That Council notes the financial report for the year ended 30 June 2020 including the proposed capital and operating carry over's from the 2019-20 financial year listed in Appendix 5 of the financial report which will form the basis of the 2020-21 amended budget for management reporting purposes.**

**CARRIED**

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

**FINANCE AND BUDGET**

**JUNE 2020 FINANCIAL REPORT (INTERIM RESULTS)**

**ATTACHMENT 1**

**FINANCIAL REPORT: 1 JULY 2019-30 JUNE  
2020 INTERIM RESULT**

**PAGES 68 (including cover)**

*If the details of the attachment are unclear please contact Governance on 8571 5235.*

4.2.4 June 2020 Financial Report (interim results) (Cont.)



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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CGD – Operating Result

For the period 1 July 2019 - 30 June 2020

Note	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
<b>B1</b>						
Rates and charges	145,103	145,942	(839)	144,497	606	145,942
Statutory fees and fines	8,146	9,163	(1,017)	7,614	532	9,333
User fees	6,949	8,546	(1,597)	7,128	(179)	8,435
Grants - operating	31,230	24,598	6,632	26,021	5,209	29,453
Grants - capital	1,435	3,843	(2,408)	4,498	(3,063)	2,794
Contributions - monetary	6,521	4,113	2,408	7,766	(1,245)	2,829
Contributions - non-monetary	8,043	15,000	(6,957)	15,000	(6,957)	15,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	583	317	266	591	(8)	317
Other income	7,630	10,706	(3,076)	10,378	(2,748)	10,623
<b>Total income</b>	<b>215,640</b>	<b>222,228</b>	<b>(6,588)</b>	<b>223,493</b>	<b>(7,853)</b>	<b>224,726</b>
<b>Expenses</b>						
<b>B2</b>						
Employee costs	78,717	83,346	4,629	81,964	3,247	80,417
Materials and services	70,831	71,755	924	73,292	2,461	67,851
Prior year capital expenditure unable to be capitalised (non-cash)	3,891	-	(3,891)	-	(3,891)	-
Bad and doubtful debts	1,290	1,299	9	1,535	245	1,299
Depreciation	31,241	30,816	(425)	30,816	(425)	29,816
Amortisation - intangible assets	77	-	(77)	-	(77)	-
Amortisation - right of use assets	562	-	(562)	-	(562)	-
Borrowing costs	3,041	3,058	17	3,058	17	3,414
Finance costs - leases	34	-	(34)	-	(34)	-
Fair value adjustments expense	383	-	(383)	-	(383)	-
Asset write offs	4,053	-	(4,053)	-	(4,053)	-
Other expenses	5,259	5,238	(21)	6,197	938	5,009
<b>Total expenses</b>	<b>199,379</b>	<b>195,512</b>	<b>(3,867)</b>	<b>196,862</b>	<b>(2,517)</b>	<b>187,806</b>
<b>Net surplus (deficit)</b>	<b>16,261</b>	<b>26,716</b>	<b>(10,455)</b>	<b>26,631</b>	<b>(10,370)</b>	<b>36,920</b>

### Overview

The surplus at 30 June 2020 is unfavourable to budget by \$10.46 million. Some of the larger variances relate to non-cash accounting entries for fixed asset/capital items (total \$15.71 million unfavourable):

- Contributions – non-monetary (\$6.96 million).
- Asset write offs (\$4.05 million).
- Prior year capital expenditure unable to be capitalised (\$3.89 million).
- Depreciation (\$425,000).
- Fair value adjustments for investment (\$383,000).

There are also new line items relating to the implementation of the new Accounting Standard, AASB 16 'Leases' and the transfer of computer software assets from Plant and Equipment to Intangibles:

- Amortisation – right of use assets (\$562,000 unfavourable).
- Amortisation – intangible assets (\$77,000 unfavourable).
- Finance costs – leases (\$34,000 unfavourable).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

Other areas contributing to the unfavourable result to Mid-Year Budget include:

- Other income (\$3.08 million unfavourable) – Engineering Services (\$1.81 million), Corporate Services (\$998,000) and Community Services (\$294,000).
- Grants – capital (\$2.41 million unfavourable), mainly due to the implementation of the new Accounting Standard, AASB 1058 'Income of Not-For-Profit Entities'.
- User fees (\$1.60 million unfavourable) – City Planning, Design and Amenity (\$1.02 million), Community Services (\$453,000) and Engineering Services (\$147,000).
- Statutory fees and fines (\$1.02 million unfavourable) – City Planning, Design and Amenity (\$724,000) and Engineering Services (\$299,000).
- Rates and charges (\$839,000 unfavourable) due mainly to COVID-19 relief funding provided to pensioners and jobseekers, partly offset by favourable supplementary rates (\$177,000 – transferred to reserves).

The following favourable variances softened the net deficit result:

- Operating grants (\$6.63 million) – due to 50% of the 2020-21 Financial Assistance Grant allocation being paid in advance in May 2020 (Non-Directorate \$6.12 million).
- Employee costs (\$4.63 million) – Community Services (\$3.80 million) and City Planning Design and Amenity (\$999,000). A large portion of this variance (\$2.85 million) relates to unspent grant funded programs to be carried forward to 2020-21.
- Contributions – monetary (\$2.41 million) – Non-Directorate (\$3.44 million), partly offset by Capital Works Program (\$1.56 million unfavourable).
- Materials and services (\$924,000) – Engineering Services (\$4.13 million), Community Services (\$930,000), Corporate Services (\$730,000), Greater Dandenong Business (\$587,000), City Planning, Design and Amenity (\$220,000), partly offset by items in the Capital Works Program that could not be capitalised to the fixed asset register (\$5.42 million).

#### COVID-19 pandemic

Like many organisations, Council has not been immune to the financial impacts of COVID-19. Council's decisions to provide community support and rate relief, the required shut down of some services, increased demand on other services combined with lower economic activity levels due to Victorian State Government restrictions have impacted Council financially.

A series of measures were introduced to ease the financial burden on Greater Dandenong residents, local businesses and community groups. The measures combined with other costs has impacted Council's operations for the financial year end 30 June 2020 as follows:

- Council extended its Financial Hardship Policy in response to COVID-19 on the 14 April 2020. No interest charged on outstanding rates and immediate relief to residents by way of \$100 rate waivers to each of the City's 10,728 pensioners and \$200 to those residents receiving the new Jobseeker allowance. Rate waivers provided up until 30 June 2020 resulted in foregone revenue \$1.15 million.
- Deferral of rates revenue received/interest free period has resulted in the rate debtor balance as at 30 June 2020 to increase by \$1.99 million compared to 2018-19. Penalty interest waived on outstanding rates is estimated to around \$250,000.
- Council provided rental waivers for all traders at the Dandenong Market at a cost of \$1.5 million to provide stimulus funding to encourage traders to remain open and allow the market to continue to be a source of fresh, affordable food.

ORDINARY COUNCIL MEETING - MINUTES

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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- Council supported the distribution of around 15 tonnes of food to our community, including fresh fruit, vegetables and non-perishable food through material aid funding. Expenses relating to the provision of material aid at 30 June 2020 was \$159,000.

In response to significant decrease in demand / government directive amidst the COVID-19 outbreak, Council's leisure centre facilities / libraries / community centres including Council's Drum Theatre were closed. Council waived rents for many of Council's commercial leaseholders and for those that continued to trade, rent reductions of 50% from 1 April - 30 June 2020. Rental rebates were offered to sporting clubs for seasonal venue hire and other facilities that were forced to close. Council also suspended enforcement of time restrictions for parking in and around the municipality. As a result, Council's revenue in the following areas were impacted unfavourably:

- Statutory fees, fines and user fees \$1.04 million.
- Building and Compliance services income (\$525,000) – mainly health and building statutory fees and fines.
- Civil development and design income (\$331,000) – mainly subdivision fees.
- Drum Theatre fees and other income (\$371,000).

Council will continue to monitor the impacts during 2020-21 and will actively manage its budgets to ensure the financial outcomes to Council remain in alignment with Council budgets.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Balance Sheet

As at 30 June 2020

	Note	2019-20 ACTUAL 30 Jun 2020 \$'000	2018-19 ACTUAL 30 Jun 2019 \$'000	2019-20 MID YEAR BUDGET \$'000	2019-20 ORIGINAL BUDGET \$'000
<b>ASSETS</b>					
<b>Current assets</b>	<b>C1</b>				
Cash and cash equivalents		154,563	162,637	112,330	119,349
Financial assets		2,000	-	2,000	-
Trade and other receivables		24,974	22,791	23,161	20,092
Other assets		4,537	4,444	2,702	2,320
Non-current assets classified as held for sale		1,000	-	-	-
<b>Total current assets</b>		<b>187,074</b>	<b>189,872</b>	<b>140,193</b>	<b>141,761</b>
<b>Non-current assets</b>	<b>C2</b>				
Property, infrastructure, plant and equipment		2,190,972	2,136,615	2,214,322	2,280,489
Investment property		11,814	12,827	12,827	11,330
Right-of-use assets		998	-	-	-
Intangible assets		124	-	-	-
Other financial assets		-	230	230	230
Trade and other receivables		305	325	325	325
<b>Total non-current assets</b>		<b>2,204,213</b>	<b>2,149,997</b>	<b>2,227,704</b>	<b>2,292,374</b>
<b>Total assets</b>		<b>2,391,287</b>	<b>2,339,869</b>	<b>2,367,897</b>	<b>2,434,135</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>C3</b>				
Trade and other payables		18,800	25,188	24,837	24,822
Trust funds and deposits		8,425	35,069	37,069	44,013
Unearned income		40,340	1,111	-	-
Provisions		19,659	17,296	16,725	17,016
Interest-bearing liabilities		3,255	8,634	3,126	2,894
Lease liabilities		571	-	-	-
<b>Total current liabilities</b>		<b>91,050</b>	<b>87,298</b>	<b>81,757</b>	<b>88,745</b>
<b>Non-current liabilities</b>	<b>C4</b>				
Provisions		1,110	1,537	1,516	846
Trust funds and deposits		311	900	900	1,287
Interest-bearing liabilities		56,636	49,891	56,765	57,135
Lease liabilities		442	-	-	-
<b>Total non-current liabilities</b>		<b>58,499</b>	<b>52,328</b>	<b>59,181</b>	<b>59,268</b>
<b>Total liabilities</b>		<b>149,549</b>	<b>139,626</b>	<b>140,938</b>	<b>148,013</b>
<b>NET ASSETS</b>	<b>C5</b>	<b>2,241,738</b>	<b>2,200,243</b>	<b>2,226,959</b>	<b>2,286,122</b>
<b>EQUITY</b>					
Accumulated surplus		904,578	875,922	924,792	941,100
Asset revaluation reserve		1,269,824	1,241,807	1,241,807	1,290,865
Reserves		67,336	82,514	60,360	54,157
<b>TOTAL EQUITY</b>		<b>2,241,738</b>	<b>2,200,243</b>	<b>2,226,959</b>	<b>2,286,122</b>

For comments regarding movements and new line items above, please refer to explanatory notes located at C1 to C5.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Cash Flow Statement

	2019-20 ACTUAL 30 Jun 2020 Inflows/ (Outflows) \$'000	2019-20 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2019-20 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges	144,333	145,942	145,643
Statutory fees and fines	6,047	7,494	7,731
User fees	6,687	9,401	9,129
Grants - operating	34,749	26,487	31,195
Grants - capital	4,116	3,843	2,794
Contributions - monetary	7,451	4,113	2,829
Interest received	2,286	2,220	2,001
Trust funds and deposits taken	27,546	35,000	34,500
Other receipts	5,808	9,397	9,541
Net GST refund	12,325	13,427	10,705
Employee costs	(78,224)	(83,346)	(79,714)
Materials and services	(85,440)	(88,625)	(78,307)
Short-term, low value and variable lease payments	(536)	-	-
Trust funds and deposits repaid	(27,052)	(33,000)	(32,500)
Other payments	(5,104)	(5,762)	(5,510)
<b>Net cash provided by operating activities</b>	<b>54,992</b>	<b>46,591</b>	<b>60,037</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	(59,699)	(93,823)	(69,289)
Payments for investments	(2,000)	(2,000)	-
Proceeds from sale of property, infrastructure, plant and equipment	929	617	617
<b>Net cash used in investing activities</b>	<b>(60,770)</b>	<b>(95,206)</b>	<b>(68,672)</b>
<b>Cash flows from financing activities</b>			
Finance costs	(3,080)	(3,058)	(3,414)
Proceeds from borrowings	10,000	10,000	10,000
Repayment of borrowings	(8,634)	(8,634)	(8,496)
Interest paid - lease liability	(35)	-	-
Repayment of lease liabilities	(547)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(2,296)</b>	<b>(1,692)</b>	<b>(1,910)</b>
Net increase (decrease) in cash and cash equivalents	(8,074)	(50,307)	(10,545)
Cash and cash equivalents at the beginning of the year	162,637	162,637	129,894
<b>Cash and cash equivalents at the end of the period</b>	<b>154,563</b>	<b>112,330</b>	<b>119,349</b>

- Details regarding Council's cash movements are contained in **Note D - Cash Flow Statement**.
- The dissemination of Council's restricted and operating cash is provided in the graph "Restricted and Unrestricted Cash" in **Appendix 2 Investment Analysis** in this report.
- Cash inflows and outflows are inclusive of GST where applicable.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

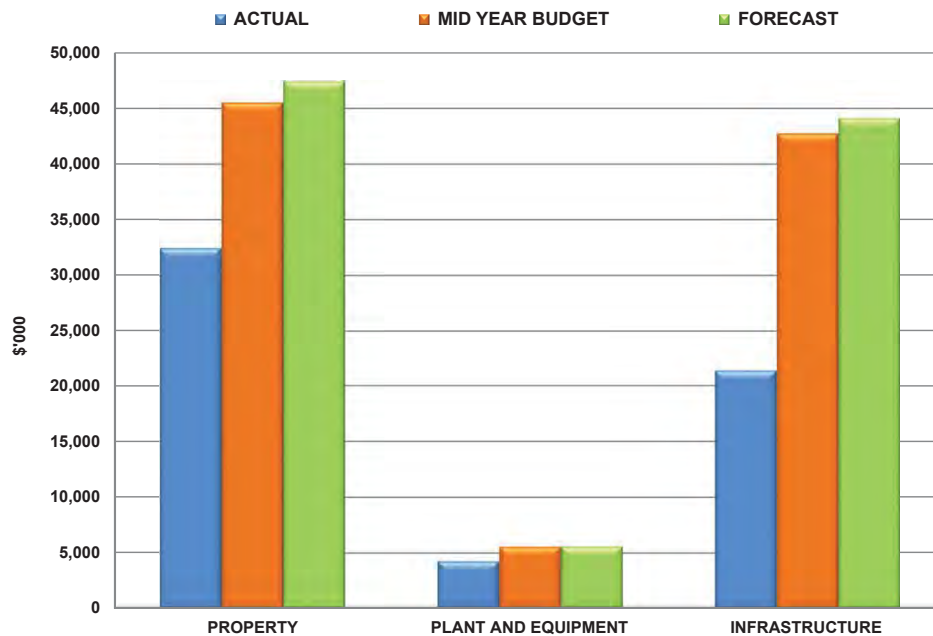


Financial Report for the period 1 July 2019 – 30 June 2020

### Capital Expenditure Statement

The detailed program under each of the capital groups is contained in **Appendix 1 – Capital Expenditure**.

	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
PROPERTY	32,430	45,522	13,092	47,442	15,011	33,950
PLANT AND EQUIPMENT	4,235	5,557	1,322	5,566	1,331	5,195
INFRASTRUCTURE	21,342	42,745	21,403	44,111	22,770	30,144
<b>TOTAL EXPENDITURE</b>	<b>58,007</b>	<b>93,824</b>	<b>35,817</b>	<b>97,119</b>	<b>39,112</b>	<b>69,289</b>



#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

## Notes to the Financial Statements

### A. Accounting Policy Notes

The financial report is prepared on the principles of accrual accounting. Accrual accounting recognises income when earned and expenditure when incurred, regardless of whether cash settlement has taken place. The basis of recognition of major income and expenditure in these statements are defined below.

