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#### 4.2.2 June 2021 Financial Report (interim results)

File Id:

Responsible Officer: Executive Manager Finance & Information  
Technology

Attachments: Financial Report – 1 July 2020 to 30 June 2021  
(interim results)

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### 1. Report Summary

The purpose of this report is to present to Council the June 2021 Financial Report. This report is designed to provide financial performance reporting against the Mid-Year Budget adopted by Council on 14 December 2020.

#### 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's Office (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* (as per the transitional provisions of the *Local Government Act 2020*). 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.

### 2. Recommendation Summary

This report recommends that:

1. **Approval be given to allocate part of the 2020-21 residual cash surplus as follows:**
  - 1.1. **\$2 million transferred to the Major Projects Reserve as a contingency for future COVID-19 impacts;**
  - 1.2. **\$1.05 million for Council required contributions for successful grant funding in relation to the following 2021-22 capital works projects:**
    - 1.2.1 **Ross Reserve Synthetic Soccer Pitch \$616,000;**
    - 1.2.2 **Tatterson Park Oval 1 Lighting \$313,652; and**

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

**1.2.3 Police Paddocks (Softball) – Batting Cage \$123,750; and**

- 2. the financial report for the year ended 30 June 2021 be noted by Council including the proposed capital and operating carry forwards from the 2020-21 financial year listed in (Appendix 5) of the financial report will form the basis of an 2021-22 Amended Budget for management reporting purposes.**

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#### **4.2.2 June 2021 Financial Report (interim results) (Cont.)**

### **3. Background**

The attached financial report is designed to inform Councillors of the results of Council operations for the year ended 30 June 2021 including financial performance against the Mid-Year Budget adopted by Council on 14 December 2020.

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 2020-21 to 2021-22

#### **3.1 Management Accounting Summary as at 30 June 2021**

Whilst the financial statements are prepared in accordance with Australian Accounting Standards and present an 'accounting result' for the 2020-21 financial year, they contain several fixed asset accounting items such as depreciation on assets, gifted assets and the written down (book) value of assets sold. These items do not impact on the cash result of Council. 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 2021 which removes non-cash items and adds back cash items.

4.2.2 June 2021 Financial Report (interim results) (Cont.)

Description	FULL	ANNUAL	VARIANCE	FULL	VARIANCE
	YEAR	MID YEAR		YEAR	
	ACTUAL	BUDGET	Fav(unfav)	FORECAST	Fav(unfav)
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Income Statement</b>					
Income	226,525	236,013	(9,488)	235,736	(277)
Expenditure	210,145	213,023	2,878	212,039	984
<b>Net surplus - ongoing operations</b>	<b>16,380</b>	<b>22,990</b>	<b>(6,610)</b>	<b>23,697</b>	<b>707</b>
<b>Management Accounting reconciliation</b>					
<i>Add back (less) non cash items</i>					
Depreciation	32,488	32,308	180	32,308	-
Amortisation - right of use assets	597	581	16	581	-
Amortisation - intangible assets	97	60	37	60	-
Impairment loss/(reversal)	89	-	89	-	-
Narre Warren landfill debtor adjustment	11	-	11	-	-
Spring Valley landfill provision adjustment	50	-	50	-	-
Fair value adjustments - investment property	954	-	954	-	-
Contributions non-monetary assets	(4,634)	(15,000)	10,366	(15,000)	-
Assets written off	1,992	-	1,992	-	-
Prior year capital expenditure unable to be capitalised	3,708	-	3,708	-	-
Written down value of assets sold/disposed	1,128	309	819	1,237	(928)
<b>Sub total</b>	<b>36,480</b>	<b>18,258</b>	<b>18,222</b>	<b>19,186</b>	<b>(928)</b>
<b>Net operating surplus</b>	<b>52,860</b>	<b>41,248</b>	<b>11,612</b>	<b>42,883</b>	<b>1,635</b>
<i>Add/less non operating cash items</i>					
Capital expenditure	47,093	81,831	34,738	82,984	(1,153)
Net transfers to (from) reserves	(2,122)	(13,240)	(11,118)	(13,809)	569
Repayment of borrowings	3,255	3,255	-	3,255	-
Repayment of lease liabilities	601	571	(30)	571	-
<b>Sub total</b>	<b>48,827</b>	<b>72,417</b>	<b>23,590</b>	<b>73,001</b>	<b>(584)</b>
<b>Cash surplus (deficit)</b>	<b>4,033</b>	<b>(31,169)</b>	<b>35,202</b>	<b>(30,118)</b>	<b>1,051</b>
Accumulated surplus brought forward	31,169	31,169	-	31,169	-
Capital project carry overs (net)	(16,408)	-	(16,408)	-	-
Operating carry overs (net)	(7,511)	-	(7,511)	-	-
Financial Assistance Grants funding distributed in advance	(6,350)	-	(6,350)	-	-
<b>Surplus (deficit) position</b>	<b>4,933</b>	<b>-</b>	<b>4,933</b>	<b>1,051</b>	<b>1,051</b>

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)

### **3.2 Results of the year ended 30 June 2021**

The overall management accounting result for the period ended 30 June 2021 shows a positive financial outcome for Council with an accumulated cash surplus result of \$4.93 million after consideration of expenditure budgeted in 2020-21 which was unspent but required to be carried forward to the 2021-22 financial year. A full list of operating and capital carry overs is included in **Appendix 5** of this financial report.

Whilst the outcomes to 30 June 2021 are positive in that Council has managed to achieve better actual COVID-19 outcomes than initially forecast in the 2020-21 Annual Mid-Year Budget, Council should be very mindful that only represents part of the picture.

In preparing the 2020-21 Annual Budget, Council set aside contingent funding of \$5.2 million by reducing its capital spending on capital projects. Given the outcomes of Stage 4 lockdown, the impacts on Council's budget were further reviewed as part of the 2020-21 Mid-Year Budget process resulting in a further \$4.4 million in capital project deferrals and savings to fund a first-time forecast cash deficit for the City of Greater Dandenong.

The favourable cash result of \$4.93 million includes the following offsetting variations:

	<b>Variance to 2020-21 Mid-Year Budget \$'000</b>
<b><i>Favourable:</i></b>	
Net savings in salaries and on-costs offset by salaries relating to carry over of unspent grant funding in Community Services <i>(excludes Community Care, Drum Theatre and Civic Facilities which are itemised below)</i>	1,781
Savings in FBT and training costs	1,092
Leisure Centres	619
Savings in utilities (mainly electricity and water)	499
Parking fines and recoveries (net of costs)	459
Interest on rates	419
Civic Facilities venue hire net of cost savings	377
Community Care net result (net of transfer to reserves)	356
COVID-19 contingency fund not used	347

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

Festivals and Events (excluding employee costs and utilities)	164
	<b>6,113</b>
<b><i>Unfavourable:</i></b>	
Interest on investments	(236)
Car Park permit and machine income (including Carroll Lane lease)	(191)
Building Services income	(186)
Regulatory Services fee and fine income	(129)
Sports clubs and Dandenong Basketball rental income	(159)
Drum Theatre net of cost savings	(114)
Health fee and fine income	(83)
	<b>(1,098)</b>
<b><i>Net favourable variance explained</i></b>	<b>5,015</b>

**3.3. COVID-19 pandemic**

In the following tables (Table 1 and 2), the actual variances to the 2020-21 Mid-Year Budget, taking into account the COVID-19 adjustments included in the Original and Mid-Year Budget have been combined to determine the actual COVID-19 impacts in 2020-21. Note - the impact of COVID-19 on Council's financials in 2019-20 amounted to \$6.80 million.

Council implemented a number of programs, rate and rental waivers to ease the burden of COVID-19 on the Dandenong Market, residents, businesses and community groups in the municipality. As per Table 1 below, budget adjustments of \$3.13 million were included in 2020-21, with a minor unfavourable variance to Mid-Year Budget of \$27,000 bringing the total cost of these programs to \$3.16 million in 2020-21.

4.2.2 June 2021 Financial Report (interim results) (Cont.)

Table 1 - Council COVID-19 support	2020-21 Mid Year Budget Var (unfav) fav \$'000	2020-21 Total COVID Adjustments (unfav) fav \$'000	2020-21 Actual COVID impact (unfav) fav \$'000
<b>Council COVID support</b>			
Dandenong Market rental income	0	(1,447)	(1,447)
Commercial rent income	33	(385)	(352)
COVID-19 Business Grants Program	(8)	(590)	(598)
COVID-19 Material Aid Program	77	(321)	(244)
COVID-19 Rate waivers (pensioners/jobseeker)	31	(150)	(119)
Sports clubs/Dandenong Basketball rental income	(159)	(242)	(401)
<b>Sub-total Council COVID-19 support</b>	<b>(27)</b>	<b>(3,134)</b>	<b>(3,161)</b>

Council was also impacted in a number of other areas due to reduced economic and development activity, required venue closures during COVID-19 lockdowns and low interest rates.