- 1. Rate revenue:** Rate revenue (excluding supplementary rates) is accrued evenly over the year, although cash is received in quarterly instalments or a lump sum, depending on how the ratepayer chooses to pay. Rate revenue in the Income Statement is a monthly accrual of the rates determined for the year in July.
- 2. Grants revenue:** Council receives two types of grants, namely a General Purpose Grant (Financial Assistance Grant funding from the Victoria Grants Commission) which is not tied to any programs and Special Purpose Grants for various programs. In accordance with new Accounting Standards, AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-For-Profit Entities', grant income is now generally recognised in the Income Statement only to the extent of satisfied performance obligations or where the performance obligations relating to the grant are not sufficiently specific, grants are recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations are recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent in nature).
- 3. Fees and charges:** Most fees and charges are recognised when cash is received. Generally, where Council raises a debtor's invoice, income is recognised at the point of the invoice and not when cash is received. Car parking permit income relating to a future period at balance date are recognised as unearned income in the Balance Sheet.
- 4. Contributions - cash:** Cash contributions are essentially from developers towards open space works. These monies are treated as income when received. Council is obligated to spend these monies for the purpose for which they are given by the developers. Council also receives external contributions for other capital projects. Cash contributions received are held in reserves and treated as "restricted cash" until they are spent (see **note 9** below).
- 5. Employee costs:** Salaries expenditure is based on fortnightly salaries paid and accruals for salary on-costs such as leave entitlements, superannuation and workcover.
- 6. Capital expenditure:** The two broad areas of capital are the capital improvement program (CIP) (which includes infrastructure and major projects) and 'other' which includes fleet, computers, plant and furniture. Expenditure is recognised as capital if it is significant in value and results in assets which have a useful life in excess of at least one year.
- 7. Budget information:** The Original Budget information contained in the report is the budget approved by Council on 11 June 2019. The full year budget in this report reflects the Mid Year Budget as adopted by Council on 9 December 2019. The Mid Year Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2018-19 and any adjustments identified since the 2019-20 Original Budget was approved in June 2019. The Mid Year Budget represents the latest financial position for Council.
- 8. Cash Flow Statement:** Reflects the actual cash movements during the year.
- 9. Restricted cash:** These are monies set aside for specific purposes and are not readily available for day to day operations or general capital works. They include funds set aside towards meeting long service leave commitments (required by government regulations), statutory reserves (eg. open space contributions) and other funds that are committed towards specific purposes.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

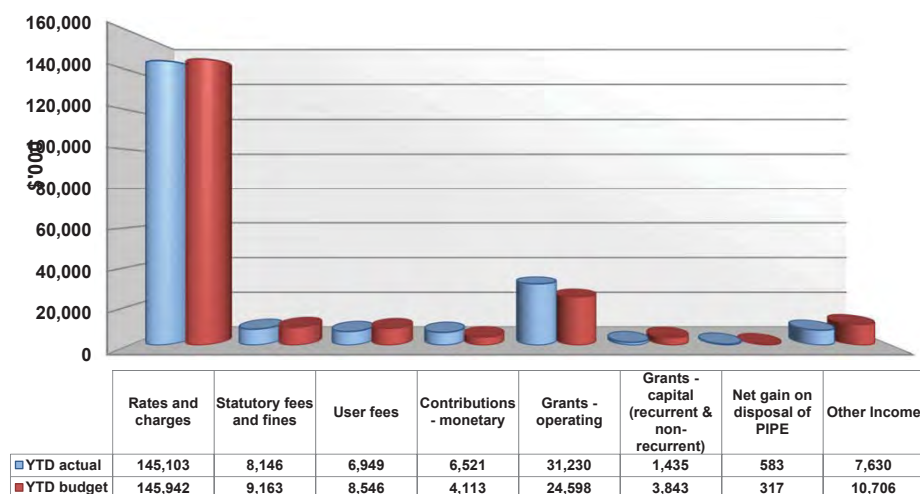


Financial Report for the period 1 July 2019 – 30 June 2020

### B1. Operating Income

The chart below shows the categories of operating income against their respective budgets (excludes non-monetary contributions or gifted assets which represent non-cash accounting entries).

**Income from operating activities  
for 1 July 2019 - 30 June 2020**



Income for the period ended 30 June 2020 is unfavourable against budget. This is primarily due to the following:

**Other income (\$3.08 million unfavourable)** – Unfavourable variance mainly due to:

- A delay in landfill rehabilitation works program for Spring Valley Landfill resulting in lower recovery income (\$2.27 million) required from partner councils, partly offset by higher than anticipated Asset Protection Reinstatement recovery income (Engineering Services \$1.81 million).
- Rental income of \$1.45 million that won't be received from the Dandenong Market due to COVID-19 partly offset by higher than anticipated recovery income for the follow up of outstanding rates debtors (pre COVID19) and an unbudgeted insurance claim recovery for a fire damaged building (Corporate Services \$998,000).

**Grants – capital (\$2.41 million unfavourable)** – Unfavourable variance due to capital grant income that has not been recognised in the Income Statement due to performance obligations not yet completed in accordance with the new Accounting Standard AASB 1058 'Income of Not-For-Profit Entities'. Mainly relates to Ross Reserve Plaza, Playground, Path and Oval, Ross Reserve Pavilion, Thomas Carroll Pavilion and Police Paddocks Reserve Grandstand (Capital Works Program \$2.41 million).

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

**User fees (\$1.60 million unfavourable)** – Mainly due to lower than expected income from parking ticket machines/meters, parking permits and Drum Theatre box office and programming income (City Planning, Design and Amenity \$1.02 million, Community Services \$453,000 and Engineering Services \$147,000). This variance has been particularly impacted by COVID-19 in the last quarter of 2019-20.

**Statutory fees and fines (\$1.02 million unfavourable)** – Unfavourable variance due to lower than anticipated income from sub-divisions and plan checking fees (Civil Development and Design \$299,000) combined with lower planning applications, local laws, health and food infringements (Building and Compliance Services \$248,000, General Law Enforcement \$194,000 and Planning and Design \$220,000). A number of these unfavourable variances were impacted by lower activity levels both pre and post COVID-19.

**Rates and waste charges (\$839,000 unfavourable)** – The unfavourable variance is due mainly to Council's rate waiver package for pensioners and residents entitled to the JobSeeker payment allowance (Pandemic \$1.15 million). This is offset by higher than anticipated supplementary rates (favourable variance transferred to reserves) and Keysborough South maintenance levy (all levies transferred to reserves) (Corporate Accounting \$308,000).

The unfavourable variances above are partly offset by favourable variances in:

**Grants – operating (\$6.63 million favourable)** – Early receipt of \$6.12 million (50%) of the 2020-21 Financial Assistance Grant funding allocation via the Victorian Grants Commission in May 2020 (Corporate Services) and unbudgeted grants received for recycling (Waste Services \$349,000) and the Communities Environment Program, Connecting to Country and Corridors of Green – Yarraman Creek projects which will be offset by associated expenditure (Parks Services \$247,000).

**Contributions – monetary (\$2.41 million favourable)** – Favourable variance due to recognition of Keysborough South Residential Development Contribution Plan (DCP) income, better than anticipated income from public open space contributions (Non-Directorate \$3.44 million) and unbudgeted income received from developers in lieu of future maintenance responsibilities at Logis and Somerfield Offset Reserves (Engineering Services \$314,000). These items have all been transferred to reserves. This favourable variance is partly offset by lower contribution income relating to delays in completion of DCP projects (Capital Works Program \$1.53 million).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

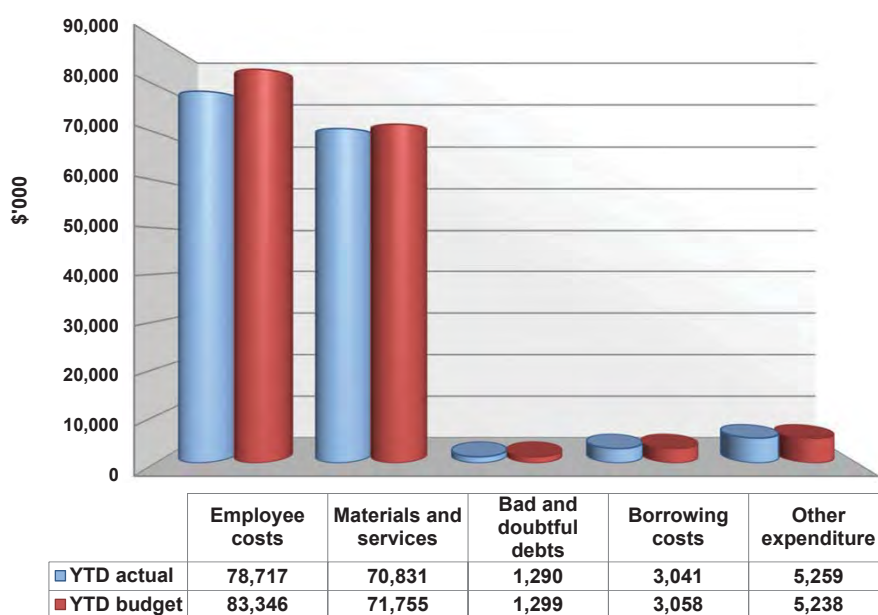


Financial Report for the period 1 July 2019 – 30 June 2020

## B2. Operating Expenditure

The chart below shows the categories of operating expenditure against their respective budget (excludes depreciation, amortisation, asset write offs and prior year capital expenditure unable to be capitalised which represent non-cash accounting entries).

**Expenditure from operating activities  
for 1 July 2019 to 30 June 2020**



Actual expenditure at 30 June 2020 against the full year budget is unfavourable by \$3.87 million. Excluding the unfavourable variances in the non-cash accounting entries for prior year capital expenditure unable to be capitalised and asset write offs (\$7.94 million), the major variances are in materials and services and employee costs.

**Employee costs (\$4.63 million favourable)** – This favourable variance is mainly due to staff recruitment occurring later than planned and a delay in commencement of grant funded projects (Community Services \$3.80 million, City Planning, Design and Amenity \$999,000, Corporate Services \$349,000 and Engineering Services \$118,000). Of the \$3.80 million favourable variance in Community Services, \$2.90 million relates to grant funded programs which require an acquittal. Any unspent grant funds relating to these programs will be carried forward to the 2020-21 financial year.

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

**Materials and services (\$924,000 favourable)** – The major items contributing to this favourable variance are:

- Contract services (\$3.38 million) – mainly due to delay in Spring Valley landfill rehabilitation works (Engineering Services \$2.82 million).
- Administration costs (\$766,000) – lower than anticipated expenditure across a range of accounts including promotions, postage/courier, printing/stationery, Council publications, fuel, Australia Post charges, advertising and events (Community Services \$254,000, Greater Dandenong Business \$208,000 and Corporate Services \$206,000).
- Utilities (\$369,000) – mainly due to lower than anticipated rates, telephone, electricity and water costs (Engineering Services \$183,000 and Corporate Services \$154,000).

The favourable variances detailed above are partly offset by unfavourable variances in:

- Materials, maintenance and services (\$2.25 million) – Comprises expenditure in the CIP program that is not able to be capitalised to the asset register because it was not capital in nature or it did not meet the relevant capitalisation threshold (\$2.62 million). This is partly offset by lower than anticipated expenditure due to delay in commencement of projects (Community Services \$243,000).
- Consultants, professional services (\$1.46 million) – Comprises expenditure in the CIP program (\$2.40 million) that is not able to be capitalised to the asset register because it was not capital in nature or it did not meet the relevant capitalisation threshold. This mainly relates to the Springvale Community Hub project (\$1.26 million). This is partly offset by lower than anticipated expenditure due to delay in commencement of projects (Community Services \$558,000, Greater Dandenong Business \$196,000, Engineering Services \$160,000 and Corporate Services \$127,000).

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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### C. Balance Sheet

Council's net assets are valued at \$2.24 billion at 30 June 2020.

#### C1. Current assets (cash and other assets that can be readily converted to cash)

**Cash and cash equivalents (\$154.56 million)** – Represents the amount held by Council in cash or term deposits. Please note that this amount includes \$124.22 million of funds "restricted" for various purposes. These are detailed in the notes to the cash flows that follow in **section D** and a graphical presentation in **Appendix 2**.

Funds are invested in accordance with Council's Investment Policy. The policy requires Council to invest with prudence, consideration of acceptable risks and relevant legislation.

The details of Council's investments are contained in **Appendix 2**. In selecting investment products, Council has paid due consideration to risk by investing in products that have a minimum Standard and Poor's (S&P) rating of 'A'.

**Financial assets (\$2.00 million)** – represents investments placed in Green Tailored Deposits with a maturity term of greater than three months and classified as financial assets in accordance with Australian Accounting Standards.

**Trade and other receivables (\$24.97 million)** – This balance includes:

- Rate debtors \$9.74 million
- General debtors \$6.21 million (net of provision for doubtful debts).
- Infringement debtors of \$9.02 million (net of provision for doubtful debts).

Rate revenue (excluding supplementary rates) is accrued evenly over the year, although cash is received in quarterly instalments, nine direct debit payments or a lump sum, depending on how the ratepayer chooses to pay. Rate revenue in the Income Statement is a monthly accrual of the rates determined for the year in July.

**Other assets (\$4.54 million)** – This balance includes:

- Prepayments \$3.38 million - expenses prepaid at 30 June 2020.
- Accrued income \$966,000 – income earned but cash not yet received at 30 June 2020.
- Other deposits \$188,000 – represents \$75,000 deposit for Metropolitan Resource Recovery organic waste processing contract and \$112,000 deposit paid for acquisition of properties at 50 Halpin Way and 235 Lonsdale Street, Dandenong.

**Non-current assets classified as held for sale (\$1 million)** – This represents the sale of a land asset at 2 Mason Street, Dandenong that is anticipated to be settled by December 2020 as part of a three way land swap with Development Victoria (related property acquisition deposit included in 'Other assets' note above).

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

**C2. Non-current assets**

**Property, infrastructure, plant and equipment (\$2.19 billion)** – Includes Council roads, drains, buildings, plant and other fixed assets. These values are reflected after recognising the depreciation allowed against each asset.

**Investment property (\$11.81 million)** is separately classified from 'Property, infrastructure, plant and equipment' in accordance with Australian Accounting Standards. Any adjustment to the fair value of these assets is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right of use assets (\$998,000)** – Represents leased (right of use) assets in accordance with the new Accounting Standard AASB 16 'Leases'. Includes property, fleet, IT and office equipment that has been leased under ordinary lease arrangements.

**Intangible assets (\$124,000)** – During 2019-20, computer software assets were transferred from 'Property, infrastructure, plant and equipment' to 'Intangible assets'. These values are reflected after recognising the amortisation expense.

**Other financial assets (\$nil)** – The decrease in this item reflects Council's initial share-holding of \$230,000 in Regional Kitchen Pty Ltd which will not be returned.

**Trade and other receivables (\$305,000)** - \$232,000 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site and a \$73,000 refundable bond paid to Community Chef for the supply of meals to Council's Meals on Wheels operation.

**C3. Current liabilities** (debts due to be repaid within 12 months)

**Trade and other payables (\$18.80 million)** – This balance includes trade creditors arising from operations and capital works (18.80 million). The reduction from the prior year is due in part to a \$4.8 million accrual at 30 June 2019 in relation to Home and Community Care targets not achieved in 2017-18 (grant funding returned in 2019-20) and 2018-19 (\$1.81 million transferred to unearned income at 1 July 2019) and to a new line item in the Balance Sheet created for unearned income.

**Trust funds and deposits (\$8.43 million)** – Trust funds and deposits includes other refundable monies in respect of:

- Other deposits (\$2.94 million).
- Road deposits (\$2.43 million).
- Fire services property levy funds collected by Council on behalf of the State Government, but not yet paid on to the State Revenue Office (\$1.47 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Landscape deposits (\$803,000).
- Open space contributions (\$781,000).

The significant decrease in trust funds and deposits from the prior year relates to a reclassification of Development Contribution Plan levies from 'Trust funds and deposits' to 'Unearned income' in compliance with the new Accounting Standard AASB 1058 'Income of Not-For-Profit Entities' (2019-20: \$27.72 million, 2018-19: \$26.64 million).

ORDINARY COUNCIL MEETING - MINUTES

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

**Unearned income (\$40.34 million)** – Represents income not yet earned in accordance with the new Accounting Standards AASB 1058 'Income of Not-For-Profit Entities' and AASB 15 'Revenue from Contracts with Customers' based on specific performance obligations that were not complete at 30 June 2020 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$28.38 million)
- Operating grants (\$5.07 million)
- Capital grants (\$4.58 million)
- Other (\$2.31 million).

**Provisions (\$19.66 million)** – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
  - Long service leave entitlements - \$11.64 million.
  - Annual leave entitlements - \$6.97 million.
  - Rostered days off (RDO) - \$560,000.
- Landfill provision - \$489,000 - provision for the restoration and aftercare management of the former Spring Valley landfill site (closed). The former closed landfill is owned by the Council and is used as recreational open space. Council's share is 19.88% of the total future estimated costs.

**Interest-bearing liabilities (\$3.25 million)** – Represent the remaining repayment of long-term borrowings during 2020-21.

**Lease liabilities (\$571,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2020-21.

**C4. Non-current liabilities** (debts due to be repaid in future years)

**Provisions (\$1.11 million)** – Represents the provisions estimated to be paid beyond the 2020-21 financial year and comprises long service leave entitlements for employees (\$594,000) and landfill provision for restoration of Spring Valley landfill site (\$515,000) (Council's share is 19.88% of the total future estimated costs).

**Trust funds and deposits (\$311,000)** – Represents deposits that are payable beyond the 2020-21 financial year and comprises landscape deposits of \$276,000 and contractor deposits of \$35,000.

**Interest-bearing liabilities (\$56.64 million)** – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

**Lease liabilities (\$442,000)** – represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### C5. Net assets and equity

**Net assets** - Represents the difference between total assets and total liabilities. It is the Council's net worth to the City's ratepayers.

**Reserves** – Includes both statutory reserves (S) and discretionary reserves (D). The statutory reserves apply where funds are gained from the application of legislative requirements to contribute – and where expenditure of the funds is not entirely discretionary (i.e. the funds need to be used for certain expenditure only). The reserves listed below are explained in the notes to the cash flows that follow.

The discretionary reserves are:

- Major projects reserve
- Insurance fund reserve
- Council funded – Development Contribution Plans reserve
- Spring Valley landfill rehabilitation reserve
- Springvale Activity Precinct – Parking and Development reserve
- Dandenong Activity Precinct – Parking and Development reserve
- Native re-vegetation reserves
- Keysborough South Maintenance Levy reserve
- General reserve (Aged Care)
- Grant in advance reserve (discontinued in 2019-20)
- Future maintenance reserve

The statutory reserves are:

- Open space – planning, development and improvements
- Open space – land acquisitions
- Keysborough South Community Infrastructure Levies

### D. Cash Flow Statement

Cash and investment holdings total \$154.56 million at 30 June 2020, a decrease of \$8.07 million since the prior year. Total cash and investment holdings are made up of operating cash (\$30.34 million) and restricted cash (\$124.22 million).

Please refer to the next page for a detailed listing of Restricted Cash items, which are set aside for specific purposes.

**Cash flows from operating activities** – net inflow of \$54.99 million.

The major inflows are rates \$144.33 million, grants \$38.87 million, trust funds and deposits taken \$27.55 million, contributions \$7.45 million, user fees \$6.69 million and statutory fees and fines \$6.05 million.

The major outflows are materials and services \$85.44 million, employee costs \$78.22 million and trust funds and deposits repaid \$27.05 million.

Trust funds and deposits taken and repaid mainly relate to fire services property levies (FSPL). The remittance of the FSPL and FSPL levy interest amounts are made to the State Revenue Office (SRO) in four payments in accordance with Section 41(1) of the FSPL Act. An instalment is due and payable to the Commissioner of State Revenue 28 days after the due date of rates instalments. Council collects FSPL on behalf of the State Government.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**Cash flows from investing activities** – net outflow of \$60.77 million, including:

- \$59.70 million for capital works expenditure. The detailed capital works schedule is included in this report as Appendix 1. Please note the difference between the two capital expenditure amounts is due to the movement in capital trade creditors at the start and end of the reporting period. Appendix 1 is on an accrual basis.
- \$2.00 million of funds invested in Green Tailored Deposits with maturity of greater than three months.
- \$929,000 proceeds on asset sales mainly relating to the fleet replacement program.

**Cash flows from financing activities** – outflow of \$2.30 million. Council incurred \$3.08 million in finance costs on its borrowings and repaid \$8.63 million of existing loans (\$4.90 million relates to repayment of the Local Government Funding Vehicle (LGFV) in November 2019). Proceeds from new loan borrowings of \$10 million were drawn down for the purpose of completing the Springvale Community Hub project. In accordance with the new Accounting Standard AASB 16 'Leases', Council incurred \$35,000 in finance costs on leases and repaid \$547,000 of its leased liabilities during the year.

**Restricted cash** - Restricted cash represents funds that are set aside for specific purposes, as detailed in the following tables.

Type	30 June 2020	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	19,430	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	9,709	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	6,000	To fund acquisitions of new open space land.
Major projects reserve	26,250	Holds funds realised from the sale of Council's property assets or surplus Council funds that will be utilised for investing in other properties or funding future major projects.
Keysborough South Maintenance Levy	1,721	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	890	This reserve is for the rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	406	These funds are to meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	999	This fund has been created to meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	235	This reserve is to fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	1,148	This reserve is to fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	334	Funds set aside for the aged care reforms.
Future maintenance reserve	214	Contribution funds for future works to address level crossing removal authority defects.
<b>Total reserve funds</b>	<b>67,336</b>	

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

Type	30 June 2020	Notes
<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	12,235	Funds set aside to meet long service leave commitments.
Annual leave and other	7,529	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Employee provisions</b>	<b>19,764</b>	
<b>Trust funds and deposits</b>	<b>\$'000</b>	
Fire services property levy (FSPL) collected and due	1,474	Payable to State Revenue Office – legislative requirement.
Open space contributions	781	Pending completion of works.
Landscape deposits	1,079	Pending completion of works.
Road deposits	2,429	Pending completion of works.
Other trust funds and deposits	2,973	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>8,736</b>	
<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	28,382	Pending completion of works by developers.
<b>Other restricted funds</b>	<b>28,382</b>	
<b>Total restricted cash</b>	<b>124,218</b>	

## ORDINARY COUNCIL MEETING - MINUTES

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

**Statement of Capital Works**

Total capital expenditure at 30 June 2020 was \$58.01 million. Appendix 1 contains the expenditure status of each of the approved capital projects.

The timing of cash outflows and project completion can differ for capital projects. Commentary on the status of each project with major variances is provided below (i.e. variances greater than \$300,000). Please note that the variances detailed below are the total of all asset classes by capital project whereas the Capital Expenditure report details the variances separately by asset class and capital project.

A number of capital projects listed below are proposed to be carried over to the 2020-21 financial year. A total of \$19.64 million (net) in capital works has been identified as proposed carry forward commitments to 2020-21. These projects are listed in Appendix 5 – Capital and Operating Carry Over's from 2019-20 to 2020-21.

**Property**

- **3906 Greater Dandenong Gallery of Art (\$4.95 million favourable)** – Contract documents are being prepared and to be sent to selected tenderer. The construction tender was approved by Council on 22 June 2020. This favourable variance is proposed to be carried over to 2020-21 partly offset by \$1.44 million in carry over reserve funding.
- **3043 Springvale Community Hub (\$3.21 million favourable)** – The Springvale Community Hub has successfully achieved practical completion as of 10 June 2020. This includes the new library, community meeting rooms, Unfolding Rose and other artworks. The Northern landscape comprising of the playground, central mound and BBQs has also been completed and handed over to Council possession. The Operations team is working diligently to move in. Stage 4 (the western landscape and sports courts) is progressing slowly with impacts from COVID-19 evident. It is expected to see the old library demolished and sports courts slab laid in July. Overall completion is expected early October 2020. The intention is to ensure the site is adequately prepared for an opening ceremony planned for 13 September 2020. Part of the favourable variance in 2019-20 is due to \$1.49 million of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$1.72 million is proposed to be carried over to the 2020-21 financial year.
- **3219 Thomas Carroll Pavilion (\$2.54 million favourable)** – Project didn't proceed following first tender process due to insufficient funds. Design modified and re-tendered. Process took unusually longer time due to COVID-19 and some procurement procedures. Tender submissions have been received, are currently being evaluated and will be assessed by the review panel in June. Part of the favourable variance in 2019-20 is due to \$83,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$2.46 million is proposed to be carried over to the 2020-21 financial year.
- **2114 12-14 Stuart Street, Dandenong (\$1.80 million unfavourable)** – Unbudgeted strategic property acquisition funded by a transfer from the Major Projects Reserve.
- **3548 Keysborough South Community Hub Development (\$1.10 million favourable)** – Public exhibition/consultation period closed on 26 June 2020. The community feedback will be reviewed and considered in finalising the draft concept plan, ahead of the detailed design process. Part of the favourable variance in 2019-20 is due to \$51,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$1.04 million is proposed to be carried over to the 2020-21 financial year.

## ORDINARY COUNCIL MEETING - MINUTES

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

- **3814 Dandenong North Senior Citizen Centre Latham Crescent (\$477,000 favourable)** – The construction design has been completed and the Quantity Surveyor estimate is comparable with the remaining budget. COVID-19 restrictions prevented progress with the procurement of the building contractor. Architect working drawing documentation completed and available for final 'client' review. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3989 DCP – 875 Taylors Road (LRO6b) (\$397,000 favourable)** – Required DCP land acquisition delayed. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3941 Police Paddocks Reserve Grandstand (\$374,000 favourable)** – Project on hold. This project is being implemented as a co-venture with Council and the club, with the club taking the lead role and Council financially supporting the project. The COVID-19 pandemic has caused the project to be delayed due to the suspension of the current season. The favourable variance is proposed to be carried over to the 2020-21 financial year.

**Plant and Equipment**

- **3914 Asset Management System (702,000 favourable)** – This is a multi-phase project (this being Stage 1 of 3). Stage 2 will commence in 2020-21 financial year. Vendor has been approved. The favourable variance is proposed to be carried over to the 2020-21 financial year.

**Infrastructure**

- **3490 Springvale Road Boulevard (\$4.12 million favourable)** – This is a multi-year project, with delivery over multiple years. Presently construction works have been tendered with an anticipated award for late July and works on site commencing later in 2020. Interviews with short-listed tenderers are complete. Final tender evaluation phase to be completed once all clarifications received. It is anticipated that the Tender Report will go to Council in July 2020. Department of Transport (DoT - formerly VicRoads) and United Energy approvals still underway. The successful tenderer will be issued with final plans once approved. Part of the favourable variance in 2019-20 is due to \$48,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$4.07 million is proposed to be carried over to the 2020-21 financial year.
- **3900 Ross Reserve Plaza/Play/Oval/Path (\$2.56 million favourable)** – There are a number of projects being concurrently undertaken at Ross Reserve with the support of grant funding from the State Government. The additional grant funding that was made available to support the new multi-use pavilion has delayed the implementation of these projects as they are dependent on the ultimate layout and location of the new facility which has only recently been resolved. The Ross Reserve all abilities playground community consultation has been a very drawn out and long affair with so many interested parties and such a broad range of views and ideas. The project is currently out to tender with the view to appointing a suitably qualified contractor in August with a planned on ground works start date in early September. Stage 1 works have been completed. Stage 2 is dependent on finalisation of the design of the new building. Part of the favourable variance in 2019-20 is due to \$27,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$2.53 million is proposed to be carried over to the 2020-21 financial year.

## ORDINARY COUNCIL MEETING - MINUTES

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

- **3794 Tatterson Park Master Plan (\$2.21 million favourable)** – Design complete. Tender was advertised prior to the announcement of the location of Keysborough South Community Hub, Tatterson Park. As a result of this announcement, the project scope was amended to facilitate access requirements for the future Community Hub. Awarding tender was delayed due to the resubmission of tender prices as per the amended scope of work. Currently, works are in progress and scheduled completion in October 2020. Part of the favourable variance in 2019-20 is due to \$127,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$2.08 million is proposed to be carried over to the 2020-21 financial year.
- **3631 Dandenong Park Master Plan (\$1.35 million favourable)** – Construction works for the current stage are underway despite extremely wet weather. The program sees the following elements under construction. The 'tan track' around the park is well underway along with the 'key entry' pedestrian access point at the corner of Foster Street and Lonsdale Street coupled with the new Rotary Water Wheel and extensive landscape treatment will really give the park a huge lift. The interpretive elements that celebrate the previous Dandenong Bowling Club and Truby King Centre will commence construction shortly in conjunction with the 'story telling' way finding signage throughout the site. Other elements of the project include new seating furniture and tree planting, all of which is expected to be completed by November this year. Part of the favourable variance in 2019-20 is due to \$148,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$1.20 million is proposed to be carried over to the 2020-21 financial year.
- **1796 Wal Turner Reserve Master Plan (\$999,000 favourable)** – Works for Turner Reserve have been agreed by Council to construct replacement of synthetic cricket wicket, replace existing two lane cricket training nets, installation of two new coaches boxes, (to be completed by 2020-21 summer season). Pavilion to include upgrade of kitchen/canteen, new secure storage rooms, convert existing change rooms to female friendly standards. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3753 Local Road Surface/Rehabilitation Program (\$963,000 favourable)** – Committed works have been completed. Part of the favourable variance in 2019-20 is due to \$651,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$312,000 represents savings in 2019-20 (no carry over proposed).
- **3192 Douglas Street Streetscape Improvement Project (\$881,000 favourable)** – Tenders for Douglas Street Streetscape are currently being evaluated. Recommendation report for approval prepared in July. Construction works will commence in the 2020-21 financial year. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3849 Frederick Watcher Reserve Master Plan (\$810,000 favourable)** – Tender awarded. Works expected to commence in September due to wet ground conditions. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3854 Burden Park Reserve Master Plan Implementation (\$793,000 favourable)** – There were some initial delays in the original planning for this project and the consequent community consultation processes which have all now been resolved. The car park and fitness circuits are now underway and expected to be completed by the end of October. Site establishment including temporary fencing completed. Existing service proving in progress. Part of the favourable variance in 2019-20 is due to \$26,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$767,000 is proposed to be carried over to the 2020-21 financial year.

## ORDINARY COUNCIL MEETING - MINUTES

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

- **1627 Springvale Road Traffic Signals (\$750,000 favourable)** – New traffic signal is now in operation. The majority of the favourable variance in 2019-20 is due to \$661,000 of project expenditure that could not be capitalised to the asset register because the works related to a non-Council owned asset, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$89,000 is not proposed to be carried over to the 2020-21 financial year.
- **3933 Sports Lighting Plan Implementation (\$595,000 favourable)** – Coomoora Reserve and Shepley Oval lights are at least 90% complete, however they have power supply upgrade issues associated with them which are currently being worked through with the power supply authority. The light installation and cabling is complete. The lights are currently undergoing testing. The old light poles are yet to be demolished. The power supply upgrade connection (by United Energy) is outstanding. Part of the favourable variance in 2019-20 is due to \$23,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$573,000 is proposed to be carried over to the 2020-21 financial year.
- **3940 Ross Reserve Community Centre Car Park (\$500,000 favourable)** – The completion of the design was delayed due to design challenges, ensuring the requirements of Master Plan projects within Ross Reserve. The tender was advertised in May. Due to a large number of tender submissions received, tender evaluation requires extended time. Expect tender award by end of July and project completion by end of 2020. Tender yet to be appointed. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3828 Activity Centre Project Mason Street (\$493,000 favourable)** – A contractor was engaged to develop a concept design for the length of Mason Street and Robinson Street between Princes Highway and Walker Street with particular focus on the area between Scott Street and Walker Street. The design was not completed by 30 June 2020 due to the impact of COVID-19 on the community consultation required for the project. Stage 1B currently going through the procurement process. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3929 Activity Centre Strategic Plan Implementation - Dandenong (\$475,000 favourable)** - Thomas Street - Afghan Precinct Undergrounding (Stage 4 - City Edge to Walker Street). Part of the favourable variance in 2019-20 is due to \$32,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$443,000 is proposed to be carried over to the 2020-21 financial year.
- **3752 Local Road Rehabilitation Program Implementation Roads to Recovery (R2R) (\$464,000 unfavourable)** – Unfavourable variance due to a revision to R2R road projects subsequent to the 2019-20 Budget adoption. Works on roads are grant funded and are acquitted quarterly to the Federal Government.
- **3993 DCP – Lyndhurst B1 Bridge (\$398,000 favourable)** – Preparation of tender document incorporating project stakeholders' comments is in progress. Expect to advertise the tender in July. As this project has been carried over before and can be funded by DCP contribution income when it does occur, no carry over to 2020-21 is proposed.

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2019 – 30 June 2020

- **3129 Drainage Program (\$385,000 favourable)** – Scope was changed to achieve a quality outcome. To counteract the substantial construction cost estimates, increased modelling and assessment of additional data (such as customer complaints and property floor levels) have been undertaken to allow for a more rigorous assessment and prioritisation of proposed works. Assessment and incorporation of other works has been included to allow for greater understanding and coordination with other proposed projects. Existing contract and design finalisation. These are works currently being undertaken under an existing contract. As the detailed design is well underway, this will allow for final completion. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3926 Sports Facilities Plan Implementation (\$380,000 favourable)** – The re-construction of the tennis courts has been completed. Final fencing alterations are being completed and court access improved. No carry over is proposed to 2020-21.
- **3930 Activity Centre Strategic Plan Implementation – Noble Park (\$351,000 favourable)** – Tenders are being evaluated for this project. Tender recommendation report expected to be completed by July. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3934 Parking Sensor Implementation (\$345,000 favourable)** – The implementation of the project to be undertaken in the next financial year due to COVID-19 delays. The favourable variance is proposed to be carried over to the 2020-21 financial year.
- **3174 Active Transport Infrastructure Priority Program (\$322,000 favourable)** – The Active Transport Infrastructure Priority Program (ATIPP) is used by Council to prioritise walking and cycling infrastructure projects and requests. Part of the favourable variance in 2019-20 is due to \$127,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. As this is an annual program, no carry over to 2020-21 is proposed for the remaining favourable variance of \$195,000.
- **3853 Parkfield Reserve Master Plan Implementation (\$303,000 favourable)** – This is a multi-year project with a number of elements completed and two significant other elements underway, those being the sports ground lighting and car park design. The sports ground lighting project is currently out to tender and the car park construction design package is being finalised in readiness for tender. Part of the favourable variance in 2019-20 is due to \$108,000 of project expenditure that could not be capitalised to the asset register, so was transferred to operating expenditure in the CIP program. The remaining favourable variance of \$195,000 is proposed to be carried over to the 2020-21 financial year.

**General**

- **0000 Not Applicable (\$1.41 million unfavourable)** – Relates to items that have been transferred from operating because they meet the asset capitalisation criteria. For instance, building and road works allocated to operating but assessed as being capital in nature. Offset by favourable variance in operating expenditure in these areas.