As shown in Table 2, Council anticipated \$7.85 million of unfavourable impacts and factored them in to the 2020-21 Original and/or Mid-Year Budget. At 30 June 2021, the variance to Mid-Year Budget on several of these items was better than expected, including Community Care net cost and net of transfer to reserves, due to better than anticipated grant income (\$768,000 was transferred to reserves) combined with expenditure savings in salaries and service delivery costs (\$356,000), leisure centre contract management costs (\$619,000), parking fines and recoveries (net of cost savings) (\$459,000), interest on rates (\$419,000) and Civic Facilities venue hire (net of cost savings) (\$377,000). This reduced the overall impact of COVID-19 on these areas to \$6.33 million.

Table 2 - COVID-19 impacts	2020-21 Mid Year Budget Var (unfav) fav \$'000	2020-21 Total COVID Adjustments (unfav) fav \$'000	2020-21 Actual COVID impact (unfav) fav \$'000
<b>COVID impacts</b>			
Parking fines and recoveries (net of cost savings)	459	(1,597)	(1,138)
Parking ticket meter income	117	(1,405)	(1,288)
Interest on investments	(236)	(1,267)	(1,503)
Community Care (net cost and net of reserve transfer)	356	(486)	(129)
Leisure Centres	619	(761)	(142)
Car park permit and machine income (including Carroll lane)	(191)	(432)	(624)
Civic Facilities venue hire (net of cost savings)	377	(520)	(144)
Drum Theatre (net of cost savings)	(114)	(428)	(542)
Interest on rates	419	(225)	194
Planning application fee income	43	(169)	(126)
Regulatory Services fee and fine income	(129)	(128)	(256)
Civil Development and Design statutory fee income	70	(203)	(134)
Health fee and fine income	(83)	(168)	(251)
Building Services income	(186)	(59)	(245)
<b>Sub-total COVID-19 impacts</b>	<b>1,520</b>	<b>(7,848)</b>	<b>(6,328)</b>
<b>Total of Table 1 &amp; Table 2 - COVID-19 support &amp; impacts</b>	<b>1,493</b>	<b>(10,982)</b>	<b>(9,489)</b>

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#### **4.2.2 June 2021 Financial Report (interim results) (Cont.)**

Overall, the total unfavourable COVID-19 impacts of \$9.49 million above have been offset by savings in the following areas:

- Employee costs savings not related to the items included in the table above and net of carry overs (\$2.87 million) – discussed in detail on page 2 of this report.
- Savings in utilities, particularly reduced water costs due to above average rainfall (\$324,000) and lower electricity (\$176,000) due partly to COVID-19 lockdowns.
- Cancellation of events – a favourable variance to Mid-Year Budget of \$164,000 combined with adjusted savings in the budget of \$158,000 due to estimated COVID-19 impacts, resulted in an overall savings in the Festivals and Events area (excluding salaries and utility costs) of \$322,000.

#### **3.4 Mid-Year Budget cash surplus allocation**

Whilst the 2021-22 Annual Budget is largely based on a return to some degree of economic normality, there are several areas of Council's revenue that continue to be impacted by the outcomes of the pandemic. One of the most significant is car parking revenue and fine income which were set at well below pre-COVID-19 levels with the adverse impact estimated at \$2.3 million, resulting in a lower than forecast operational cash outcome for 2021-22. To fund this the 2021-22 Budget included a drop in capital works funded from Council's operations of around \$2.3 million.

Council's budget assumptions are difficult to predict in the current COVID-19 environment. Given that Victoria is in its second snap lockdown since 1 July, it is likely that the current lockdown will continue until national vaccine targets are met, putting further uncertainty around the impacts on Council's budget as it enters the recovery phase.

Whilst the surplus for Council to consider through the Mid-Year Budget process is significant, there are a number of items that Council will need to take into account prior to the Mid-Year Budget allocations. They are:

1. Council has been successful in several capital grants namely for Ross Reserve Synthetic Soccer Pitch (\$1.75 million), Tatterson Park Oval 1 Lighting (\$250,000) and Police Paddocks (softball) – Battling Cage (\$124,000). Based on the total project cost submitted, Council's contribution as a condition of the grant funding agreement is \$1.053 million combined for these projects. It is recommended that Council allocate part of the residual surplus to these projects.
2. It would be prudent of Council to reserve a significant portion of the residual surplus in the Major Projects Reserve as an unallocated COVID-19 contingency amount. The duration and financial impact of the current lockdown is unknown, and a review will be undertaken in the coming months leading into the Mid Year Budget Review.
3. There will likely be further budget variations that will occur in the period to 1 December 2021 which may be either positive or negative in terms of impacting on the amount for consideration. A full listing of these variances will be tabled as part of the 2021-22 Mid-Year Budget Review process.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)

### **3.5 2020-21 Result (net surplus – ongoing operations)**

The surplus at 30 June 2021 is unfavourable to budget by \$6.61 million. Some of the larger variances relate to fixed asset transactions which are difficult to predict and therefore, in some cases are not included in the budget\* (total \$18.25 million unfavourable):

- Contributions – non-monetary (\$10.37 million).
- \*Prior year capital expenditure unable to be capitalised (\$3.71 million).
- \*Asset write offs (\$1.99 million).
- \*Net gain/loss on disposal of property, infrastructure, plant and equipment (\$1.01 million).
- \*Fair value adjustments expense for investment property assets (\$954,000).
- Depreciation and amortisation (\$218,000).

From an operating perspective, the unfavourable budget variance is due to several factors including:

- Grants – capital (\$7.41 million unfavourable) - grant income recognised where performance obligations were not yet satisfied at 30 June 2021. Council received a significant amount of capital grant funding during 2020-21, however, at 30 June 2021, most of this grant income received represents unearned income in the Balance Sheet at 30 June 2021. It will be recognised as income in future years as and when the performance obligations are progressively met (ie – as project expenditure occurs).
- User fees (\$804,000 unfavourable) – Mainly due to a reduction in the Family Day Care (FDC) administration levy fee income caused by COVID-19 impacts, which is offset by higher FDC grant subsidy income (Community Services \$411,000). In addition, lower fee income for building permits and health renewals are contributing to this unfavourable variance (City Planning, Design and Amenity \$317,000).
- Contributions – monetary (\$741,000 unfavourable) - lower than anticipated Development Contributions Plan (DCP) income recognised due mainly to a delay in the Abbotts Roads project (Capital Works Program \$1.25 million) offset by better than anticipated income from public open space contributions which are transferred to reserves (Non-Directorate \$506,000).

The following favourable variances softened the net deficit result:

- Operating grants (\$10.39 million) – Early receipt of \$6.35 million (50%) of the 2021-22 Financial Assistance Grant funding allocation via the Victorian Local Government Grants Commission in June 2021 (Corporate Accounting), combined with additional funding received for Family Day Care (offset by higher payments to educators, \$1.71 million), Home and Community Care (\$329,000) and Local Partnership grant funding (Pandemic \$350,000).
- Employee costs (\$6.99 million) – This significant favourable variance relates to salaries and salary related costs such as training and Fringe Benefits Tax (FBT) and is the result of several factors:
  - Savings across the organisation in training due to COVID-19 (\$628,000).
  - Savings in Fringe Benefits Tax (FBT) costs due to a successful ATO ruling (\$465,000).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)

- Lower than anticipated year end employee entitlement provision expenses (\$76,000).
- Lower salaries across the organisation largely impacted by COVID restrictions. Recruitment of vacant positions were delayed, lower casual, overtime and agency costs utilised.

COVID-19 impacted the delivery of a number of Council's programs during 2020-21 (such as the Social Support Group and National Respite for Carers Program in Home and Community Care, the Sleep and Settling Initiative in Maternal and Child Health and Libraries, The Drum Theatre and Civic Facilities during lockdown periods due to required closures). COVID-19 also contributed to a slowdown in economic and development activity which impacted areas such as Parking, Building, Planning and Civil Development. The favourable variances in salaries are broken down by directorate:

- o Community Services (\$4.07 million). Most of this variance relates to unspent grant funded programs to be carried forward to 2021-22 (\$3.40 million). The remaining variance is mainly attributable to savings in Libraries (\$269,000), Planned Activity Group (\$180,000) due to COVID-19 impacts and Maternal and Child Health due to a delay in recruitment (\$147,000).
- o City Planning Design and Amenity (\$992,000) mainly in Regulatory Services and Planning. These areas were impacted by the slowdown in economic and development activity. Given income was impacted in these areas, a responsible approach was adopted and several vacant positions were held over and recruitment was not commenced to offset the reduced activity.
- o Corporate Services (\$496,000). Mostly attributable to Civic Facilities which were impacted by COVID-19 required closures and a reduced requirement for overtime and casual staff, combined with savings in Call and Service Centres. Also contributing to this variance was a change in staff hours in Governance and lower casual staff and temporary agency staff costs in Records.
- o Non-Directorate (\$145,000) mostly due to lower than anticipated salaries in the Working For Victoria Fund grant program which is offset by lower grant income.
- Materials and services (\$2.43 million) – Engineering Services (\$3.64 million), Corporate Services (\$1.08 million), Community Services (\$691,000), Non-Directorate (\$681,000) Greater Dandenong Business (\$617,000), City Planning, Design and Amenity (\$554,000), partly offset by items in the Capital Works Program that could not be capitalised to the fixed asset register (\$4.87 million).
- Rates and charges (\$576,000) – Favourable variance due mainly to higher than anticipated income interest on rates (Corporate Accounting \$488,000).

#### **3.6 Capital expenditure**

Full year capital works gross expenditure achieved is \$47.09 million, which is \$34.74 million favourable against Mid-Year Budget. Capital project carry over's totalling \$16.41 million (net) are included in Appendix 5 – 'Capital and Operating Carry Over's from 2020-21 to 2021-22. The full year capital works expenditure also includes \$1.40 million of operating expenditure as it meets the asset recognition criteria.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)

### 4. Proposal

It is proposed that Council allocate part of the 2020-21 residual cash surplus to:

1. Fund Council's required contribution as a condition of new grant funding for three projects totalling \$1.053 million.
  - Ross Reserve Synthetic Soccer Pitch \$616,000
  - Tatterson Park Oval 1 Lighting \$313,652
  - Police Paddocks (Softball) - Batting Cage \$123,750
2. Transfer \$2.00 million to the Major Projects Reserve to continue to maintain an unallocated COVID-19 contingency amount until a financial impact assessment of the current lockdown is determined on Council's 2021-22 Annual Budget.

### 5. Financial Implications

Whilst Council's financial performance has been significantly impacted by COVID-19 as per the detail provided in Section 3.3 of this report, the actual impact was better than anticipated in the 2020-21 Mid-Year Budget.

Whilst the 2021-22 Annual Budget is largely based on a return to some degree of economic normality, some areas of Council's revenue are anticipated to continue to be impacted by the outcomes of the pandemic. Council's budget assumptions are particularly difficult to predict in the current COVID-19 environment. Given that Victoria is in its second snap lockdown since 1 July, it is likely that more snap lockdowns will continue until national vaccine targets are met, putting further uncertainty around the impacts on Council's budget as it enters the recovery phase.

It is therefore considered prudent to fund Council's required contribution as a condition of new grant funding (\$1.05 million) and transfer \$2.00 million to the Major Projects Reserve to maintain an unallocated COVID-19 contingency amount until the financial impacts of the current lockdown are known.

There are known adjustments of \$759,000 that have occurred since the 2021-22 Budget was adopted, which will further reduce the residual surplus available for the 2021-22 Mid-Year Budget to \$1.12 million which will be considered in conjunction with the unallocated contingency amount noted above.

### 6. Consultation

This is an internal financial report. No formal external consultation is required at this point under Council's Community Engagement Policy under the *Local Government Act 2020* and Council's Community Engagement Planning Framework.

This report will be presented to the Audit and Risk Committee and Council (the Council meeting will be open to the public).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)

### 7. Community Plan 'Imagine 2030' and Council Plan 2017-21 – 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*

### 8. Council Plan 2017-21

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*

### 9. The Overarching Governance Principles of the *Local Government Act 2020*

Section 9 of the *Local Government Act 2020* states that a Council must in the performance of its role give effect to the overarching governance principles.

This report has been prepared in accordance with these principles and provides transparency of Council's actions and financial resources over the past financial year. The quarterly budget report is required under section 97 of the new Act and indicates the impact on existing budgets and how prudently and efficiently funding and resources have been managed.

It highlights Council's priority in achieving the best outcomes for the municipal community, including future generations.

It also considers the supporting principles regarding financial management (section 101), public transparency (section 58), strategic planning (section 89) and service performance (section 106).

### 10. Victorian Charter of Human Rights and Responsibilities

Council, Councillors and members of Council staff are a public authority under the *Charter of Human Rights and Responsibilities Act 2006* and, as such, are all responsible to act in accordance with the *Victorian Charter of Human Rights and Responsibilities 2006* (the Charter).

The Victorian Charter of Human Rights and Responsibilities Act 2006 has been considered in relation to whether any human right under the Charter is restricted or interfered with in any way by this report. It is considered that this report is consistent with the rights outlined in the Charter.

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#### **4.2.2 June 2021 Financial Report (interim results) (Cont.)**

### **11. The Gender Equality Act 2020**

The *Gender Equality Act 2020* came into operation on 31 March 2021 and requires councils to take positive action towards achieving workplace gender equality and to promote gender equality in their policies, programs and services.

Council's Diversity, Access and Equity Policy and the *Gender Equality Act 2020* have been considered in the preparation of this report but are not relevant to its contents. The content/topic/issue (of this report) is purely administrative in nature and does not benefit any one gender group over any other.

### **12. Consideration of Climate Change and Sustainability**

One of the overarching governance principles of the *Local Government Act 2020* is that the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted.

In January 2020, this Council joined a growing number of cities around Australia and declared a "Climate and Ecological Emergency" and committed this Council to emergency action on climate change. Council has developed a Climate Change Emergency Strategy and Action Plan 2020-30 to help the City of Greater Dandenong become a resilient, net zero carbon emission city with an active community prepared for the challenges of changing climate.

Council's Declaration on a Climate and Ecological Emergency, Council's Climate Change Emergency Strategy 2020-2030 and the requirements of the *Local Government Act 2020* in relation to the overarching governance principle on climate change and sustainability have been considered in the preparation of this report. Most of the comments included in this report are high level, however, a small number of comments may include financial impacts of Council's mitigation and planning for climate change risks.

### **13. Related Council Policies, Strategies or Frameworks**

This report is in accordance with Council's policy of providing regular information and feedback to Council.

### **14. Conclusion**

The financial operation of Council is a significant business with Council overseeing budgeted operational expenditures of around \$196 million, combined with capital works and debt repayments of another \$50 million. Council actively manages the financial performance of Council over the course of the financial year, particularly in light of COVID-19 during 2020-21. It is pleasing on these significant dollar amounts and the negative impacts of COVID-19, that Council has delivered a favourable surplus result compared to the budget.

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

**15. Recommendation**

**That:**

- 1. approval be given to allocate part of the 2020-21 residual cash surplus as follows:**
  - 1.1. \$2.00 million transferred to the Major Projects Reserve as a contingency for future COVID-19 impacts;**
  - 1.2. \$1.05 million for Council required contributions for successful grant funding in relation to the following 2021-22 capital works projects:**
    - 1.2.1. Ross Reserve Synthetic Soccer Pitch \$616,000;**
    - 1.2.2. Tatterson Park Oval 1 Lighting \$313,652;**
    - 1.2.3. Police Paddocks (Softball) – Batting Cage \$123,750; and**
- 2. the financial report for the year ended 30 June 2021 be noted by Council including the proposed capital and operating carry forwards from the 2020-21 financial year listed in (Appendix 5) of the financial report will form the basis of an 2021-22 Amended Budget for management reporting purposes.**

**MINUTE 260**

Moved by: Cr Rhonda Garad  
Seconded by: Cr Richard Lim

**That:**

- 1. approval be given to allocate part of the 2020-21 residual cash surplus as follows:**
  - 1.1. \$2.00 million transferred to the Major Projects Reserve as a contingency for future COVID-19 impacts;**
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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

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**CARRIED**

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

**FINANCE AND BUDGET**

**JUNE 2021 FINANCIAL REPORT (INTERIM RESULTS)**

**ATTACHMENT 1**

**FINANCIAL REPORT – 1 JULY 2020 – 30  
JUNE 2021 (INTERIM RESULTS)**

**PAGES 68 (including cover)**

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

4.2.2 June 2021 Financial Report (interim results) (Cont.)



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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

## **Contents**

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### **Financial Report**

CGD – Operating Result (Income Statement)  
Balance Sheet  
Cash Flow Statement  
Capital Expenditure Statement

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### **Notes to the Financial Statements**

Accounting policies  
Operating income  
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**Appendix 1**

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**Appendix 4**

### **Capital and Operating Carry Overs from 2020-21 to 2021-22**

**Appendix 5**

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

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4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**CGD – Operating Result**