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

# Appendix 1

## Capital Expenditure

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

## CIP Expenditure Report

	FULL YEAR					ORIGINAL BUDGET \$
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	
PROPERTY						
Buildings						
0000. Not Applicable	83,179	-	(83,179)	-	(83,179)	-
3043. Springvale Community Precinct	23,885,049	27,092,646	3,207,597	27,092,646	3,207,597	22,105,652
3177. Dandenong Civic Ctr-HVAC Gas Boiler	13,629	-	(13,629)	13,989	360	-
3219. Thomas Carroll Pavilion	2,541	2,543,572	2,541,031	2,543,572	2,541,031	-
3255. Yarraman Oaks Primary NEYLF	(3,596)	-	3,596	1,543	5,139	-
3548. Keysborough South Community Hub Dev	30,512	1,000,000	969,488	1,000,000	969,488	1,000,000
3740. Drum Theatre Improvements	70,396	75,000	4,604	75,000	4,604	-
3792. Dandenong Mkt Back of House-Coolrm	1,285,026	1,558,798	273,772	1,558,798	273,772	1,200,000
3802. Building Energy Efficiency Program	181,075	281,347	100,272	281,347	100,272	235,218
3803. Building Capital Program Minor Work	130,585	160,000	29,415	160,000	29,415	160,000
3804. CCTV/Security Capital Program	90,944	106,000	15,056	106,412	15,468	106,000
3805. Municipal Early Years Infrast. Plan	4,836	65,000	60,164	65,000	60,164	65,000
3806. Drum Theatre - Motorise Light Bars	-	176,000	176,000	176,000	176,000	-
3807. Drum Theatre - Auditorium Chairs	291,921	349,424	57,503	349,424	57,503	150,000
3811. Walker St Multi-deck Car Pk Roof	142,340	150,000	7,660	150,000	7,660	-
3813. Shalimar Kindergarten MCH	3,350	30,000	26,650	30,000	26,650	-
3814. D'rong Nth Senior Citizen Ctr Latha	22,924	500,000	477,076	500,000	477,076	500,000
3817. Civic Archive Extension of Building	3,850	30,100	26,250	30,100	26,250	-
3818. Rowley Allan Res Football Pavilion	34,129	38,390	4,261	38,390	4,261	-
3873. Building Renewal Prg.- DDA	-	20,000	20,000	20,000	20,000	20,000
3874. Building Renewal Prg.- HVAC	83,386	130,000	46,614	130,000	46,614	130,000
3876. Building Renewal Prg.- Bathroom	404,040	422,000	17,960	422,000	17,960	422,000
3877. Building Renewal Prg.- Flooring	149,694	188,000	38,306	188,000	38,306	188,000
3878. Building Renewal Prg.- Lift Refurb.	591,625	620,000	28,375	620,000	28,375	620,000
3879. Building Renewal Prg.- Minor Works	264,284	460,176	195,892	460,176	195,892	460,176
3880. Building Renewal Prg.- Roof	80,841	115,000	34,160	115,000	34,160	115,000
3883. Building Renewal Prg.- Kitchen & Eq	133,603	313,000	179,397	313,000	179,397	313,000
3902. Ross Reserve Pavilion	290,140	300,000	9,860	300,000	9,860	-
3903. D'rong Mkt - 10 Yr Plan Imp	79,469	70,000	(9,469)	70,000	(9,469)	70,000
3904. Building Renewal Prg. - Theatre	56,803	312,000	255,196	312,000	255,196	312,000
3905. Building Renewal Prg. - Window	248,539	178,000	(70,539)	178,000	(70,539)	178,000
3906. Greater D'rong Gallery of Art	49,743	5,000,000	4,950,257	5,000,000	4,950,257	5,000,000
3907. Warner Reserve Toilet (North)	136,628	200,000	63,372	200,000	63,372	200,000
3908. Oasis/NPAC Design Dev't	44,087	300,000	255,913	300,000	255,913	300,000
Leasehold Improvements						
3819. Police Paddocks Res. Concept Plan	-	100,000	100,000	100,000	100,000	-
3941. Police Paddocks Res. Grandstand	22,100	400,000	377,900	400,000	377,900	100,000
Land						
2114. 12-14 Stuart Street Dandenong	1,800,000	-	(1,800,000)	1,891,418	91,418	-
2116. 77 Herbert Street Dandenong	858,970	865,694	6,724	865,694	6,724	-
2117. 89 Douglas Street Noble Park	660,577	646,925	(13,652)	659,515	(1,062)	-
3548. Keysborough South Community Hub Dev	3,000	129,077	126,077	129,077	126,077	-
3988. DCP - 845 Taylors Road (LR06b)	196,303	194,670	(1,632)	194,670	(1,632)	-
3989. DCP - 875 Taylors Road (LR06b)	3,936	400,867	396,932	400,867	396,932	-
Total property	32,430,458	45,521,686	13,091,228	47,441,638	15,011,180	33,950,045

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

## CIP Expenditure Report

	FULL YEAR					
	ACTUAL \$	MID YEAR BUDGET \$	VARIANCE \$	FORECAST \$	FORECAST vs ACTUAL VARIANCE \$	ORIGINAL BUDGET \$
<b>PLANT AND EQUIPMENT</b>						
<b>Plant, machinery and equipment</b>						
0000. Not Applicable	33,375	-	(33,375)	-	(33,375)	-
1445. Fleet Purchases	2,195,175	2,302,000	106,825	2,302,000	106,825	2,262,000
3517. Community Transport Bus	114,533	210,000	95,467	210,000	95,467	-
3909. Drum Theatre Manilifer	25,621	12,000	(13,621)	12,000	(13,621)	12,000
<b>Library books</b>						
3104. Library Resources	792,207	973,828	181,621	973,828	181,621	973,828
<b>Computers and telecommunications</b>						
0000. Not Applicable	288,077	-	(288,077)	-	(288,077)	-
3516. Officer Safety Radio Network Upgrad	49,839	73,500	23,661	73,500	23,661	-
3827. Increase Wi-Fi Cover-Variou Locatn	-	-	-	-	-	-
3910. Security Software (Priority 1&2)	16,000	200,000	184,000	200,000	184,000	200,000
3911. Dandenong Stadium Wi-Fi	9,860	10,000	140	10,000	140	10,000
3912. Noble Park Civic Optic Wi-Fi	213,555	220,000	6,445	220,000	6,445	220,000
3913. People Counters Installation	37,590	46,000	8,410	46,000	8,410	46,000
3914. Asset Management System	-	701,818	701,818	701,818	701,818	820,735
3915. MCH (ADSL to Radio)	25,697	28,000	2,303	28,000	2,303	28,000
3916. Multi-Media/Broadcast Prg	246,487	196,458	(50,028)	205,583	(40,904)	196,458
3917. Procurement (IT) System	40,071	40,000	(71)	40,000	(71)	40,000
3918. Drum Theatre Ticketing System	-	137,161	137,161	137,161	137,161	30,000
3919. Digital Infrastructure (Website)	-	256,000	256,000	256,000	256,000	256,000
<b>Fixtures, fittings and furniture</b>						
0000. Not Applicable	40,049	-	(40,049)	-	(40,049)	-
3314. Public hall equipment	93,000	100,000	7,000	100,000	7,000	100,000
3822. Australia Day Recipients Tribute	-	-	-	-	-	-
3825. Living Treasures Tribute	14,361	50,130	35,769	50,130	35,769	-
<b>Total plant and equipment</b>	<b>4,235,497</b>	<b>5,556,895</b>	<b>1,321,398</b>	<b>5,566,019</b>	<b>1,330,522</b>	<b>5,195,021</b>
<b>INFRASTRUCTURE</b>						
<b>Parks, open space and streetscapes</b>						
0000. Not Applicable	251,274	-	(251,274)	-	(251,274)	-
1747. Barry Powell Reserve Master Plan	-	100,000	100,000	100,000	100,000	100,000
1748. Spring Valley Reserve Master Plan	7,400	50,000	42,600	50,000	42,600	50,000
1796. Wal Turner Reserve Master Plan	6,409	1,005,000	998,591	1,005,000	998,591	500,000
3065. Public Place Recycling Bin Instal.	77,500	117,000	39,500	117,000	39,500	117,000
3141. Thomas St Precinct Enhance(Afghan)	205,380	359,805	154,425	380,505	175,125	-
3192. Douglas st. s/scape improv.proj.	5,532	886,212	880,680	886,212	880,680	-
3248. DCP Keysb. Sth Industrial Buffer	143,583	295,758	152,175	295,758	152,175	-
3258. Robert Booth Reserve Baseball Light	195,239	177,162	(18,077)	202,819	7,580	-
3272. Indigenous Public Art SCP	-	100,000	100,000	100,000	100,000	-
3406. Fotheringham Reserve	-	3,500	3,500	3,500	3,500	-
3454. Dogs off leash program	34,090	41,000	6,910	41,000	6,910	-
3490. Springvale Road Boulevard	59,970	4,177,196	4,117,226	4,177,196	4,117,226	1,000,000
3498. Walker St D'rong-Streetscape	129,891	100,000	(29,891)	111,070	(18,821)	-
3631. Dandenong Park Master Plan	668,996	2,017,457	1,348,461	2,017,457	1,348,461	1,500,000
3835. Park Signage Renewal Program	142,426	180,000	37,574	180,000	37,574	180,000
3848. Hemmings SC Streetscape	391,659	342,440	(49,219)	342,440	(49,219)	300,000
3849. Frederick Watcher Res. Master Plan	279,360	1,089,094	809,735	1,089,094	809,735	1,000,000
3852. Warner Res. Master Plan Impl.	63,989	79,373	15,384	79,373	15,384	-
3853. Parkfield Res. Master Plan Impl.	269,115	572,369	303,254	572,369	303,254	200,000
3854. Burden Park Res. Master Plan Impl.	131,853	924,789	792,936	924,789	792,936	450,000
3867. Keysborough Bowls Club Floodlight	-	-	-	2,340	2,340	-
3892. LXRA CCTV Works	-	60,000	60,000	60,000	60,000	-
3896. Fotheringham Resv. Addition Interpr	980	-	(980)	980	-	-
3900. Ross Reserve Plaza/Play/Oval/Path	487,527	1,050,000	562,473	1,050,000	562,473	930,000
3929. Act Crt Strat Plan Imp - D'rong	24,735	500,000	475,265	500,000	475,265	500,000
3930. Act Crt Strat Plan Imp - NPark	9,137	360,000	350,863	360,000	350,863	360,000
3931. Guardrail Upgrade Program	77,919	200,000	122,081	200,000	122,081	200,000
3932. Open Space Infra Renewal Prg	234,987	292,500	57,513	292,500	57,513	292,500
3933. Sports Lighting Plan Imp.	1,554,079	2,150,000	595,921	2,150,000	595,921	2,150,000
3934. Parking Sensor Implementation	-	345,000	345,000	345,000	345,000	345,000
3936. Glendale Reserve Landscaping	-	150,000	150,000	150,000	150,000	150,000
3940. Ross Reserve Comm Ctr Car Park	-	500,000	500,000	500,000	500,000	500,000
3943. Keysb Sth Comm Hub Dog Off Leash	192,967	-	(192,967)	300,000	107,033	-

## 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CIP Expenditure Report

	FULL YEAR					
	ACTUAL \$	MID YEAR BUDGET \$	VARIANCE \$	FORECAST \$	FORECAST vs ACTUAL VARIANCE \$	ORIGINAL BUDGET \$
<b>Recreational, leisure and community facilities</b>						
0000. Not Applicable	149,256	-	(149,256)	-	(149,256)	-
3029. Playground Improvements	354,637	360,000	5,363	360,000	5,363	360,000
3399. Springvale Reserve Cricket Net Repl	184,487	230,000	45,513	230,000	45,513	230,000
3420. Lois Twohig Res. Tennis Club BkaCrt	13,758	8,231	(5,527)	14,149	391	-
3421. Springvale Nth Tennis Club BkaCrt	2,369	2,719	350	2,719	350	-
3430. Springvale South Tennis Club Bka Crt	19,922	20,000	78	20,000	78	-
3433. Burden Park Tennis Bka Crt	20,287	20,000	(287)	20,000	(287)	-
3518. Harmony Square Entrance Protection	-	30,000	30,000	30,000	-	-
3651. Springvale Activity Centre-Laneways	13,255	195,889	182,634	195,889	182,634	-
3794. Tattersson Park Masterplan	360,199	810,000	449,801	810,000	449,801	810,000
3837. Greaves Res. Tennis Court Resurf.	102,936	230,297	127,361	230,297	127,361	-
3841. All Abilities Playground Concept	39,047	69,652	30,605	69,652	30,605	-
3843. Police Paddocks S'ball Dug Out Shel	40,694	20,000	(20,694)	20,000	(20,694)	-
3844. Tattersson Park Stage 1A Impl.P'grd	129,925	150,955	21,030	150,955	21,030	-
3846. George Andrews Res.TRY Buld Contai	310,976	312,905	1,929	342,905	31,929	-
3856. Warner Res. Tennis Club Replace Fen	104,342	100,000	(4,342)	100,000	(4,342)	100,000
3900. Ross Reserve Plaza/Play/Oval/Path	1,200	2,000,000	1,998,800	2,000,000	1,998,800	2,000,000
3924. Alex Nelson Reserve Fencing	25,000	25,000	-	25,000	-	25,000
3925. Active Fencing Program	180,035	200,000	19,965	200,000	19,965	200,000
3926. Sports Facilities Plan Imp.	804,663	1,185,000	380,337	1,185,000	380,337	1,058,000
3927. Chandler Rd Reserve Exercise Eq.	50,000	50,000	-	60,500	10,500	50,000
3928. Rowley Allan Reserve Netball Crts	10,500	50,000	39,500	50,000	39,500	50,000
<b>Roads</b>						
0000. Not Applicable	266,016	-	(266,016)	-	(266,016)	-
1627. Springvale Road Traffic Signals	-	750,000	750,000	750,000	750,000	-
1629. 275 Lonsdale St Dnong-Vanity Lane	-	90,000	90,000	90,000	90,000	-
3231. Local Road Upgrade & Reconstruction	156,659	383,306	226,647	383,306	226,647	-
3373. Municipal wide, Kerb and Channel	365,408	500,000	134,592	500,000	134,592	500,000
3418. Municipal Wide L&TM post audit	1,098,389	960,448	(137,941)	960,448	(137,941)	750,000
3752. Local Road Rehab.Prg-Implement R2R	463,616	-	(463,616)	655,005	191,389	-
3753. Local Road Surf./Rehabit. Prg.	2,361,688	3,325,000	963,312	3,325,000	963,312	4,425,000
3828. Activity Centre Proj. Mason St	28,841	521,420	492,579	521,420	492,579	300,000
3831. Bakers Rd. D'nong Nth Alter.Cross	-	26,200	26,200	26,200	26,200	-
3920. Homeleigh Rd Reconstruction	789,367	794,838	5,471	794,838	5,471	844,838
3921. Glasscocks Rd Rehab/Sealing	-	30,000	30,000	30,000	30,000	30,000
3922. Disabled Parking Infra Prg	-	40,000	40,000	40,000	40,000	40,000
3923. Cheltenham Rd/Chandler Rd	8,334	250,000	241,666	250,000	241,666	250,000
3938. Kerb & Channel Resurfacing Program	1,377,535	1,400,000	22,465	1,400,000	22,465	300,000
3942. Black Spot Works Program	84,536	303,996	219,460	303,996	219,460	-
3944. Keysb 5th Comm Hub Access Road	22,450	-	(22,450)	-	(22,450)	-
3990. DCP - Chapel Rd Upg & Traffic Lght	1,064,360	1,220,597	156,237	1,408,834	344,474	1,220,597
3991. DCP-Chapel Rd Btw Villiers &Donnici	90,816	151,592	60,776	151,592	60,776	-
3992. DCP - Perry Road South Upgrade	151,622	244,399	92,777	244,399	92,777	-
<b>Bridges</b>						
0000. Not Applicable	39,291	-	(39,291)	-	(39,291)	-
3185. Municipal Wide - Bridges	4,890	20,000	15,110	20,000	15,110	20,000
3832. Bridge Rectification Works Survey	68,915	69,050	135	69,050	135	-
3993. DCP - Lyndhurst B1 Bridge	-	397,535	397,535	397,535	397,535	-
<b>Footpath and cycleways</b>						
0000. Not Applicable	107,865	-	(107,865)	-	(107,865)	-
3174. Active Transport Infra.Priority Pat	213,930	535,456	321,526	535,456	321,526	350,000
3355. Municipal Wide-Footpath Renewal	1,315,515	1,400,000	84,485	1,491,375	175,860	1,400,000
<b>Off street car parks</b>						
3662. Metro 3175	24,794	-	(24,794)	24,794	-	-
3794. Tattersson Park Masterplan	181,477	1,943,677	1,762,200	1,943,677	1,762,200	1,836,094
3901. Ross Reserve Access Road	18,385	205,155	186,770	205,155	186,770	-
3937. Car Park Renewal Program	3,355	185,000	181,645	185,000	181,645	185,000
<b>Drainage</b>						
0000. Not Applicable	153,266	-	(153,266)	-	(153,266)	-
3019. Major Drainage Renewal Prg.	572,060	587,059	14,999	587,059	14,999	200,000
3129. Drainage program	1,379,058	1,763,828	384,770	1,763,828	384,770	1,435,000
3558. Pit Cover Replacement Program	120,677	100,000	(20,677)	100,000	(20,677)	100,000
3939. Drainage Reactive Renewal Program	244,953	250,000	5,047	250,000	5,047	250,000
<b>Total infrastructure</b>	<b>21,341,553</b>	<b>42,744,859</b>	<b>21,403,307</b>	<b>44,111,436</b>	<b>22,769,883</b>	<b>30,144,029</b>
<b>GRAND TOTAL</b>	<b>58,007,507</b>	<b>93,823,440</b>	<b>35,815,932</b>	<b>97,119,093</b>	<b>39,111,585</b>	<b>69,289,094</b>