For the period 1 July 2020 - 30 June 2021

Note	FULL YEAR					
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>	<b>B1</b>					
Rates and charges	152,326	151,750	576	151,880	446	152,325
Statutory fees and fines	7,131	7,140	(9)	6,591	540	8,426
User fees	5,698	6,502	(804)	5,648	50	8,068
Grants - operating	40,056	29,662	10,394	32,084	7,972	29,875
Grants - capital	6,466	13,879	(7,413)	14,488	(8,022)	3,244
Contributions - monetary	3,317	4,058	(741)	4,059	(742)	2,910
Contributions - non-monetary	4,634	15,000	(10,366)	15,000	(10,366)	15,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	368	1,377	(1,009)	290	78	377
Other income	6,529	6,645	(116)	5,696	833	6,000
<b>Total income</b>	<b>226,525</b>	<b>236,013</b>	<b>(9,488)</b>	<b>235,736</b>	<b>(9,211)</b>	<b>226,225</b>
<b>Expenses</b>	<b>B2</b>					
Employee costs	83,547	90,541	6,994	90,105	6,558	84,402
Materials and services	75,483	77,914	2,431	77,474	1,991	70,493
Prior year capital expenditure unable to be capitalised (non-cash)	3,708	-	(3,708)	-	(3,708)	-
Bad and doubtful debts	1,134	1,363	229	1,365	231	1,363
Depreciation	32,488	32,308	(180)	32,308	(180)	31,433
Amortisation - intangible assets	97	60	(37)	60	(37)	-
Amortisation - right of use assets	597	581	(16)	581	(16)	-
Borrowing costs	2,924	2,924	-	2,924	-	3,051
Finance costs - leases	23	21	(2)	21	(2)	-
Fair value adjustments expense	954	-	(954)	-	(954)	-
Asset write offs	1,992	-	(1,992)	-	(1,992)	-
Other expenses	7,198	7,311	113	7,201	3	5,725
<b>Total expenses</b>	<b>210,145</b>	<b>213,023</b>	<b>2,878</b>	<b>212,039</b>	<b>1,894</b>	<b>196,467</b>
<b>Net surplus (deficit)</b>	<b>16,380</b>	<b>22,990</b>	<b>(6,610)</b>	<b>23,697</b>	<b>(7,317)</b>	<b>29,758</b>

**Overview**

The surplus at 30 June 2021 is unfavourable to budget by \$6.61 million. Some of the larger variances relate to fixed asset transactions which are difficult to predict and therefore, in some cases are not included in the budget\* (total \$18.25 million unfavourable):

- Contributions – non-monetary (\$10.37 million).
- \*Prior year capital expenditure unable to be capitalised (\$3.71 million).
- \*Asset write offs (\$1.99 million).
- \*Net gain/loss on disposal of property, infrastructure, plant and equipment (\$1.01 million).
- \*Fair value adjustments expense for investment property assets (\$954,000).
- Depreciation and amortisation (\$218,000).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

From an operating perspective, the unfavourable budget variance is due to several factors including:

- Grants – capital (\$7.41 million unfavourable) - grant income recognised where performance obligations were not yet satisfied at 30 June 2021. Council received a significant amount of capital grant funding during 2020-21, however, at 30 June 2021, most of this grant income received represents unearned income in the Balance Sheet at 30 June 2021. It will be recognised as income in future years as and when the performance obligations are progressively met (ie – as project expenditure occurs).
- User fees (\$804,000 unfavourable) – Community Services – mainly Family Day Care (\$411,000) and City Planning, Design and Amenity – mainly building, planning and parking permits and health renewals (\$317,000).
- Contributions – monetary (\$741,000 unfavourable) - lower than anticipated Development Contributions Plan (DCP) income recognised due mainly to a delay in the Abbotts Roads project (Capital Works Program \$1.25 million) offset by better than anticipated income from public open space contributions which are transferred to reserves (Non-Directorate \$506,000).
- Other income (\$116,000 unfavourable) – Community Services (\$213,000) and City Planning, Design and Amenity (\$75,000) partly offset by Non-Directorate (\$265,000) and Engineering Services (\$121,000).

The following favourable variances softened the net deficit result:

- Operating grants (\$10.39 million) – due to 50% of the 2021-22 Financial Assistance Grant allocation being paid in advance in June 2021 (Non-Directorate \$6.70 million) and additional funding received (Community Services \$2.64 million).
- Employee costs (\$6.99 million) – This significant favourable variance relates to salaries and salary related costs such as training and Fringe Benefits Tax (FBT) and is the result of several factors:
  - ~ Savings across the organisation in training due to COVID-19 (\$628,000).
  - ~ Savings in Fringe Benefits Tax (FBT) costs due to a successful ATO ruling (\$465,000).
  - ~ Lower than anticipated year end employee entitlement provision expenses (\$76,000).
  - ~ Lower salaries across the organisation largely impacted by COVID restrictions. Recruitment of vacant positions were delayed, lower casual, overtime and agency costs utilised.COVID-19 impacted the delivery of a number of Council's programs during 2020-21 (such as the Social Support Group and National Respite for Carers Program in Home and Community Care, the Sleep and Settling Initiative in Maternal and Child Health and Libraries, The Drum Theatre and Civic Facilities during lockdown periods due to required closures). COVID-19 also contributed to a slowdown in economic and development activity which impacted areas such as Parking, Building, Planning and Civil Development. The favourable variances in salaries are broken down by directorate:
  - o Community Services (\$4.07 million). Most of this variance relates to unspent grant funded programs to be carried forward to 2021-22 (\$3.40 million). The remaining variance is mainly attributable to savings in Libraries (\$269,000), Planned Activity Group (\$180,000) due to COVID-19 impacts and Maternal and Child Health due to a delay in recruitment (\$147,000).
  - o City Planning Design and Amenity (\$992,000) mainly in Regulatory Services and Planning. These areas were impacted by the slowdown in economic and development activity. Given income was impacted in these areas, a responsible approach was adopted and several vacant positions were held over and recruitment was not commenced to offset the reduced activity.

#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

- Corporate Services (\$496,000). Mostly attributable to Civic Facilities which were impacted by COVID-19 required closures and a reduced requirement for overtime and casual staff, combined with savings in Call and Service Centres. Also contributing to this variance was a change in staff hours in Governance and lower casual staff and temporary agency staff costs in Records.
- Non-Directorate (\$145,000) mostly due to lower than anticipated salaries in the Working For Victoria Fund grant program which is offset by lower grant income.
- Materials and services (\$2.43 million) – Engineering Services (\$3.64 million), Corporate Services (\$1.08 million), Community Services (\$691,000), Non-Directorate (\$681,000) Greater Dandenong Business (\$617,000), City Planning, Design and Amenity (\$554,000), partly offset by items in the Capital Works Program that could not be capitalised to the fixed asset register (\$4.87 million).
- Rates and charges (\$576,000) – mostly higher than anticipated interest on rates (Non-Directorate \$519,000).

#### COVID-19 and 2020-21 impacts

Council's 2020-21 finances have been significantly impacted by COVID-19. In its original 2020-21 Budget, Council allocated \$4.6 million across various areas relating to adverse impacts, with a residual contingency remaining of approximately \$600,000.

A detailed review of additional COVID-19 impacts, and assumptions was performed during the Mid-Year Budget Review. This review found COVID-19 stage four restrictions had a significant adverse impact on Council, estimated at a further \$5.57 million. These COVID-19 items combined with other known adjustments since adoption of the 2020-21 Budget were reflected in the Mid-Year Budget Review. To balance the 2020-21 Budget, further capital project deferrals of \$4.40 million were included.

In the following tables (Table 1 and 2), the actual variances to the 2020-21 Mid-Year Budget, taking into account the COVID-19 adjustments included in the Original and Mid-Year Budget have been combined to determine the actual COVID-19 impacts in 2020-21. Note - the impact of COVID-19 on Council's financials in 2019-20 amounted to \$6.80 million.

Council implemented a number of programs, rate and rental waivers to ease the burden of COVID-19 on the Dandenong Market, residents, businesses and community groups in the municipality. As per Table 1 below, budget adjustments of \$3.13 million were included in 2020-21, with a minor unfavourable variance to Mid-Year Budget of \$27,000 bringing the total cost of these programs to \$3.16 million in 2020-21.

Table 1 - Council COVID-19 support	2020-21 Mid Year Budget Var (unfav) fav \$'000	2020-21 Total COVID Adjustments (unfav) fav \$'000	2020-21 Actual COVID impact (unfav) fav \$'000
Dandenong Market rental income	0	(1,447)	(1,447)
Commercial rent income	33	(385)	(352)
COVID-19 Business Grants Program	(8)	(590)	(598)
COVID-19 Material Aid Program	77	(321)	(244)
COVID-19 Rate waivers (pensioners/jobseeker)	31	(150)	(119)
Sports clubs/Dandenong Basketball rental income	(159)	(242)	(401)
<b>Sub-total Council COVID-19 support</b>	<b>(27)</b>	<b>(3,134)</b>	<b>(3,161)</b>

**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

Council was also impacted in a number of other areas due to reduced economic and development activity, required venue closures during COVID-19 lockdowns and low interest rates.

As shown in Table 2, Council anticipated \$7.85 million of unfavourable impacts and factored them in to the 2020-21 Original and/or Mid-Year Budget. At 30 June 2021, the variance to Mid-Year Budget on several of these items was better than expected, including Community Care net cost and net of transfer to reserves, due to better than anticipated grant income (\$768,000 was transferred to reserves) combined with expenditure savings in salaries and service delivery costs (\$356,000), leisure centre contract management costs (\$619,000), parking fines and recoveries (net of cost savings) (\$459,000), interest on rates (\$419,000) and Civic Facilities venue hire (net of cost savings) (\$377,000). This reduced the overall impact of COVID-19 on these areas to \$6.33 million.

<b>Table 2 - COVID-19 impacts</b>	<b>2020-21 Mid Year Budget Var (unfav) fav \$'000</b>	<b>2020-21 Total COVID Adjustments (unfav) fav \$'000</b>	<b>2020-21 Actual COVID impact (unfav) fav \$'000</b>
Parking fines and recoveries (net of cost savings)	459	(1,597)	(1,138)
Parking ticket meter income	117	(1,405)	(1,288)
Interest on investments	(236)	(1,267)	(1,503)
Community Care (net cost and net of reserve transfer)	356	(486)	(129)
Leisure Centres	619	(761)	(142)
Car park permit and machine income (including Carroll lane)	(191)	(432)	(624)
Civic Facilities venue hire (net of cost savings)	377	(520)	(144)
Drum Theatre (net of cost savings)	(114)	(428)	(542)
Interest on rates	419	(225)	194
Planning application fee income	43	(169)	(126)
Regulatory Services fee and fine income	(129)	(128)	(256)
Civil Development and Design statutory fee income	70	(203)	(134)
Health fee and fine income	(83)	(168)	(251)
Building Services income	(186)	(59)	(245)
<b>Sub-total COVID-19 impacts</b>	<b>1,520</b>	<b>(7,848)</b>	<b>(6,328)</b>
<b>Total of Table 1 &amp; Table 2 - COVID-19 support &amp; impacts</b>	<b>1,493</b>	<b>(10,982)</b>	<b>(9,489)</b>

Overall, the total unfavourable COVID-19 impacts of \$9.49 million above have been offset by savings in the following areas:

- Employee costs savings not related to the items included in the table above and net of carry overs (\$2.87 million) – discussed in detail on page 2 of this report.
- Savings in utilities, particularly reduced water costs due to above average rainfall (\$324,000) and lower electricity (\$176,000) due partly to COVID-19 lockdowns.
- Cancellation of events – a favourable variance to Mid-Year Budget of \$164,000 combined with adjusted savings in the budget of \$158,000 due to estimated COVID-19 impacts, resulted in an overall savings in the Festivals and Events area (excluding salaries and utility costs) of \$322,000.

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Balance Sheet**

As at 30 June 2021

	Note	2020-21 ACTUAL 30 Jun 2021 \$'000	2019-20 ACTUAL 30 Jun 2020 \$'000	2020-21 MID YEAR BUDGET \$'000	2020-21 ORIGINAL BUDGET \$'000
<b>ASSETS</b>					
<b>Current assets</b>					
	<b>C1</b>				
Cash and cash equivalents		177,428	154,563	116,858	108,170
Financial assets		-	2,000	-	-
Trade and other receivables		26,530	24,974	25,876	24,120
Other assets		4,894	4,537	2,815	2,756
Non-current assets classified as held for sale		-	1,000	-	-
<b>Total current assets</b>		<b>208,852</b>	<b>187,074</b>	<b>145,549</b>	<b>135,046</b>
<b>Non-current assets</b>					
	<b>C2</b>				
Property, infrastructure, plant and equipment		2,446,778	2,190,972	2,256,186	2,244,581
Investment property		10,860	11,814	11,814	12,827
Right-of-use assets		563	998	988	-
Intangible assets		202	124	64	-
Other financial assets		-	-	-	230
Trade and other receivables		295	305	305	325
<b>Total non-current assets</b>		<b>2,458,698</b>	<b>2,204,213</b>	<b>2,269,357</b>	<b>2,257,963</b>
<b>Total assets</b>		<b>2,667,550</b>	<b>2,391,287</b>	<b>2,414,906</b>	<b>2,393,009</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
	<b>C3</b>				
Trade and other payables		19,019	18,800	22,684	20,670
Trust funds and deposits		4,427	8,425	8,425	39,069
Unearned income		60,293	40,340	40,340	-
Provisions		22,366	19,659	19,659	17,418
Interest-bearing liabilities		3,372	3,255	3,372	3,270
Lease liabilities		415	571	571	-
<b>Total current liabilities</b>		<b>109,892</b>	<b>91,050</b>	<b>95,051</b>	<b>80,427</b>
<b>Non-current liabilities</b>					
	<b>C4</b>				
Provisions		1,424	1,110	1,110	1,555
Trust funds and deposits		2,035	311	311	900
Interest-bearing liabilities		53,264	56,636	53,264	53,495
Lease liabilities		160	442	442	-
<b>Total non-current liabilities</b>		<b>56,883</b>	<b>58,499</b>	<b>55,127</b>	<b>55,950</b>
<b>Total liabilities</b>		<b>166,775</b>	<b>149,549</b>	<b>150,178</b>	<b>136,377</b>
<b>NET ASSETS</b>	<b>C5</b>	<b>2,500,775</b>	<b>2,241,738</b>	<b>2,264,728</b>	<b>2,256,632</b>
<b>EQUITY</b>					
Accumulated surplus		923,957	904,579	940,808	955,453
Asset revaluation reserve		1,511,604	1,269,823	1,269,824	1,241,807
Reserves		65,214	67,336	54,096	59,372
<b>TOTAL EQUITY</b>		<b>2,500,775</b>	<b>2,241,738</b>	<b>2,264,728</b>	<b>2,256,632</b>

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

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Cash Flow Statement as at 30 June 2021**

	2020-21 ACTUAL 30 Jun 2021 Inflows/ (Outflows) \$'000	2020-21 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2020-21 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
<b>Cash inflows</b>			
Rates and charges	150,700	151,750	151,986
Statutory fees and fines	5,741	4,875	6,587
User fees	4,415	7,152	8,710
Grants - operating	41,676	32,021	31,642
Grants - capital	15,879	13,879	3,244
Contributions - monetary	14,397	4,058	2,910
Interest received	676	800	1,496
Trust funds and deposits taken	28,192	27,052	35,500
Other receipts	6,420	6,599	5,019
Net GST refund	10,733	13,001	8,900
Employee costs	(80,230)	(90,541)	(83,649)
Materials and services	(85,615)	(88,341)	(86,855)
Short-term, low value and variable lease payments	(588)	-	-
Trust funds and deposits repaid	(30,383)	(27,052)	(33,500)
Other payments	(6,507)	(8,042)	(6,298)
<b>Net cash provided by operating activities</b>	<b>75,506</b>	<b>47,211</b>	<b>45,692</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	(49,311)	(81,831)	(43,705)
(Payments) proceeds for investments	2,000	2,000	2,000
Proceeds from sale of property, infrastructure, plant and equipment	1,495	1,686	686
<b>Net cash used in investing activities</b>	<b>(45,816)</b>	<b>(78,145)</b>	<b>(41,019)</b>
<b>Cash flows from financing activities</b>			
Finance costs	(2,945)	(2,924)	(3,051)
Repayment of borrowings	(3,255)	(3,255)	(3,126)
Interest paid - lease liability	(25)	(21)	-
Repayment of lease liabilities	(600)	(571)	-
<b>Net cash provided by (used in) financing activities</b>	<b>(6,825)</b>	<b>(6,771)</b>	<b>(6,177)</b>
Net increase (decrease) in cash and cash equivalents	22,865	(37,705)	(1,504)
Cash and cash equivalents at the beginning of the year	154,563	154,563	109,674
<b>Cash and cash equivalents at the end of the period</b>	<b>177,428</b>	<b>116,858</b>	<b>108,170</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.

4.2.2 June 2021 Financial Report (interim results) (Cont.)

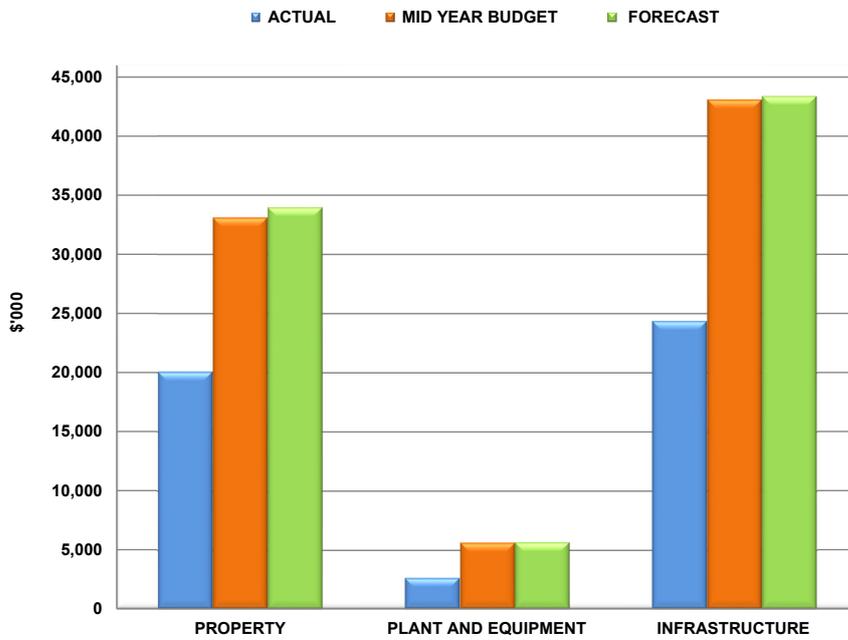


Financial Report for the period 1 July 2020 – 30 June 2021

**Capital Expenditure Statement**

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

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY	20,080	33,118	13,038	33,962	13,882	13,713
PLANT AND EQUIPMENT	2,642	5,639	2,998	5,657	3,015	4,769
INFRASTRUCTURE	24,371	43,074	18,703	43,366	18,995	25,223
<b>TOTAL EXPENDITURE</b>	<b>47,093</b>	<b>81,831</b>	<b>34,738</b>	<b>82,985</b>	<b>35,892</b>	<b>43,705</b>



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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

### 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 to the extent of satisfied performance obligations. Alternatively, grant funding which does not have sufficiently specific performance obligations is recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations is recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent).
- 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 22 June 2020. The year to date budget in this report reflects the Mid-Year Budget as adopted by Council on 14 December 2020. The Mid-Year Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2019-20 and any adjustments identified since the 2020-21 Original Budget was approved in June 2020.
- 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.