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

# Appendix 2

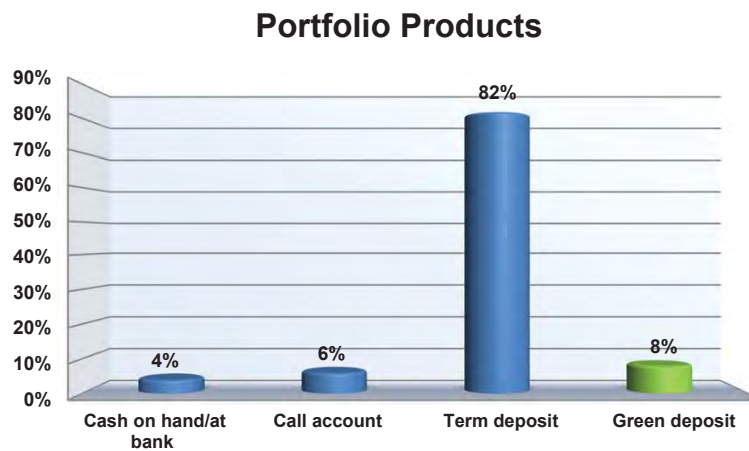
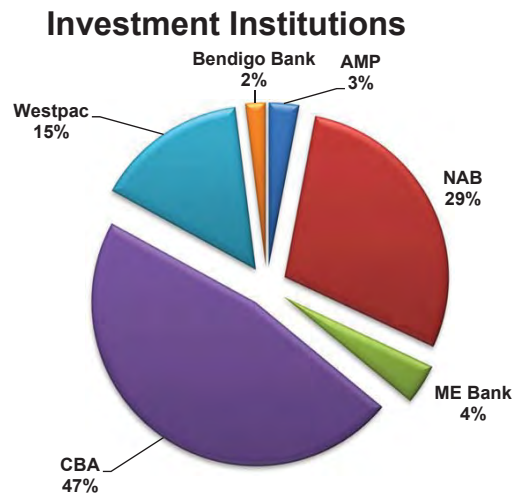
## Investment Analysis

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Cash and Investments



**Note: Green deposit:** 8% (or \$12.07 million) was invested at 30 June 2020. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

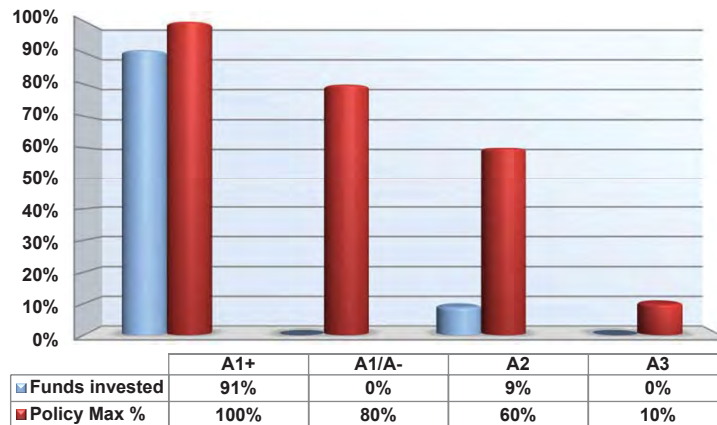
#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



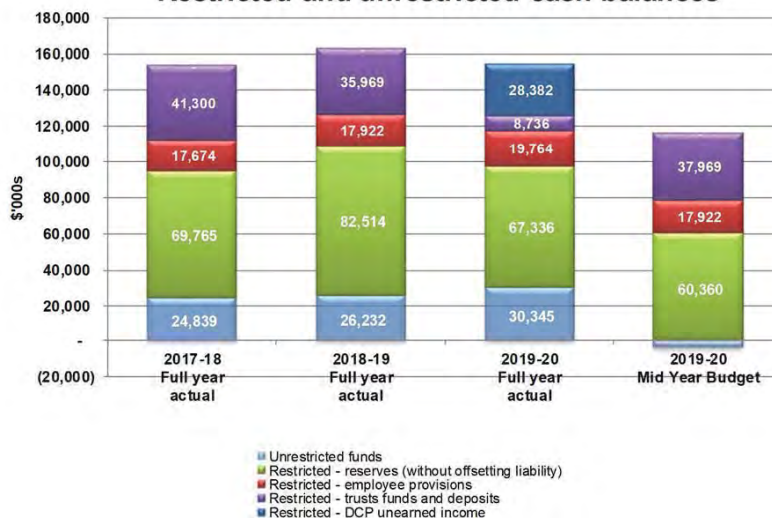
Financial Report for the period 1 July 2019 – 30 June 2020

### Cash and Investments

#### Investment Credit Rating



#### Restricted and unrestricted cash balances

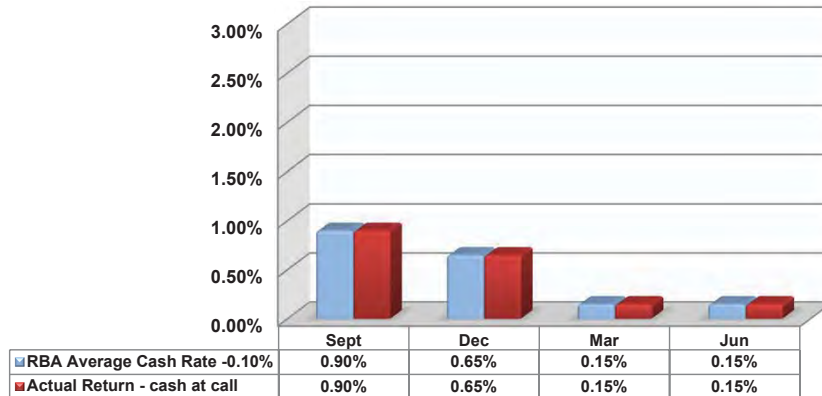


#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)

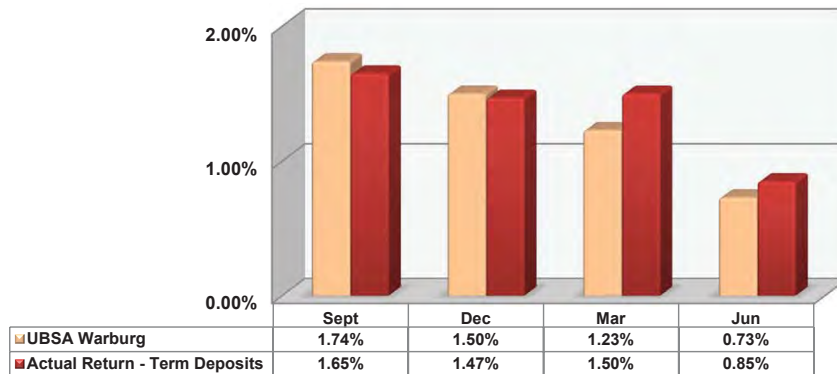


Financial Report for the period 1 July 2019 – 30 June 2020

##### Benchmark Indicator - Cash at Call



##### Benchmark Indicator - Term/Green Deposits



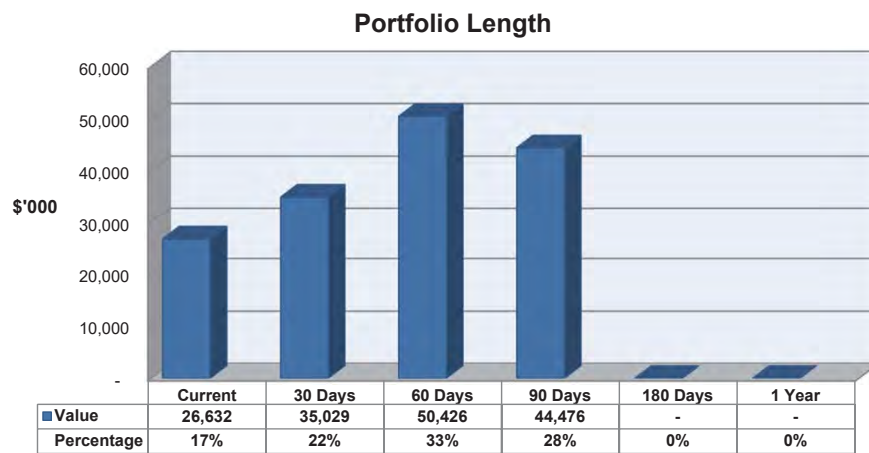
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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

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# Appendix 3

## Directorate Analysis

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Total Operating Results

#### CGD BY DIRECTORATE

	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
Chief Executive Office	1	-	1	1	-	-
Greater Dandenong Business	439	358	81	410	29	128
Corporate Services	3,159	4,161	(1,002)	3,830	(671)	4,253
Engineering Services	23,727	24,764	(1,037)	25,889	(2,162)	24,744
City Planning Design and Amenity	12,764	14,360	(1,596)	12,196	568	14,363
Community Services	21,192	22,002	(810)	22,019	(827)	20,867
Non-Directorate <sup>(a)</sup>	152,715	150,928	1,787	150,049	2,666	157,049
Capital Works Program	1,989	5,955	(3,966)	9,399	(7,410)	3,622
<b>Total income</b>	<b>215,986</b>	<b>222,528</b>	<b>(6,542)</b>	<b>223,793</b>	<b>(7,807)</b>	<b>225,026</b>
<b>Expenses</b>						
Chief Executive Office	713	708	(5)	699	(14)	668
Greater Dandenong Business	3,820	4,559	739	4,434	614	3,588
Corporate Services	20,943	22,480	1,537	22,293	1,350	22,290
Engineering Services	59,744	64,069	4,325	64,971	5,227	63,786
City Planning Design and Amenity	16,202	17,765	1,563	16,973	771	17,228
Community Services	45,964	50,941	4,977	51,088	5,124	45,673
Non-Directorate <sup>(a)</sup>	45,791	35,290	(10,501)	36,704	(9,087)	34,873
Capital Works Program	6,548	-	(6,548)	-	(6,548)	-
<b>Total expenses</b>	<b>199,725</b>	<b>195,812</b>	<b>(3,913)</b>	<b>197,162</b>	<b>(2,563)</b>	<b>188,106</b>
<b>Net surplus (deficit)</b>	<b>16,261</b>	<b>26,716</b>	<b>(10,455)</b>	<b>26,631</b>	<b>(10,370)</b>	<b>36,920</b>

<sup>(a)</sup> Non Directorate includes non-attributable items such as rates income, developer's contributions, interest income, non-monetary assets, finance costs and depreciation.

**Note.** Total income and total expenditure may differ to the operating result on the previous page due to the treatment of proceeds from asset sales and associated written down value.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CEO DIRECTORATE

#### OPERATING RESULT

Notes	FULL YEAR						ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000		
<b>Income</b>							
Other income	1	-	1	1	-		-
<b>Total income</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>		<b>-</b>
<b>Expenses</b>							
Employee costs	579	568	(11)	547	(32)		568
Materials and services	92	94	2	106	14		94
Other expenses	42	46	4	46	4		6
<b>Total expenses</b>	<b>713</b>	<b>708</b>	<b>(5)</b>	<b>699</b>	<b>(14)</b>		<b>668</b>
<b>Net surplus (deficit)</b>	<b>(712)</b>	<b>(708)</b>	<b>(4)</b>	<b>(698)</b>	<b>(14)</b>		<b>(668)</b>

#### BUSINESS UNITS

Notes	FULL YEAR						ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000		
<b>Income</b>							
CEO	1	-	1	1	-		-
<b>Total income</b>	<b>1</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>		<b>-</b>
<b>Expenses</b>							
CEO	713	708	(5)	699	(14)		668
<b>Total expenses</b>	<b>713</b>	<b>708</b>	<b>(5)</b>	<b>699</b>	<b>(14)</b>		<b>668</b>
<b>Net surplus (deficit)</b>	<b>(712)</b>	<b>(708)</b>	<b>(4)</b>	<b>(698)</b>	<b>(14)</b>		<b>(668)</b>

#### Notes:

No comments required for this directorate.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

## GREATER DANDENONG BUSINESS GROUP

### OPERATING RESULT

Notes	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
User fees	18	6	12	-	18	6
Grants - operating	230	240	(10)	230	-	10
Other income	1 191	112	79	180	11	112
<b>Total income</b>	<b>439</b>	<b>358</b>	<b>81</b>	<b>410</b>	<b>29</b>	<b>128</b>
<b>Expenses</b>						
Employee costs	2 2,509	2,574	65	2,592	83	2,178
Materials and services	3 1,219	1,805	586	1,677	458	1,265
Other expenses	4 92	180	88	165	73	145
<b>Total expenses</b>	<b>3,820</b>	<b>4,559</b>	<b>739</b>	<b>4,434</b>	<b>614</b>	<b>3,588</b>
<b>Net surplus (deficit)</b>	<b>(3,381)</b>	<b>(4,201)</b>	<b>820</b>	<b>(4,024)</b>	<b>643</b>	<b>(3,460)</b>

### BUSINESS UNITS

Notes	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
Greater Dandenong Business Executive	9	-	9	9	-	(1)
Business Networks	270	290	(20)	262	8	60
Activity Centres Revitalisation	32	6	26	14	18	6
Major Projects	119	56	63	122	(3)	57
Economic Development	9	6	3	3	6	6
<b>Total income</b>	<b>439</b>	<b>358</b>	<b>81</b>	<b>410</b>	<b>29</b>	<b>128</b>
<b>Expenses</b>						
Greater Dandenong Business Executive	398	345	(53)	404	6	345
Business Networks	1,058	1,210	152	1,227	169	740
Activity Centres Revitalisation	1,066	1,403	337	1,382	316	963
Major Projects	270	175	(95)	261	(9)	114
Economic Development	1,028	1,426	398	1,160	132	1,426
<b>Total expenses</b>	<b>3,820</b>	<b>4,559</b>	<b>739</b>	<b>4,434</b>	<b>614</b>	<b>3,588</b>
<b>Net surplus (deficit)</b>	<b>(3,381)</b>	<b>(4,201)</b>	<b>820</b>	<b>(4,024)</b>	<b>643</b>	<b>(3,460)</b>

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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Greater Dandenong Business Group

#### Income

**Note 1 Other income (\$79,000 favourable)** – Favourable variance due to unbudgeted recovery income offset by associated expenditure for:

- City Deals Executive Officer position costs from South East Melbourne Incorporation (Major Projects \$62,000).
- Legal costs for sale of 64 Cheltenham Road (Activity Centres Revitalisation \$14,000).
- Dandenong A-League/W-League stadium costs (Business Engineering and Major Projects Executive \$9,000).

This favourable variance is partly offset by lower than anticipated income due to COVID-19 (Business Networks \$10,000).

#### Expenditure

**Note 2 Employee costs (\$65,000 favourable)** – Favourable variance due to delay in recruitment, lower temporary staff costs and extended leave taken (Economic Development \$79,000, Community Revitalisation Project \$37,000 Activity Centres Revitalisation \$33,000 and Business Networks \$26,000).

This favourable variance is partly offset by the unbudgeted City Deals Executive Officer position (recovery income included in Note 1 above) and a position budgeted in Community Services and transferred to the new Major Projects department in December 2019 (Major Projects \$95,000).

**Note 3 Materials and services (\$586,000 favourable)** – Favourable variance due to:

- Savings in Economic Development resulting from lower than anticipated costs for Christmas decorations, consultants, newsletters and events (\$264,000).
- A grant funded program put on hold as requested by Multicultural Affairs and Social Cohesion (Indian Cultural Precinct \$258,000). The unspent grant funding is proposed to be carried over to 2020-21.
- A delay in commencement of projects and lower than anticipated expenditure (Community Revitalisation Project \$83,000, Activity Centres Revitalisation \$30,000 and Business Networks Projects \$17,000).

These favourable variances are offset by:

- Higher than anticipated consultancy costs caused by a variation in the scope of works relating to Dandenong A-League/W-League stadium (Business Engineering and Major Projects Executive \$38,000).
- Unbudgeted consultancy expenditure mainly due for innovation, futurist thinking, facilitation and team building (Business Networks \$26,000).

**Note 4 Other expenses (\$88,000 favourable)** – Favourable variance due to lower than anticipated grants (Economic Development \$55,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CORPORATE SERVICES DIRECTORATE

#### OPERATING RESULT

		FULL YEAR					
	Notes	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	ORIGINAL BUDGET \$'000
Income							
Statutory fees and fines		97	109	(12)	109	(12)	109
User fees		20	12	8	22	(2)	12
Grants - operating		42	40	2	42	-	41
Other income	5	3,000	4,000	(1,000)	3,657	(657)	4,091
Total income		3,159	4,161	(1,002)	3,830	(671)	4,253
Expenses							
Employee costs	6	13,220	13,570	350	13,347	127	13,552
Materials and services	7	6,432	7,162	730	7,189	757	6,988
Bad and doubtful debts		1	-	(1)	-	(1)	-
Other expenses	8	1,290	1,748	458	1,757	467	1,750
Total expenses		20,943	22,480	1,537	22,293	1,350	22,290
Net surplus (deficit)							
		(17,784)	(18,319)	535	(18,463)	(679)	(18,037)

#### BUSINESS UNITS

	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
Notes						
Income						
Corporate Services Executive	-	-	-	-	-	-
Communications and Customer Service	637	707	(70)	616	21	727
Governance	1,530	3,101	(1,571)	2,298	(768)	3,173
Information Technology	13	-	13	6	7	-
Financial Services	569	301	268	498	71	301
People and Procurement Services	410	52	358	412	(2)	52
					-	
Total income	3,159	4,161	(1,002)	3,830	(671)	4,253
Expenses						
Corporate Services Executive	596	597	1	583	(13)	597
Communications and Customer Service	5,111	5,861	750	5,489	378	5,855
Governance	2,864	3,173	309	3,086	222	3,173
Information Technology	4,390	4,974	584	4,967	577	4,973
Financial Services	3,027	2,807	(220)	3,012	(15)	2,807
People and Procurement Services	4,955	5,068	113	5,156	201	4,885
Total expenses	20,943	22,480	1,537	22,293	1,350	22,290
Net surplus (deficit)	(17,784)	(18,319)	535	(18,463)	(679)	(18,037)

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Corporate Services Directorate

#### Income

**Note 5 Other income (\$1.00 million unfavourable)** – The unfavourable variance is due mainly to lower rental income due to COVID-19 support, rent relief and facility closures across the following areas:

- Dandenong Market (\$1.45 million).
- Commercial properties (Property Management Administration \$125,000).
- Civic Facilities (\$110,000).