4.2.2 June 2021 Financial Report (interim results) (Cont.)

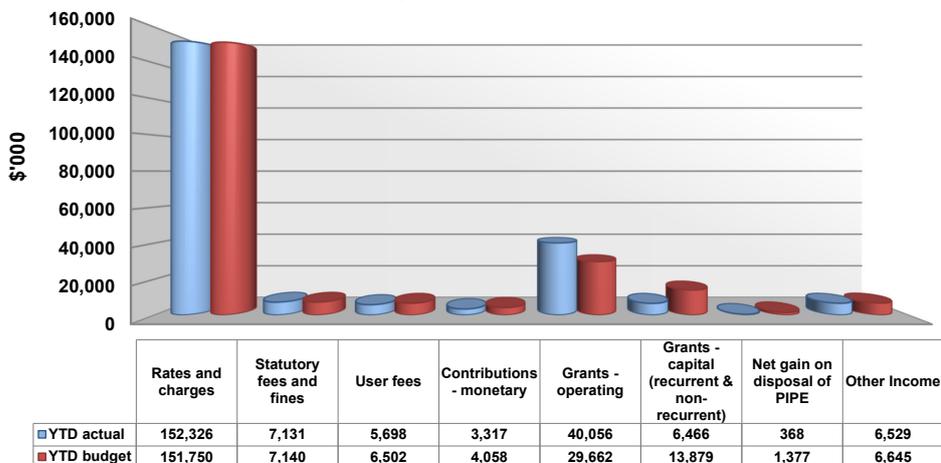


Financial Report for the period 1 July 2020 – 30 June 2021

**B1. Operating Income**

The chart below shows the categories of operating income against their respective budgets (excludes non-monetary contributions or gifted assets which do not affect Council's cash result).

**Income from operating activities  
for 1 July 2020 - 30 June 2021**



Income for the period ended 30 June 2021 is unfavourable against budget by \$9.49 million. This is primarily due to the following:

**Contributions – non-monetary (\$10.37 million unfavourable)** – Lower than anticipated income from gifted assets, which is dependent on the level of sub-division development activity. The nature of these receipts makes timing difficult to predict.

**Grants - capital (\$7.41 million unfavourable)** – Unfavourable variance due mainly to grant income not recognised where performance obligations were not yet satisfied at 30 June 2021 under the Accounting Standard AASB 1058 'Income of Not-For-Profit Entities'. The grant income received has been transferred to unearned income in the Balance Sheet at 30 June 2021 and will be recognised as income in a future year as and when the performance obligations are met.

**Net gain (loss) on disposal of property, infrastructure, plant and equipment (\$1.01 million unfavourable)** – Due to the written down value of the car park at 2 Mason Street, Dandenong sold as part of a three-way land swap, which was not included in the Mid-Year Budget. This is a fixed asset entry that has been reflected in the Forecast and does not have an impact on Council's cash result.

**User fees (\$804,000 unfavourable)** – Mainly due to a reduction in the Family Day Care (FDC) administration levy fee income caused by COVID-19 impacts, which is offset by higher FDC grant subsidy income (Community Services \$411,000). In addition, lower fee income for building permits and health renewals are contributing to this unfavourable variance (City Planning, Design and Amenity \$317,000).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Contributions – monetary (\$741,000 unfavourable)** – Unfavourable variance due to DCP contribution income not able to be recognised due to a delay in the completion of Abbots Road (\$910,000). This project is proposed to be carried over to the 2021-22 financial year.

The above unfavourable variance is partly offset by favourable variances in:

**Grants – operating (\$10.39 million favourable)** – Early receipt of \$6.35 million (50%) of the 2021-22 Financial Assistance Grant funding allocation via the Victorian Local Government Grants Commission in June 2021 (Corporate Accounting), combined with additional funding received for Family Day Care (offset by higher payments to educators, \$1.71 million), Home and Community Care (\$329,000) and Local Partnership grant funding (Pandemic \$350,000).

**Rates and charges (\$576,000 favourable)** – Favourable variance due mainly to higher than anticipated income interest on rates (Corporate Accounting \$488,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)

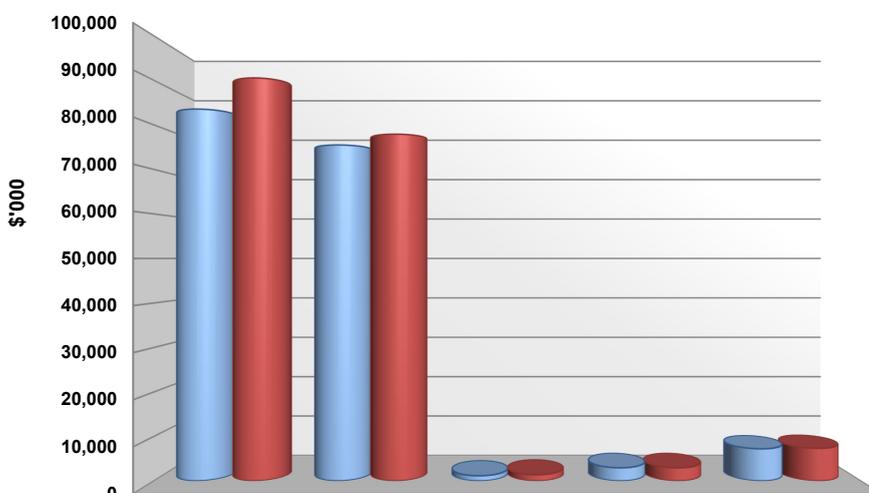


Financial Report for the period 1 July 2020 – 30 June 2021

**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 fixed asset accounting entries).

**Expenditure from operating activities  
 for 1 July 2020 to 30 June 2021**



	Employee costs	Materials and services	Bad and doubtful debts	Borrowing costs	Other expenses
■ YTD actual	83,546	75,484	1,134	2,924	7,197
■ YTD budget	90,541	77,914	1,363	2,924	7,311

Actual expenditure at 30 June 2021 against the budget is favourable by \$2.88 million. The major variances are in employee costs, materials and services and depreciation.

**Employee costs (\$6.99 million favourable)** – This favourable variance is mainly due to staff recruitment occurring later than planned, delay in commencement and recruitment of grant funded projects and lower than anticipated FBT and training/conference expenditure (Community Services \$4.21 million, City Planning, Design and Amenity \$1.05 million, Corporate Services \$682,000, Non-Directorate \$670,000, Engineering Services \$287,000 and Greater Dandenong Business \$105,000).

Of the \$4.21 million favourable variance in the Community Services directorate, \$3.40 million relates to grant funded programs which require an acquittal. Any unspent grant funding at 30 June 2021 is proposed to be carried over to the 2021-22 financial year.

Refer to page 2 of this report for a more detailed explanation regarding the favourable employee cost variance at 30 June 2021.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Materials and services (\$2.43 million favourable)** – The major items contributing to this favourable variance include:

- Contract services (\$1.63 million) – mainly due to lower than anticipated expenditure in Waste Management (Engineering Services \$2.06 million). This favourable variance is partly offset by higher payments to educators due to additional grant funding received (Community Services \$587,000).
- Administration costs (\$1.43 million) – lower than anticipated expenditure across a range of accounts including promotions, community education, postage/courier, printing/stationery, Council publications, fuel, postage, advertising and events (Community Services \$600,000, Engineering Services \$278,000 and Corporate Services \$207,000).
- Consultants, professional services (\$954,000) – due to delay in commencement of projects and COVID-19 contingency fund not fully utilised in 2020-21 (Non-Directorate \$464,000, Corporate Services \$442,000, Engineering Services \$414,000, Greater Dandenong Business \$395,000 and Community Services \$196,000). This favourable variance is partly offset by operating expenditure recognised in the CIP program (\$1.06 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. Relates mainly to non-capital works in the road, kerb and channel and footpath renewal programs.
- Utilities (\$589,000) – mainly due to lower than anticipated electricity and water costs (Engineering Services \$470,000 and Corporate Services \$120,000).
- Information technology (\$476,000) – lower than anticipated expenditure for software maintenance and application support (Corporate Services \$239,000 and Engineering Services \$139,000).

This favourable variance is partly offset by:

- Materials, maintenance and services (\$2.56 million) – Comprises operating 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 (\$3.78 million). Examples include major road patching works and a cloud-based software program implementation which are not capital in nature. This is partly offset by lower than anticipated expenditure due to delay in commencement of projects (Community Services \$414,000, Engineering Services \$275,000 and Non-Directorate \$164,000).

**Other expenses (\$114,000 favourable)** – Favourable variance mainly due to commencement of projects (Greater Dandenong Business \$405,000), lower than anticipated community funding (Community Services \$386,000) combined with lower contribution, audit and administration costs (Corporate Services \$200,000 and CEO \$106,000)

This favourable variance is partly offset by higher grant funded expenditure for the Working for Victoria Fund program (Non-Directorate \$643,000) and contributions (capital works on non-Council owned assets) that cannot be capitalised to the asset register but were budgeted in the Capital program (Capital \$318,000).

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

### C. Balance Sheet

Council's net assets are valued at \$2.50 billion at 30 June 2021.

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

**Cash and cash equivalents (\$177.43 million)** – Represent the amount held by Council in cash or term deposits. Please note that this amount includes \$133.88 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 (\$nil)** – Decrease in financial assets from 30 June 2020 reflects the maturity of \$2.0 million in investments placed in Green Tailored Deposits with a term of greater than three months (matured in August 2020).

**Trade and other receivables (\$26.52 million)** – This balance includes:

- Rate debtors \$11.18 million
- Infringement debtors of \$9.31 million (net of provision for doubtful debts).
- General debtors \$6.03 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 (\$4.89 million)** – This balance includes:

- Accrued income \$2.18 million – income earned but cash not yet received at 30 June 2021.
- Prepayments \$2.15 million - expenses prepaid at 30 June 2021.
- Other deposits \$559,000 – represents \$75,000 deposit for Metropolitan Resource Recovery organic waste processing contract, \$250,000 deposit paid for Metropolitan Resource Recovery Landfill Services Gate Fee and \$234,000 deposit paid to South East Water for 5 Mason Street, Dandenong works.

**Non-current assets classified as held for sale (\$nil)** – The decrease from 30 June 2020 reflects the settlement of the sale of a car park land asset at 2 Mason Street, Dandenong in December 2020.

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

### C2. Non-current assets

**Property, infrastructure, plant and equipment (\$2.45 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 (\$10.86 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 on an annual basis is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right of use assets (\$563,000)** – Represents leased (right of use) assets in accordance with the Accounting Standard AASB 16 'Leases'. Includes property, fleet, IT and office equipment that has been leased under ordinary lease arrangements.

**Intangible assets (\$202,000)** – Represents computer software assets. These values are reflected after recognising the associated amortisation expense.

**Other financial assets (\$nil)** – The decrease in this item reflects Council's initial shareholding of \$230,000 in Regional Kitchen Pty Ltd.

**Trade and other receivables (\$295,000)** – Comprises \$222,000 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site.

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

**Trade and other payables (\$19.02 million)** – This balance includes trade creditors arising from operations and capital works.

**Trust funds and deposits (\$4.43 million)** – Trust funds and deposits includes other refundable monies in respect of:

- Other deposits (\$1.57 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 (\$843,000). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Landscape deposits (\$782,000).
- Open space contributions (\$698,000).
- Road deposits (\$532,000).

**Unearned income (\$60.29 million)** – Represents income not yet earned in accordance with 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 2021 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$39.46 million).
- Capital grants (\$13.12 million).
- Operating grants (\$6.24 million).
- Other (\$1.47 million).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Provisions (\$22.37 million)** – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
  - Long service leave entitlements - \$12.94 million.
  - Annual leave entitlements - \$8.54 million.
  - Rostered days off (RDO) - \$552,000.
- Landfill provision - \$331,000 - 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 (\$3.37 million)** – Represents the repayment of long-term borrowings during 2021-22.

**Lease liabilities (\$415,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2021-22.

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

**Provisions (\$1.42 million)** – Represents the provisions estimated to be paid beyond the 2021-22 financial year and comprises long service leave entitlements for employees (\$700,000) and landfill provision for restoration of Spring Valley landfill site (\$723,000) (Council's share is 19.88% of the total future estimated costs).

**Trust funds and deposits (\$2.04 million)** – Represents deposits that are payable beyond the 2021-22 financial year and comprises landscape deposits of \$173,000, contractor deposits of \$106,000 and asset protection bonds of \$1.76 million.

**Interest-bearing liabilities (\$53.26 million)** – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

**Lease liabilities (\$160,000)** – represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

#### 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)
- Future maintenance reserve

The statutory reserves are:

- Open space – planning, development and improvements
- Open space – land acquisitions

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

### D. Cash Flow Statement

Cash and investment holdings total \$177.43 million at 30 June 2021, an increase of \$22.87 million since the prior year. Total cash and investment holdings are made up of operating cash (\$43.55 million) and restricted cash (\$133.88 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 \$75.51 million.

The major inflows are rates (\$150.70 million), grants (\$57.56 million), trust funds and deposits taken (\$28.19 million), contributions (\$14.40 million), statutory fees and fines (\$5.74 million) and user fees (\$4.42 million).

The major outflows are materials and services (\$85.62 million), employee costs (\$80.23 million) and trust funds and deposits repaid (\$30.38 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.

**Cash flows from investing activities** – net outflow of \$45.82 million, including:

- \$49.31 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 proceeds from funds held at 30 June 2020 in tailored deposits with a maturity of greater than three months.
- \$1.49 million proceeds on asset sales represents \$1.00 million from sale of car park land asset at 2 Mason Street Dandenong as part of a three-way land swap with Development Victoria and \$495,000 from the fleet replacement program.

**Cash flows from financing activities** – outflow of \$6.83 million.

Council incurred \$2.95 million in finance costs on its borrowings and repaid \$3.26 million of existing borrowings. In addition, in accordance with the Accounting Standard AASB 16 'Leases', Council incurred \$25,000 in finance costs on leases and repaid \$600,000 of its lease liabilities during the year.

**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

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

Type	30 June 2021	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	19,646	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	4,386	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	27,358	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	1,947	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	1,558	This reserve is for the rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	343	These funds are to meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	906	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	1,527	This reserve is to fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	1,102	Funds set aside for the aged care reforms.
Future maintenance reserve	206	Contribution funds for future works to address level crossing removal authority defects.
<b>Total reserve funds</b>	<b>65,214</b>	

**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

Type	30 June 2021	Notes
<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	13,644	Funds set aside to meet long service leave commitments.
Annual leave and other	9,092	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Employee provisions</b>	<b>22,736</b>	
<b>Trust funds and deposits</b>	<b>\$'000</b>	
Fire services property levy (FSPL) collected and due	843	Payable to State Revenue Office – legislative requirement.
Open space contributions	698	Pending completion of works.
Landscape deposits	955	Pending completion of works.
Road deposits	532	Pending completion of works.
Other trust funds and deposits	3,434	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>6,462</b>	
<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	39,464	Pending completion of works by developers.
<b>Other restricted funds</b>	<b>39,464</b>	
<b>Total restricted cash</b>	<b>133,876</b>	

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

### E. Statement of Capital Works

Total capital expenditure at 30 June 2021 was \$47.09 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 year to date 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 2021-22 financial year. A total of \$16.41 million (net) in capital works has been identified as proposed carry forward commitments to 2021-22. These projects are listed in Appendix 5 – Capital and Operating Carry Over's from 2020-21 to 2021-22.

#### Plant and equipment

- **1445 Fleet Purchases (\$1.58 million favourable)** – Program and requirements are finalised for heavy plant, passenger vehicles, commercial vehicles and small plant. Program will see an overall savings but will not be completed until December 2021 due mainly to COVID-19 impact on the manufacturing and supply of automotive plant and equipment. There were a number of fleet items on order than have been delayed to 2021-22. The favourable variance in the fleet renewal program is also partly due to reduced utilisation of plant and equipment across the board due to COVID-19 lockdowns restricting travel distances and suspension of non-critical activities. Approximately half of this favourable variance is proposed to be carried over to 2021-22 to fund the delayed purchases.
- **3914 Asset Management System (\$915,000 favourable)** – The system implementation is progressing. All assets are now in Assetic. Roll out was paused to assist Finance with end of year processing. Merit integration work has been completed. IT will configure workflows as required. GIS integration is in progress. Users can go directly to Assetic to view asset information from Intramaps. This favourable variance is mainly due to \$578,000 of implementation costs being recorded in operating expenditure (instead of capital expenditure) as the expenditure was not capital in nature because this is a cloud-based asset management system. The net remaining favourable variance is proposed to be carried over to the 2021-22 financial year.