These unfavourable variances are partly offset by:

- An insurance recovery in relation to a fire damaged building at 280 Lonsdale Street, Dandenong (Risk Management \$345,000). The insurance recovery will be mostly offset by an insurance excess (\$100,000) and building demolition/site reinstatement costs (\$100,000). The net balance remaining has been transferred to the Self Insurance Reserve.
- Higher than anticipated recovery of costs to follow up outstanding rates debtors (Property Revenue \$280,000), which is offset by higher legal costs for rate debtors collected (pre COVID-19).

#### Expenditure

**Note 6 Employee costs (\$350,000 favourable)** – The favourable variance is primarily due to vacant positions and a reduction in the use of casual staff (Call and Service Centres \$197,000), lower than anticipated Occupational, Health and Safety (OHS) programs and corporate training (OHS \$75,000 and Organisational Development Executive \$14,000), reduced hours for staff (Governance \$42,000), reduced overtime (Civic Facilities \$39,000), leave taken (Information Technology \$38,000) and lower than anticipated training and conferences (Members of Council \$30,000).

This favourable variance is partly offset by a delay in transition to retirement of a staff member combined with unbudgeted parental leave (Property Revenue \$67,000) and higher than anticipated staff costs due to commencement of a new position offset by savings in this unit (Emergency Management \$33,000).

**Note 7 Materials and services (\$730,000 favourable)** – The main items contributing to the favourable variance include:

- Information technology (\$342,000) – lower than anticipated hardware and software expenditure (Business Systems \$171,000, Technical Services \$157,000 and Financial Services \$26,000).
- Administration costs (\$206,000) – lower than anticipated Council publications, postage, community education, subscriptions and promotions (Records Management \$73,000, Communications and Customer Service Executive \$66,000, Property Revenue \$20,000 and Members of Council \$18,000), partly offset by unbudgeted advertising and subscription costs (Organisational Development Executive \$25,000).
- Utilities (\$154,000) – lower than anticipated utilities and rates (Property Management Administration \$36,000, Paddy O'Donoghue Centre \$18,000, Members of Council \$15,000, Senior Citizens Facilities \$12,000 and Dandenong Market \$10,000) and telephone costs (Technical Services \$31,000, Members of Council \$11,000 and Emergency Management \$9,000).

ORDINARY COUNCIL MEETING - MINUTES

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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- Consultants, professional services (\$127,000) – lower than anticipated consultants, professional services and legal costs (Organisational Development Executive \$116,000, Risk Management \$57,000, Emergency Management \$24,000, Communications and Customer Service Executive \$22,000, Governance \$20,000, Property Management Administration \$15,000, Business Systems \$15,000, Call and Service Centres \$13,000, Financial Services \$13,000 and Civic Facilities \$12,000). This variance is partly offset by higher legal costs associated with the recovery of rate debtors (Property Revenue \$197,000).

These favourable variances are partly offset by higher than anticipated insurance claims (Risk Management \$143,000).

**Note 8      Other expenses (\$458,000 favourable) – Favourable variance mainly due to:**

- Operating lease/rentals due to introduction of new Accounting Standard AASB16 'Leases' (Call and Service Centres \$219,000) - lease of Parkmore Shopping centre customer service centre.
- Operating lease/rentals reduced due to introduction of new Accounting Standard, AASB 16 'Leases' (Technical Services \$135,000). This relates to the leasing of IT servers and storage arrays.
- Reduced contribution to a shared resource (Emergency Management \$46,000 and Records Management \$8,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### ENGINEERING SERVICES DIRECTORATE

#### OPERATING RESULT

		FULL YEAR				FORECAST vs ACTUAL VARIANCE	ORIGINAL BUDGET
		ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST		
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Rates and charges		20,049	20,049	-	20,049	-	20,049
Statutory fees and fines	9	210	509	(299)	238	(28)	509
User fees	10	507	655	(148)	507	-	655
Grants - operating	11	736	140	596	781	(45)	139
Contributions - monetary	12	315	1	314	315	-	1
Asset sales	13	929	617	312	891	38	617
Other income	14	981	2,793	(1,812)	3,108	(2,127)	2,774
Total income		23,727	24,764	(1,037)	25,889	(2,162)	24,744
Expenses							
Employee costs	15	17,387	17,505	118	17,525	138	17,789
Materials and services	16	41,879	46,006	4,127	46,934	5,055	45,561
Bad and doubtful debts		3	10	7	5	2	10
Carrying amount of assets sold		346	300	(46)	300	(46)	300
Other expenses	17	129	248	119	207	78	126
Total expenses		59,744	64,069	4,325	64,971	5,227	63,786
Net surplus (deficit)							
		(36,017)	(39,305)	3,288	(39,082)	(3,065)	(39,042)

#### BUSINESS UNITS

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Engineering Services Executive	-	-	-	-	-	-
Infrastructure Services	22,484	23,373	(889)	24,681	(2,197)	23,353
City Projects and Asset Improvement	24	18	6	27	(3)	18
Infrastructure Planning	1,219	1,373	(154)	1,181	38	1,373
Total income	23,727	24,764	(1,037)	25,889	(2,162)	24,744
Expenses						
Engineering Services Executive	66	127	61	65	(1)	418
Infrastructure Services	47,261	51,462	4,201	51,881	4,620	51,225
City Projects and Asset Improvement	10,252	10,270	18	10,800	548	9,933
Infrastructure Planning	2,165	2,210	45	2,225	60	2,210
Total expenses	59,744	64,069	4,325	64,971	5,227	63,786
Net surplus (deficit)	(36,017)	(39,305)	3,288	(39,082)	(3,065)	(39,042)

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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**Engineering Services Directorate****Income**

**Note 9 Statutory fees and fines (\$299,000 unfavourable)** – Unfavourable variance due to lower than anticipated income from sub-divisions and plan checking fees mainly due to lower activity pre COVID-19 (Civil Development and Design \$299,000).

**Note 10 User fees (\$148,000 unfavourable)** – Unfavourable variance caused by lower than anticipated fee income for asset protection permits and drainage plan approvals due mainly to lower activity levels pre COVID-19 (Asset Protection \$113,000 and Civil Development and Design \$31,000).

**Note 11 Grants – operating (\$596,000 favourable)** – Favourable variance due to receipt of unbudgeted grants for recycling (Waste Services \$349,000) and Communities Environment Program, Connecting to Country and Corridors of Green – Yarraman Creek (Parks Services \$247,000). These grants are either offset by associated expenditure or unspent grant funding at 30 June 2020 will be carried over to 2020-21.

**Note 12 Contributions – monetary (\$314,000 favourable)** – Favourable variance due to unbudgeted contribution income from developers to fund future maintenance responsibilities of the Logis native vegetation offset reserve (\$162,000 for six years) and Somerfield native vegetation offset reserve (\$153,000 for five years) (Parks Services). This income will be offset by maintenance expenditure in the current financial year and the remaining balance has been transferred to reserves to fund future maintenance requirements.

**Note 13 Asset sales (\$312,000 favourable)** – Favourable variance due to higher than anticipated proceeds from plant and equipment sales (Fleet Management \$312,000).

**Note 14 Other income (\$1.81 million unfavourable)** – Unfavourable variance due to delay in landfill rehabilitation works and as a result stakeholder councils recovery income has not yet been invoiced (Spring Valley Landfill \$2.27 million). This unfavourable variance is offset by lower associated expenditure and Council's share will be funded from reserves (proposed to be carried over to 2020-21).

This unfavourable variance is partly offset by:

- Higher than anticipated recovery income for asset protection reinstatements mostly offset by increased asset reinstatement expenditure (Asset Protection \$293,000).
- Unbudgeted income received from Department of Transport for maintenance (Parks Services \$100,000).
- Unbudgeted recovery income for the Sandown Integrated Water Management project (Strategic Asset Planning \$29,000).
- Unbudgeted pavement damage recovery income from utility companies (Roads and Drains \$16,000).
- Sergasco royalty income received and to be transferred to partner councils (Waste Management \$14,000).

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#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

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##### **Expenditure**

**Note 15 Employee costs (\$118,000 favourable)** – Favourable variance due to delay in recruitment (Parks Services \$234,000, Civil Development and Design \$130,000, Asset Management \$129,000, Infrastructure Services and Planning Executive \$87,000, AMS Implementation \$82,000, Waste Management \$65,000, Roads and Drains \$55,000 and Asset Protection \$39,000), a part-time position transfer to the Business, Engineering and Major Projects Executive area (Engineering Services Executive \$55,000) and savings from secondment of a staff member (Transport \$45,000).

This favourable variance is partly offset by higher than anticipated temporary agency staff costs (Cleansing \$556,000 and City Improvement Executive \$190,000), leave not yet taken by staff and overlap of staff returning from maternity leave (Building Maintenance \$33,000).

**Note 16 Materials and services (\$4.13 million favourable)** – The favourable variance is due to:

- A delay in the commencement of remediation works at Spring Valley Landfill (\$2.82 million) which is proposed to be carried over to the 2020-21 year.
- Lower than anticipated expenditure (Cleansing \$619,000, Parks Services \$326,000, Asset Management \$294,000, Fleet Management \$218,000, Building Maintenance \$136,000, Springvale Library and Community Hub \$78,000 and Strategic Transport Planning \$31,000).
- Delay in commencement of works which will now occur in 2020-21 funded by proposed carry overs (Building Disposal Program \$118,000).
- Lower than anticipated street lighting installation, tariff and OMR costs (Asset Management \$108,000).

These favourable variances are partly offset by higher costs for domestic recycling (Waste Services \$247,000), higher asset protection reinstatement costs which are offset by higher recovery income received (Asset Protection \$163,000), higher than anticipated stormwater drainage, paving and fire hydrant maintenance costs (Roads and Drains \$127,000) and unbudgeted professional services costs due to required investigations (City Improvement Executive \$56,000 and Transport \$35,000).

**Note 17 Other expenses (\$119,000 favourable)** – Favourable variance is mainly due to delay in commencement of the adjacent temple works proposed to be carried over to 2020-21 (Spring Valley Landfill \$77,000) and saving on motor vehicle contribution to Victoria Police (Fleet \$40,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CITY PLANNING, DESIGN & AMENITY

#### OPERATING RESULT

	Notes	FULL YEAR					ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
Income							
Statutory fees and fines	18	7,821	8,545	(724)	7,254	567	8,715
User fees	19	4,223	5,240	(1,017)	4,418	(195)	5,130
Grants - operating		480	494	(14)	494	(14)	437
Contributions - monetary	20	214	-	214	-	214	-
Other income	21	26	81	(55)	30	(4)	81
Total income		12,764	14,360	(1,596)	12,196	568	14,363
Expenses							
Employee costs	22	12,027	13,026	999	12,207	180	12,978
Materials and services	23	3,144	3,364	220	3,381	237	2,874
Bad and doubtful debts	24	1,009	1,286	277	1,289	280	1,286
Other expenses	25	22	89	67	96	74	90
Total expenses		16,202	17,765	1,563	16,973	771	17,228
Net surplus (deficit)		(3,438)	(3,405)	(33)	(4,777)	(1,339)	(2,865)

#### BUSINESS UNITS

	FULL YEAR					
					FORECAST vs ACTUAL	ORIGINAL
	Notes	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	VARIANCE \$'000
<b>Income</b>						
City Planning, Design and Amenity Exec.	233	-	233	19	214	-
Building Services	1,658	2,183	(525)	1,680	(22)	2,043
Planning and Design	1,601	1,867	(266)	1,585	16	2,157
Regulatory Services	9,272	10,310	(1,038)	8,912	360	10,163
<b>Total income</b>	<b>12,764</b>	<b>14,360</b>	<b>(1,596)</b>	<b>12,196</b>	<b>568</b>	<b>14,363</b>
<b>Expenses</b>						
City Planning, Design and Amenity Exec.	482	472	(10)	488	6	472
Building Services	3,345	3,181	(164)	3,214	(131)	3,052
Planning and Design	4,824	5,809	985	5,205	381	5,480
Regulatory Services	7,551	8,303	752	8,066	515	8,224
<b>Total expenses</b>	<b>16,202</b>	<b>17,765</b>	<b>1,563</b>	<b>16,973</b>	<b>771</b>	<b>17,228</b>
<b>Net surplus (deficit)</b>	<b>(3,438)</b>	<b>(3,405)</b>	<b>(33)</b>	<b>(4,777)</b>	<b>(1,339)</b>	<b>(2,865)</b>

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### City Planning, Design and Amenity Directorate

#### Income

**Note 18 Statutory fees and fines (\$724,000 unfavourable)** – Unfavourable variance is due to lower than anticipated:

- Planning application fee income (Statutory Planning \$215,000).
- Local law fines (General Law Enforcement \$194,000).
- Other infringements (Health \$123,000, Planning Compliance \$86,000).
- Lodgement, permit and fine income (Building and Compliance Services \$40,000)
- Court fine recoveries (Regulatory Services Administration \$32,000).
- Parking infringements (Parking Management \$28,000).

The loss in income above is partly due to COVID-19 and partly due to lower activity levels pre COVID-19.

**Note 19 User fees (\$1.02 million unfavourable)** – Unfavourable variance is due to lower than anticipated parking fee income from ticket machines and meters and permits (Parking Management \$463,000 and Car Parks \$268,000), building permit applications and inspections (Building and Compliance Services \$159,000), food registration renewal income (Health \$53,000), planning fees (Statutory Planning \$37,000) and lower than anticipated animal registration income (Animal Management \$31,000).

The loss in income above is mostly due to COVID-19 but also partly due to lower activity levels pre COVID-19.

**Note 20 Contributions - monetary (\$214,000 favourable)** – Favourable variance due to receipt of unbudgeted contribution income for rectification of level crossing removal authority defects (Level Crossing Removal Project \$214,000).

**Note 21 Other income (\$55,000 unfavourable)** – Unfavourable variance due to a reclassification of actual Streatrader income (Health) from 'Other Income' to 'User Fees', but the 2019-20 Budget is in 'Other Income'.

#### Expenditure

**Note 22 Employee costs (\$999,000 favourable)** – Favourable variance due to a delay in filling vacant positions and extended leave taken (Statutory Planning \$550,000, Strategic Design and Sustainability Planning \$202,000, General Law Enforcement \$104,000, Animal Management \$97,000, Public Safety and Security \$88,000, Regulatory Services Administration \$58,000, Planning Compliance \$45,000, Building \$21,000 and Parking Management \$14,000).

This favourable variance is offset by higher than anticipated use of temporary staff (Health \$151,000).

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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**Note 23 Materials and services (\$220,000 favourable)** – Favourable variance due to delay in commencement of projects (Master Plan Concept Plan Development \$197,000 and Strategic Design and Sustainability Planning \$102,000) combined with lower than anticipated expenditure (Parking Management \$137,000, Public Safety and Security \$34,000 and Car Parks \$33,000).

This favourable variance is partly offset by higher than anticipated professional services expenditure (Statutory Planning \$72,000, Health \$58,000, School Crossings \$34,000, Building \$33,000, Regulatory Services Administration \$21,000 and Level Crossing Removal Project \$19,000) combined with the reclassification of statutory fees from 'Other Expenses' (Animal Management \$85,000).

**Note 24 Bad and doubtful debts (\$277,000 favourable)** – Lower than anticipated bad debt and provision for doubtful debts expenditure (Parking Management \$269,000).

**Note 25 Other expenses (\$67,000 favourable)** – Favourable variance mainly due to a reclassification of actual Government Register Animals income (Animal Management \$46,000) from 'Other Expenses' to 'Materials and Services – Statutory fees', but the 2019-20 Budget is in 'Other Expenses'.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### COMMUNITY SERVICES DIRECTORATE

#### OPERATING RESULT

		FULL YEAR					ORIGINAL BUDGET
		ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
User fees	26	2,181	2,633	(452)	2,180	1	2,633
Grants - operating	27	17,915	17,980	(65)	18,771	(856)	16,789
Contributions - monetary		2	-	2	2	-	-
Other income	28	1,094	1,389	(295)	1,066	28	1,445
Total income		21,192	22,002	(810)	22,019	(827)	20,867
Expenses							
Employee costs	29	31,780	35,585	3,805	34,975	3,195	32,557
Materials and services	30	11,879	12,807	928	13,287	1,408	10,554
Bad and doubtful debts	31	249	3	(246)	241	(8)	3
Other expenses	32	2,056	2,546	490	2,585	529	2,559
Total expenses		45,964	50,941	4,977	51,088	5,124	45,673
Net surplus (deficit)		(24,772)	(28,939)	4,167	(29,069)	(4,297)	(24,806)

#### BUSINESS UNITS

Notes	FULL YEAR					ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
Community Services Executive	-	-	-	-	-	-
Community Wellbeing	10,895	9,997	898	10,612	283	8,661
Community Care	7,921	9,110	(1,189)	9,078	(1,157)	9,410
Community Arts, Culture and Libraries	1,799	2,274	(475)	1,787	12	2,178
Community Development, Sports and Recreation	577	621	(44)	542	35	618
<b>Total income</b>	<b>21,192</b>	<b>22,002</b>	<b>(810)</b>	<b>22,019</b>	<b>(827)</b>	<b>20,867</b>
<b>Expenses</b>						
Community Services Executive	423	436	13	442	19	486
Community Wellbeing	15,350	18,717	3,367	18,706	3,356	14,380
Community Care	12,909	13,546	637	13,975	1,066	13,253
Community Arts, Culture and Libraries	9,341	9,899	558	9,438	97	9,600
Community Development, Sports and Recreation	7,941	8,343	402	8,527	586	7,954
<b>Total expenses</b>	<b>45,964</b>	<b>50,941</b>	<b>4,977</b>	<b>51,088</b>	<b>5,124</b>	<b>45,673</b>
<b>Net surplus (deficit)</b>	<b>(24,772)</b>	<b>(28,939)</b>	<b>4,167</b>	<b>(29,069)</b>	<b>(4,297)</b>	<b>(24,806)</b>

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Community Services Directorate

#### Income

**Note 26 User fees (\$452,000 unfavourable)** - Unfavourable variance mainly due to lower than anticipated income from box office and programming (Drum Theatre \$204,000) and fee income (Family Day Care \$213,000, Library and Information Services \$31,000, Sports Planning \$28,000 and Mills Reserve \$15,000). This is partly offset by better than anticipated fee income (HACC-Home Maintenance \$81,000).

**Note 27 Grants – operating (\$65,000 favourable)** - Favourable variance due to:

*Grants higher than budget for:*

- Family Day Care \$658,000 (growth funding that will be offset by service delivery costs)
- Enhanced MCH Program \$115,000
- Children's Support Services \$101,000
- Sports Planning \$34,000
- Child First \$34,000
- Maternal and Child Health (Universal) \$34,000
- Community Development (Community Activation Social Isolation) \$34,000
- Market Street Occasional Care Centre Operational \$33,000
- Right@Home \$18,000
- Maternal and Child Health (Cultural Safety Training Backfill) \$13,000
- Community Development (Operation Bounce Back) \$10,000

*Grants received in advance for 2020-21:*

- Refugee Immunisation Project \$86,000

These favourable variances are partly offset by:

*Lower than anticipated grant funding based on satisfied performance obligations (target achievement) for:*

- HACC – Assessments and Team Leaders \$670,000
- Home and Community Care \$449,000
- Planned Activity Group \$94,000
- Food Services \$35,000

Grant funding relating to performance obligations not yet satisfied have been transferred to an unearned income liability in the Balance Sheet. Unspent grant funding which does not have sufficiently specific performance obligations will be carried over to 2020-21 – **see Appendix 5.**

**Note 28 Other income (\$295,000 unfavourable)** - Unfavourable variance due to loss of income from closure of venues caused by the COVID-19 pandemic (Drum Theatre \$167,000, Dandenong Indoor Sports Stadium \$73,000, Library and Information Services \$59,000, Sports Planning \$21,000, Festivals and Events \$18,000, Family Day Care \$17,000 and Cultural Venues \$15,000).

This unfavourable variance is partly offset by higher than anticipated income (offset by associated expenditure - Market Street Occasional Child Care Centre \$40,000) and higher rental income due to renegotiation (39A Clow Street \$20,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

##### Expenditure

**Note 29 Employee costs (\$3.81 million favourable)** - Of the favourable employee cost variance in Community Services, \$2.85 million relates to grant funded programs which require an acquittal caused by a delay in recruitment (Child First \$766,000, Enhanced MCH \$522,000, Playgroups Initiative \$216,000, Right@Home \$164,000, Preschool Field Officer \$160,000, New Directions – Mothers and Babies \$128,000, Market Street Occasional Child Care Centre \$32,000, Best Start \$28,000 and Drug Strategy \$11,000). Any unspent grant funds relating to these programs will be carried forward to the 2020-21 financial year.

The remaining favourable variance is due to a delays in recruitment over the course of the year (Maternal and Child Health \$501,000, Home and Community Care \$350,000, Library and Information Services \$322,000, Children's Support Services \$131,000, HACC – Home Maintenance \$94,000, Planned Activity Group \$90,000, Cultural Development \$85,000, Community Transport \$78,000, Food Services \$75,000, HACC – Assessment and Team Leaders \$69,000, Community Property \$54,000, Community Development \$52,000, Family Day Care \$44,000, Youth Engagement \$34,000, Community Care Executive \$27,000, Festivals and Events \$19,000 and Youth Development \$11,000) and higher than anticipated salary recovery (Youth and Family Support \$104,000).

This favourable variance is partly offset by higher than anticipated temporary staff costs (HACC Co-ordination \$183,000 and Drum Theatre \$77,000), higher salary costs to deliver program (Immunisation \$79,000) and lower salary recovery (Access and Quality Systems \$23,000).

**Note 30 Material and services (\$928,000 favourable)** – Favourable variance is due to lower expenditure and delay in commencement of projects:

- Consultants, professional services (\$558,000) – Drug Strategy \$153,000, New Directions – Mothers and Babies \$129,000, Child First \$93,000, Community Hub Early Years \$85,000 and Enhanced MCH Program \$70,000.
- Administration costs (\$254,000) – Festivals and Events \$45,000, Market Street Occasional Child Care Centre \$43,000, Drug Strategy \$33,000, Library and Information Services \$40,000, Cultural Development \$24,000 and Sports Planning \$16,000.
- Materials and maintenance (\$243,000) – lower than anticipated expenditure (Food Services \$63,000, Library and Information Services \$63,000, Children's Support Services \$31,000, Drum Theatre \$26,000, Market Street Occasional Child Care Centre \$23,000, Family Day Care \$21,000, Enhanced MCH Program \$19,000, New Directions – Mothers and Babies \$17,000 which is partly offset by higher than anticipated expenditure (HACC – Home Maintenance \$35,000 and Maternal and Child Health \$17,000).
- IT costs (\$75,000) – due to lower than anticipated expenditure for software maintenance (Library and Information Services \$47,000, Community Funding \$18,000 and Family Day Care \$16,000).

This favourable variance is offset by the following unfavourable variances:

- Contract services (\$234,000) – mainly relates to higher payments to educators (Family Day Care \$333,000) matched by higher grant income received.

**Note 31 Bad and doubtful debts (\$246,000 unfavourable)** – The unfavourable variance reflects Council's initial share-holding of \$230,000 in Regional Kitchen Pty Ltd which will not be returned.

**Note 32 Other expenses (\$490,000 favourable)** – The favourable variance is mainly due to delay in payment of the Homelessness/Anti-Social Behaviour strategic grant and community support and response grants (Community Funding \$217,000), lower operating lease costs due to introduction of new Accounting Standard AASB16 "Leases" (property leases \$166,000 and vehicle lease costs \$37,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### NON-DIRECTORATE

#### OPERATING RESULT

	Notes	FULL YEAR					ORIGINAL BUDGET \$'000
		ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
		\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Income</b>							
Rates and charges	33	125,054	125,893	(839)	124,448	606	125,893
Statutory fees and fines		18	-	18	13	5	-
Grants - operating	34	11,828	5,704	6,124	5,704	6,124	12,039
Contributions - monetary	35	5,441	2,000	3,441	2,553	2,888	2,000
Contributions - non-monetary	36	8,043	15,000	(6,957)	15,000	(6,957)	15,000
Other income		2,331	2,331	-	2,331	-	2,117
<b>Total income</b>		<b>152,715</b>	<b>150,928</b>	<b>1,787</b>	<b>150,049</b>	<b>2,666</b>	<b>157,049</b>
<b>Expenses</b>							
Employee costs	37	1,078	520	(558)	770	(308)	796
Materials and services	38	763	514	(249)	718	(45)	514
Prior year capital expenditure unable to be capitalised (non-cash)	39	3,891	-	(3,891)	-	(3,891)	-
Bad and doubtful debts		28	-	(28)	-	(28)	-
Depreciation	40	31,241	30,816	(425)	30,816	(425)	29,816
Amortisation - intangible assets		77	-	(77)	-	(77)	-
Amortisation - right of use assets		562	-	(562)	-	(562)	-
Borrowing costs		3,041	3,058	17	3,058	17	3,414
Finance costs - leases		34	-	(34)	-	(34)	-
Fair value adjustments expense	41	383	-	(383)	-	(383)	-
Asset write offs	42	4,053	-	(4,053)	-	(4,053)	-
Other expenses	43	640	382	(258)	1,342	702	333
<b>Total expenses</b>		<b>45,791</b>	<b>35,290</b>	<b>(10,501)</b>	<b>36,704</b>	<b>(9,087)</b>	<b>34,873</b>
<b>Net surplus (deficit)</b>		<b>106,924</b>	<b>115,638</b>	<b>(8,714)</b>	<b>113,345</b>	<b>6,421</b>	<b>122,176</b>

#### BUSINESS UNITS

	Notes	FULL YEAR					ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
Income							
Governance		-	-	-	-	-	-
Corporate Accounting		147,274	148,928	(1,654)	147,496	(222)	155,049
Planning and Design		5,441	2,000	3,441	2,553	2,888	2,000
Total income		152,715	150,928	1,787	150,049	2,666	157,049
Expenses							
Governance		7	30	23	30	23	30
Corporate Accounting		45,767	35,250	(10,517)	36,657	(9,110)	34,833
Planning and Design		17	10	(7)	17	-	10
Total expenses		45,791	35,290	(10,501)	36,704	(9,087)	34,873
Net surplus (deficit)		106,924	115,638	(8,714)	113,345	6,421	122,176

Non-Directorate includes non-attributable items such as rates income, fire services levy payable on Council properties, developer's contributions, interest income, gifted assets, carrying amount of assets disposed/written off and finance costs. Non attributable COVID-19 pandemic costs are included here.

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Non-Directorate

#### Income

**Note 33 Rates and charges (\$839,000 unfavourable)** – Unfavourable variance due to Council's rate waiver package for ratepayers (pensioners and those on the new Jobseeker payment allowance) - (\$1.15 million).

This unfavourable variance is partly offset by higher than anticipated supplementary rates (favourable variance transferred to reserves) and Keysborough South maintenance levy income (levy is transferred to reserves) – (\$225,000).

**Note 34 Grants - operating (\$6.12 million favourable)** – The favourable variance is due to the early receipt of \$6.12 million (50%) of the 2020-21 Financial Assistance Grant funding allocation via the Victorian Grants Commission in May 2020 (Corporate Accounting).

**Note 35 Contributions – monetary (\$3.44 million favourable)** – Favourable variance due to:

- Recognition of DCP levy contribution as development has been completed (Keysborough South Residential Development \$2.58 million). These funds have been transferred to reserves to part fund the construction of Keysborough South Community Hub.
- Better than anticipated income from public open space contributions (\$866,000). The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves.

**Note 36 Contributions – non-monetary (\$6.96 million unfavourable)** – Lower than anticipated income from gifted assets, which is subject to the level of sub-division development activity. The nature of these receipts makes timing difficult to predict. This is a non-cash accounting entry.

#### Expenditure

**Note 37 Employee costs (\$558,000 unfavourable)** – Unfavourable variance due to year-end adjustments relating to a Capital Recovery Contribution amount to be paid to the MAV WorkCare Scheme Council's is a participant of the MAV WorkCare Scheme. With investments having not delivered the requisite returns, the position has prompted the need for additional contributions from members to help progressively rectify the financial shortfall (\$204,000). Council was also required to pay additional Fringe Benefits Tax (\$255,000) in relation to car parking benefits (currently awaiting the outcome of an ATO ruling sought).

**Note 38 Materials and services (\$249,000 unfavourable)** – Unfavourable variance mainly due to unexpected expenditure relating to COVID-19, namely protective medical equipment and supplies, additional cleaning services and software licences (Pandemic \$271,000).

**Note 39 Prior year capital expenditure unable to be capitalised (non-cash) (\$3.89 million unfavourable)** – This unfavourable variance is due to works in progress (prior year capital expenditure) that is not able to be capitalised to the asset register because it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets (Corporate Accounting \$3.89 million). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure includes asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Note 40 Depreciation (\$425,000 unfavourable)** – Unfavourable variance due to the finalisation of fixed asset capitalisations and revaluations for the 2019-20 financial year. This is a non-cash accounting entry (Corporate Accounting).

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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**Note 41 Fair value adjustments for investment property (\$383,000 unfavourable)** – Represents the adjustment to fair value of investment property assets in accordance with Australian Accounting Standards as these assets are not subject to depreciation. This is a non-cash accounting entry.

**Note 42 Asset write offs (\$4.05 million unfavourable)** – Unfavourable variance due to assets written off mostly due to asset renewal and replacement. This is a non-cash accounting entry.

**Note 43 Other expenses (\$258,000 unfavourable)** – Unfavourable variance due to unbudgeted material aid grant program in relation to COVID-19 (\$159,000) and Spring Valley Landfill provision adjustment which is a non-cash accounting entry (\$93,000).

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### CAPITAL WORKS PROGRAM

#### OPERATING RESULT

	Notes	FULL YEAR				FORECAST vs ACTUAL VARIANCE	ORIGINAL BUDGET
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000		
<b>Income</b>							
Grants - capital	44	1,435	3,843	(2,408)	4,498	(3,063)	2,794
Contributions - monetary	45	549	2,112	(1,563)	4,897	(4,348)	828
Other income		5	-	5	4	1	-
<b>Total income</b>		<b>1,989</b>	<b>5,955</b>	<b>(3,966)</b>	<b>9,399</b>	<b>(7,410)</b>	<b>3,622</b>
<b>Expenses</b>							
Employee costs	46	136	-	(136)	-	(136)	-
Materials and services	47	5,424	-	(5,424)	-	(5,424)	-
Other expenses	48	988	-	(988)	-	(988)	-
<b>Total expenses</b>		<b>6,548</b>	<b>-</b>	<b>(6,548)</b>	<b>-</b>	<b>(6,548)</b>	<b>-</b>
<b>Net surplus (deficit)</b>		<b>(4,559)</b>	<b>5,955</b>	<b>(10,514)</b>	<b>9,399</b>	<b>(13,958)</b>	<b>3,622</b>

#### Notes:

##### Income

**Note 44 Grants – capital (\$2.41 million unfavourable)** – Unfavourable variance due to capital grant income that has not been recognised in the Income Statement due to performance obligations not yet completed in accordance with the new Accounting Standard AASB 1058 'Income of Not-For-Profit Entities'. Mainly relates to Ross Reserve Playground, Plaza, Path and Oval (\$1.83 million), Thomas Carroll Pavilion (\$400,000), Ross Reserve Pavilion (\$300,000) and Police Paddocks Reserve Grandstand (\$200,000). Also contributing to the unfavourable variance is a delay in receipt of capital grant income (Black Spot Works Program \$146,000, Yarraman Oaks Primary Early Years Learning Facility \$33,000, Springvale Community Hub \$51,000).

This unfavourable variance is partly offset by additional grant funding for Municipal Wide LATM Post Audit (\$290,000), Local Road Rehabilitation Program – Implement Roads to Recovery (R2R) (\$91,000), Robert Booth Reserve Baseball Lighting (\$90,000) and Springvale Reserve Cricket Net Replacement (\$80,000).

**Note 45 Contributions - monetary (\$1.56 million unfavourable)** – Lower than anticipated monetary contributions relate mainly to delays in the following DCP projects for Chapel Road Upgrade and Traffic Lights (\$797,000), Lyndhurst B1 Bridge (\$398,000) and 785 Taylors Road (\$401,000). As a result, the DCP contribution income cannot be recognised yet.

##### Expenditure

**Note 46 Employee costs (\$136,000 unfavourable)** – Unfavourable variance mainly due to unbudgeted temporary/agency staff costs incurred in the Capital Improvement Program that cannot be capitalised to the asset register (\$132,000).

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**Financial Report for the period 1 July 2019 – 30 June 2020

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**Note 47 Materials and services (\$5.42 million unfavourable)** – Comprises expenditure in the CIP program that is not able to be capitalised to the asset register because it was not capital in nature or it did not meet the relevant capitalisation threshold. Some of the main projects contributing to this variance include Springvale Community Hub (\$1.43 million), Local Road Surface/Rehabilitation Program (\$565,000) and Footpath Renewal Program (\$280,000).

**Note 48 Other expenses (\$988,000 unfavourable)** – Represents Council's contributions to assets that are not Council controlled and therefore cannot be capitalised to the asset register, but were budgeted in the Capital program. Mainly relates to the Springvale Road traffic signals installation required as part of the Springvale Community Hub development which are not Council-owned assets (\$661,000).

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**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

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## Appendix 4

# Operating Initiatives

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

### Operating Initiatives

Operating initiative project	2019-20 Actuals \$	2019-20 Mid-Year Budget \$	Variance (Unfav) Fav \$	2019-20 Original Budget \$	Project update - 30 June 2020
<b>Community Services</b>					
Feasibility Study - New Library in Noble Park / Keysborough	34,250	50,000	15,750	50,000	The Library Feasibility study has been completed. The findings of the study will be presented to CBS on 7 September.
Feasibility Study - Dandenong Community Hub	48,200	50,000	1,800	50,000	Final draft report now delivered and scheduled to go to EMT and CBS in August/September 2020 for presentations.
	<b>82,450</b>	<b>100,000</b>	<b>17,550</b>	<b>100,000</b>	
<b>Business, Engineering and Major Projects</b>					
Public Lighting LED Upgrade Program	387,383	400,000	12,617	400,000	The upgrade program has been completed for 2019-20.
Building Disposal Program (Dandenong West Kindergarten)	90,147	60,000	(30,147)	60,000	Building disposed. Remedial works complete. Site ready for repurposing.
Building Disposal Program (Sandown Park Kindergarten)	70,387	60,000	(10,387)	60,000	Building disposed. Remedial works complete. Site ready for repurposing.
Building Disposal Program (Springvale Reserve Scoreboard Garage)	29,258	50,000	20,742	50,000	Building disposed. Remedial works complete. Site ready for repurposing.
Aboriginal Scar Tree - Stabilisation	5,857	15,000	9,143	15,000	Project completed.
Feasibility Study - Yarraman Railway Station shared path	25,900	50,000	24,100	50,000	Feasibility study completed. Favourable variance represents savings.
Sandown Enhanced Integrated Water Management Plan	39,325	30,000	(9,325)	30,000	The Plan has been completed with some further funding expected from South East Water.
	<b>648,258</b>	<b>665,000</b>	<b>16,742</b>	<b>665,000</b>	
<b>City Planning, Design and Amenity</b>					
Reconciliation of existing Master Plans - Greaves Reserve	17,000	20,000	3,000	20,000	Consultant has prepared a revised draft master plan that reconciles the events plan and existing masterplan.
	<b>17,000</b>	<b>20,000</b>	<b>3,000</b>	<b>20,000</b>	
<b>Corporate Services</b>					
Dandenong Night Market	87,000	87,000	0	87,000	The Dandenong Night Market was trialled over four successive Thursdays in January 2020. The Market proved to be a success with the community, despite having some inclement weather conditions on three of the four nights. Approval has been given by Council for the Market to run this initiative on a two-year basis and this night market (subject to any coronavirus concerns) will again operate in January 2021.
	<b>87,000</b>	<b>87,000</b>	<b>0</b>	<b>87,000</b>	
<b>TOTAL</b>	<b>834,708</b>	<b>872,000</b>	<b>37,292</b>	<b>872,000</b>	

#### 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

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##### Notes re Operating Initiative reporting:

The reporting on operating initiatives excludes the following:

- salary related initiatives
- operating initiatives that add to an existing budget (eg - 'Greening Our City' Tree Strategy)
- ongoing initiatives
- carry overs of prior year operating initiatives

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

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# **Appendix 5**

## **Capital and Operating Carry Over's from 2019-20 to 2020-21**

4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong**  
**APPENDIX 5(A) - OPERATING CARRY OVERS TO 2020-21**

NO.	DESCRIPTION [Sub Account]	SUB ACT'Y	FUNDING SOURCE		EXPEND-ITURE	NET TOTAL
			RESERVES	INCOME		
			\$	\$	\$	\$
<b>GRANT FUNDED PROJECTS AND PROGRAMS</b>						
<b>COMMUNITY SERVICES</b>						
<b>Community Arts, Culture and Libraries</b>						
A1	Libraries After Dark [1769]	3003	0	0	27,843	27,843
			0	0	27,843	27,843
<b>Community Care</b>						
A2	Social Procurement Forum [1814]	3336	0	(15,000)	8,927	(6,073)
			0	(15,000)	8,927	(6,073)
<b>Community Development, Sport and Recreation</b>						
A3	Community Activation Social Isolation [1885]	3503	0	0	33,860	33,860
			0	0	33,860	33,860
<b>Community Wellbeing</b>						
A4	Childrens Support Services - Essential Enrolment [2156]	2906	0	0	21,864	21,864
A5	Childrens Support Services - 3 Year Old Kindergarten Planning [2157]	2906	0	0	100,700	100,700
A6	Playgroups Initiative	2915	0	0	215,941	215,941
A7	Child First	2917	0	0	906,725	906,725
A8	Preschool Field Officer	2920	0	0	150,545	150,545
A9	Freeza	2926	0	0	13,269	13,269
A10	Market Street Occasional Child Care Centre - Community Support [1181]	2951	0	0	100,000	100,000
A11	Market Street Occasional Child Care Centre - Sustainability Support [1800]	2951	0	0	24,243	24,243
A12	Market Street Occasional Child Care Centre - Operational	2953	0	0	29,884	29,884
A13	Y-Space	2956	0	0	12,410	12,410
A14	Enhanced Maternal and Child Health Program	2958	0	0	815,673	815,673
A15	Best Start	2959	0	0	23,744	23,744
A16	Drug Strategy	2960	0	0	211,434	211,434
A17	Community Hub Early Years	2977	0	0	84,632	84,632
A18	Maternal and Child Health (Family Violence) [1509]	3401	0	0	15,568	15,568
A19	Maternal and Child Health (Graduate Placement) [1759]	3401	0	0	10,000	10,000
A20	Maternal and Child Health (Telehealth Workforce Support) [1887]	3401	0	0	20,000	20,000
A21	Maternal and Child Health (Cultural Safety Training Backfill) [1883]	3401	0	0	12,705	12,705
A22	Right @ Home	3404	0	0	204,264	204,264
A23	New Directions - Mothers and Babies	3406	0	0	297,400	297,400
A24	Refugee Immunisation Project	3490	0	0	84,571	84,571
			0	0	3,355,572	3,355,572
<b>TOTAL COMMUNITY SERVICES</b>			0	(15,000)	3,426,202	3,411,202

4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong**  
**APPENDIX 5(A) - OPERATING CARRY OVERS TO 2020-21**

NO.	DESCRIPTION [Sub Account]	SUB ACT'Y	FUNDING SOURCE		EXPEND-ITURE	NET TOTAL
			RESERVES	INCOME		
			\$	\$	\$	\$
<b>CITY PLANNING, DESIGN AND AMENITY</b>						
<b>Planning and Design</b>						
A25	Living Rivers [1513]	2645	0	(10,000)	15,836	5,836
			0	(10,000)	15,836	5,836
<b>Regulatory Services</b>						
A26	Anti-Graffiti Animation [1536]	3466	0	(15,870)	13,484	(2,386)
			0	(15,870)	13,484	(2,386)
<b>TOTAL CITY PLANNING, DESIGN AND AMENITY</b>			<b>0</b>	<b>(25,870)</b>	<b>29,320</b>	<b>3,450</b>
<b>BUSINESS, ENGINEERING &amp; MAJOR PROJECTS</b>						
<b>Activity Centres Revitalisation</b>						
A27	Indian Cultural Precinct	2251	0	0	273,075	273,075
			0	0	273,075	273,075
<b>Business Networks</b>						
A28	Community Revitalisation (including Career Education Association)	0902	0	0	136,920	136,920
			0	0	136,920	136,920
<b>Infrastructure Services</b>						
A29	Parks Services - Peri Urban Weed Management Project [2454]	2643	0	0	57,982	57,982
A30	Parks Services - Our Catchments Our Communities [2455]	2643	0	0	10,929	10,929
A31	Parks Services - Connecting to Country [1634]	2643	0	0	15,000	15,000
A32	Parks Services - Communities Environment Program [1816]	2643	0	0	129,593	129,593
			0	0	213,504	213,504
<b>TOTAL BUSINESS, ENG. &amp; MAJOR PROJECTS</b>			<b>0</b>	<b>0</b>	<b>623,499</b>	<b>623,499</b>
<b>Total grant programs</b>			<b>0</b>	<b>(40,870)</b>	<b>4,079,021</b>	<b>4,038,151</b>
<b>GRANTS BUDGETED IN 2020-21, BUT RECEIVED EARLY IN 2019-20</b>						
A33	Financial Assistance Grant allocation (50% of 2020-21 allocation)	1302	0	6,123,660	0	6,123,660
A34	Family Day Care	3419	0	63,000	0	63,000
<b>Total grant adjustment for early receipts</b>			<b>0</b>	<b>6,186,660</b>	<b>0</b>	<b>6,186,660</b>

4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong**  
**APPENDIX 5(A) - OPERATING CARRY OVERS TO 2020-21**

NO.	DESCRIPTION [Sub Account]	SUB ACT'Y	FUNDING SOURCE		EXPEND- ITURE \$	NET TOTAL \$
			RESERVES \$	INCOME \$		
OPERATING INITIATIVE/PROJECT ITEMS (FUNDED BY RESERVES/INCOME)						
A34	Building demolition/site reinstatement - 14 Stuart Street, Dandenong [2114]	1619	(15,145)	0	15,145	0
A35	Building demolition/site reinstatement - 77 Herbert Street, Dandenong [2116]	1619	(24,895)	0	24,895	0
A36	Building demolition/site reinstatement - 89 Douglas Street, Noble Park [2117]	1619	(49,114)	0	49,114	0
A37	Building demolition/site reinstatement - 275 Lonsdale Street, Dandenong [1629]	1619	(120,000)	0	120,000	0
A38	Building demolition/site reinstatement - 280 Lonsdale Street, Dandenong [1537] * funded by insurance recovery income 2019-20	1619	0	0	92,904	92,904
A39	Spring Valley Landfill - rehabilitation works [1059]	2209	(561,631)	(2,267,441)	2,819,292	(9,780)
A40	Spring Valley Landfill - adjacent temple works [1059]	3419	(77,287)	0	77,287	0
Total operating initiative/projects			(848,072)	(2,267,441)	3,198,637	83,124
OPERATING INITIATIVES - COUNCIL APPROVED OR REQUIRED						
Community Development, Sport and Recreation						
A41	Sports Planning - Leisure Facilities Review [1853]	2218	0	0	31,358	31,358
A42	Material Aid Grants - COVID-19 Pandemic [1797]	1307	0	0	160,829	160,829
A43	Feasibility - Reconciliation Plan [1632]	3503	0	0	30,000	30,000
A44	Homelessness/Anti-Social Behaviour Grant [1766]	2982	0	0	80,000	80,000
			0	0	302,187	302,187
Strategic Design and Sustainability Planning						
A45	JC Mills Reserve Master Plan - Oasis [1803]	2654	0	0	50,000	50,000
Total operating initiative/projects			0	0	352,187	352,187
GRAND TOTAL			(848,072)	3,878,349	7,629,845	10,660,122

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong**  
**APPENDIX 5(B) - CAPITAL CARRY OVERS TO 2020-21**

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$
			RESERVE \$	INCOME \$		
B1	275 Lonsdale Street, Dandenong - Vanity	1629	(90,000)	0	90,000	0
B2	Barry Powell Reserve Master Plan Implementation	1747	0	0	99,049	99,049
B3	Spring Valley Reserve Master Plan Implementation	1748	0	0	38,724	38,724
B4	Wal Turner Reserve Master Plan Implementation	1796	(223,591)	0	998,591	775,000
B5	Springvale Community Hub (formerly Springvale Community Precinct)	3043	0	(513,000)	1,721,060	1,208,060
B6	Public Place Recycling Bin Installation	3065	0	0	39,192	39,192
B7	Drainage program	3129	0	0	384,770	384,770
B8	Thomas Street Precinct Enhance (Afghan)	3141	0	0	17,511	17,511
B9	Douglas Street Streetscape Improvement	3192	0	0	880,680	880,680
B10	Thomas Carroll Pavilion	3219	0	(600,000)	2,457,975	1,857,975
B11	Local Road Upgrade and Reconstruction	3231	0	0	165,133	165,133
B12	DCP Keysborough South Industrial Buffer	3248	0	0	109,229	109,229
B13	Yarraman Oaks Primarily New Early Years Learning Facility <i>* Project finished in 2018-19 - final grant acquittal and grant payment outstanding at 30 June 2020</i>	3255	0	(32,500)	0	(32,500)
B14	Indigenous Public Art (Springvale Community Hub)	3272	0	0	61,000	61,000
B15	Springvale Road Boulevard	3490	(919,601)	0	4,069,601	3,150,000
B16	Harmony Square Entrance Protection	3518	0	0	30,000	30,000
B17	Keysborough South Community Hub	3548	(941,068)	0	1,044,513	103,445
B18	Dandenong Park Master Plan Implementation	3631	0	0	1,200,915	1,200,915
B19	Local Road Rehabilitation Program - Implement Roads to Recovery (R2R) <i>* R2R grant funding relates to project 3990 Chapel Road. Recorded as unearned income at 30 June 2020 as performance obligations are not complete.</i>	3752	0	(564,176)	0	(564,176)
B20	Dandenong Market Back of House - Coolroom	3792	0	0	140,876	140,876
B21	Tattersall Park Masterplan Implementation	3794	0	0	2,084,589	2,084,589
B22	Municipal Early Years Infrastructure Plan	3805	0	0	60,164	60,164
B23	Dandenong North Senior Citizen Centre Latham	3814	0	0	477,076	477,076
B24	Police Paddocks Reserve Concept Plan <i>* Carry over reallocation to Police Paddocks Reserve Grandstand (3941)</i>	3819 to 3941	0	0	61,860	61,860
B25	Activity Centre - Mason Street	3828	(267,359)	0	488,779	221,420
B26	Bakers Road, Dandenong North Alternative Crossing Point	3831	0	0	26,200	26,200
B27	Greaves Reserve Tennis Court Resurfacing	3837	0	0	95,276	95,276

4.2.4 June 2020 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong**  
**APPENDIX 5(B) - CAPITAL CARRY OVERS TO 2020-21**

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$
			RESERVE \$	INCOME \$		
B28	Frederick Watcher Reserve Master Plan Implementation	3849	0	0	800,626	800,626
B29	Parkfield Reserve Master Plan Implementation	3853	0	0	194,901	194,901
B30	Burden Park Reserve Master Plan Implementation	3854	(667,104)	0	767,104	100,000
B31	Building Renewal Program - Lift Refurbishment <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over (refer Attachment D notes).</i>	3878	0	0	28,375	28,375
B32	Ross Reserve Plaza / Playground / Oval / Path	3900	0	(3,050,000)	2,534,007	(515,993)
B33	Ross Reserve Access Road	3901	0	0	174,717	174,717
B34	Ross Reserve Pavilion <i>* \$300,000 grant funding received at 30 June 2020, recorded in unearned income as performance obligations are not complete.</i>	3902	0	(300,000)	0	(300,000)
B35	Greater Dandenong Gallery of Art	3906	(1,444,993)	0	4,944,993	3,500,000
B36	Oasis / Noble Park Aquatic Centre Design Development	3908	0	0	178,067	178,067
B37	Security Software (Priority 1&2) <i>* Carry over reallocation to Ross Reserve Pavilion (3902)</i>	3910 to 3902	0	0	45,000	45,000
B38	Asset Management System	3914	0	0	698,646	698,646
B39	Drum Theatre Ticketing System	3918	0	0	137,161	137,161
B40	Cheltenham Road / Chandler Road	3923	0	0	241,666	241,666
B41	Activity Centres Strategic Plan Implementation - Dandenong	3929	(443,393)	0	443,393	0
B42	Activity Centres Strategic Plan Implementation - Noble Park (Ian Street)	3930	0	0	50,000	50,000
B43	Activity Centres Strategic Plan Implementation - Noble Park (Douglas Street) <i>* Carry over reallocation to Douglas Street Noble Park - Streetscape Upgrade (3192)</i>	3930 to 3192	0	0	300,863	300,863
B44	Guardrail Upgrade Program	3931	0	0	122,081	122,081
B45	Sports Lighting Plan Implementation	3933	0	0	400,000	400,000
B46	Parking Sensor Implementation	3934	0	0	344,508	344,508
B47	Glendale Reserve Landscaping	3936	0	0	150,000	150,000
B48	Car Park Renewal Program <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over (refer Attachment D notes).</i>	3937	0	0	153,645	153,645

**4.2.4 June 2020 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2019 – 30 June 2020

**City of Greater Dandenong  
APPENDIX 5(B) - CAPITAL CARRY OVERS TO 2020-21**

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND- ITURE \$	NET TOTAL \$
			RESERVE \$	INCOME \$		
B49	Ross Reserve Comm Centre Car Park	3940	0	0	499,452	499,452
B50	Police Paddocks Reserve Grandstand	3941	0	(200,000)	373,000	173,000
B51	Black Spot Works Program	3942	0	(145,600)	210,676	65,076
B52	Keysborough South Community Hub - Dog Off Leash	3943	(62,938)	0	62,938	0
B53	DCP - 875 Taylors Road (LRO6b)	3989	0	(400,867)	396,932	(3,935)
B54	DCP - Chapel Road Upgrade and Traffic Light	3990	0	(747,083)	156,237	(590,846)
<b>Total capital carry overs (recommended)</b>			<b>(5,060,047)</b>	<b>(6,553,226)</b>	<b>31,251,751</b>	<b>19,638,478</b>