#### Infrastructure

- **3080 Abbots Road DCP item L102 (\$4.70 million favourable)** – Delays in design led to late commencement of construction. Successful grant application allows for stage 1 and 2 of the project to be undertaken. Contract has been awarded. Current contract consists of increased scope of works which had originally been planned over two financial years. Site mobilisation has been completed and currently seeking approvals from relevant service authorities. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3490 Springvale Road Boulevard (\$3.90 million favourable)** – This is a multi-year project, with delivery over multiple years. Contract has been awarded and contractor has commenced preliminary work. Council has received the approval from Department of Transport's (DoT - formerly VicRoads) to commence work onsite. At this stage, DoT's memorandum of authorisation is allowed for night work (6.30pm - 5.30am) only. Stage 1 public lighting decommissioning works complete and United Energy has approved progress to stage 2. Service clashes have been addressed and contract has been awarded. The favourable variance is proposed to be carried over to the 2021-22 financial year.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

- **3942 Black Spot Works Program (\$2.36 million favourable)** – Project with already tight timelines suffered delays related to COVID-19. Approval has been received from DoT for these projects to extend to the end of the calendar year and maintain the approved blackspot funding. Note this bid relates to six unique projects all funded through the Federal Black Spot grant program. Clarke Road Civil Design is complete. Initial lighting assessment has been complete. Construction for this project will occur in the 2021-22 financial year. The lighting upgrade for Whitworth Avenue has been completed and contractor is expected to commence construction in September 2021. Contractor for Leige Avenue has been awarded for the lighting. Tender for David Street has closed, and construction expected to commence September 2021. Currently seeking quotes for Worsley Road for pavement repair, shoulder sealing and guard rail works. Signal design is in progress for Harold and Corrigan signals and lighting assessment has been completed. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3753 Local Road Surface/Rehabilitation Program (\$1.66 million favourable)** – Road resurfacing program complete. This favourable variance is mainly attributable to \$1.32 million of the road resurfacing program being recorded in operating expenditure (instead of capital expenditure) as the expenditure was either not capital in nature (for example, patching works or works on non-Council owned assets) or it was below the relevant capitalisation threshold.
- **1629 275 Lonsdale St Dandenong-Vanity Lane (\$1.14 million favourable)** – This design of this project will not be fully delivered by the end of June 2021 due to impacts of COVID-19, changes to expand scope and delays encountered with the demolition process. Demolition works have commenced. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3938 Kerb & Channel Resurfacing Program (\$1.02 million favourable)** – Works have commenced. Kerb and channel resurfacing program have been completed. This favourable variance is mainly attributable to \$1.14 million of the kerb and channel renewal program being recorded in operating expenditure (instead of capital expenditure) as the expenditure was either not capital in nature (for example, works on non-Council owned assets) or it was below the relevant capitalisation threshold.
- **3900 Ross Reserve Plaza/Play/Oval/Path (\$614,000 favourable)** – This grant funded project includes four sub-projects. The tan track and oval 1 upgrade sub-projects have been delayed until the new sports pavilion is completed as the site construction footprint is in the way of constructing the path and expanding the oval. The All Abilities Playground sub-project slowed as a result of COVID-19 restrictions and is on track to be completed by the end of August 2021. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3849 Frederick Wachter Reserve Master Plan (\$612,000 favourable)** – This is a multi-year project, which required construction of the wetland element to be completed before the boardwalk could be designed and manufactured. Boardwalk currently being manufactured and scheduled to be installed in late Spring. Civil construction works completed. Tender for the boardwalk has been awarded and detailed design is currently being finalised and on ground works expected to commence in October 2021. Tender for the planting has also been awarded and the plants are currently being grown for planting in Spring. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3944 Keysborough South Community Hub Access Road (\$584,000 favourable)** – Due to COVID-19 restrictions, contractors were not able to finish the scheduled work by 30 June 2021. Project is scheduled for completion by late August 2021. Main culvert works and asphaltting of the road pavement are completed. Light poles have been installed. Fabrication of steel footbridge is underway. Guardrails and safety barriers to be installed in July 2021. The favourable variance is proposed to be carried over to the 2021-22 financial year.

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

- **3631 Dandenong Park Master Plan (\$494,000 favourable)** – This is a multi-year project with works still to be undertaken as part of the current design package include extensive garden bed planting and turf works. Garden bed planting and landscaping will be undertaken in Spring. Design for the riverside precinct in progress. Installation of new irrigation system is complete. Planning works for the next stage are underway. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3828 Activity Centre Project Mason Street (\$423,000 favourable)** – This project includes development of 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 scope of this design work (focussing on the entirety of Mason Street) is larger than the original scope road realignment which relates to this bid. The design progressed sufficiently to complete an independent road safety audit, prior to beginning the detailed design. Unfortunately, the audit has raised several concerns which require consideration as the design is developed further, which has significantly slowed the design process. The civil concept design is progressing as the issues raised in the Road Safety Audit are being resolved. Construction is anticipated in the next financial year. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3934 Parking Sensor Implementation (\$373,000 favourable)** – All sensors hardware installed and operational. \$108,000 of the favourable variance is proposed to be carried over to the 2021-22 financial year to fund monitoring costs as the next stage of the project is completed.
- **3192 Douglas Street Streetscape (\$329,000 unfavourable)** – Relates to early expenditure on a 2021-22 capital project budget due to grant funding received. Construction of Stage 1 completed June 2021. The full amount of grant funding was not yet received at 30 June 2021 and was unable to be fully recognised as the performance obligations of the project were only partially satisfied at 30 June 2021. This expenditure and the grant funding are budgeted in 2021-22, therefore, they will be adjusted down in the 2021-22 Mid-Year Budget to the extent of expenditure and grant income recognised in 2020-21.

#### Property

- **3548 Keysborough South Community Hub Development (\$3.17 million favourable)** – The project design period has been extended due to the scope/design changes. The detailed design and tender package is currently being finalised. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3906 Greater Dandenong Gallery of Art (\$2.51 million favourable)** – The project program has been extended due to latent conditions and additional works. Construction works are in progress. Expected completion date is late-October 2021. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3949 NPAC Redevelopment (\$2.33 million favourable)** – This multi-year project is under construction and will be completed next financial year. Works have commenced. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3219 Thomas Carroll Pavilion (\$2.29 million unfavourable)** – Multi-year project - demolition of the north section of the pavilion is underway, works to be complete July 2021. The tender evaluation process to appoint a construction company is also in progress. The favourable variance is proposed to be carried over to the 2021-22 financial year.

**4.2.2 June 2021 Financial Report (interim results) (Cont.)**

Financial Report for the period 1 July 2020 – 30 June 2021

- **3974 Dandenong Oasis Replacement (\$1.67 million favourable)** – Multi-year project. Stage 1 of the precinct plan is complete with Council endorsing Cleeland Street as the location for the new aquatic facility. A principal design consultant has been engaged and the design commenced in May 2021. The new Aquatic and Wellbeing facility is expected to be completed by early 2025. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3452 114 Hanna Street, Noble Park (\$1.51 million unfavourable)** – Land purchase for open space purposes not included in the Mid-Year Budget and funded from the Open Space Acquisitions reserve.
- **3902 Ross Reserve Pavilion (\$532,000 favourable)** – Project delayed due to COVID-19 impacts. Currently finalising infrastructure offers from both South East Water (additional water tapping) and United Energy (New Substation), ground works (reinforcement mesh and set downs progressing at pace), concrete slab ready for pouring, head contractor has flagged several supply issues due to the COVID-19 and other local and world factors, mainly steel and timber shortages. Currently working on alternative for framing timber and additional suppliers for other time critical items. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3641 Police Paddocks Reserve Grandstand (\$435,000 favourable)** – Project is grant funded and there was a shortfall in available funding. Scope was reduced and required government approval has now been obtained. Works have not yet commenced. The favourable variance is proposed to be carried over to the 2021-22 financial year.
- **3989 DCP – 875 Taylors Road (LRO6b) (\$391,000 favourable)** – This project has been finalised. The required DCP land purchase occurred; however, it has been accounted for as a contribution expense.
- **3547 George Andrews Reserve – Building Modification (\$328,000 favourable)** – Project was put on hold to allow further advice to be sought with respect to procurement. The favourable variance is proposed to be carried over to the 2021-22 financial year.

**General**

- **0000 Not Applicable (\$1.40 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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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



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Financial Report for the period 1 July 2020 – 30 June 2021

# Appendix 1

## Capital Expenditure

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

CIP Expenditure Report

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
<b>PROPERTY</b>						
<b>Buildings</b>						
0000. Not Applicable	27,518	-	(27,518)	-	(27,518)	-
3043. Springvale Community Precinct	2,030,311	2,221,060	190,749	2,221,060	190,749	500,000
3219. Thomas Carroll Pavilion	155,860	2,450,475	2,294,615	2,450,475	2,294,615	-
3362. Springvale City Hall	-	25,000	25,000	-	-	25,000
3547. George Andrews Reserve-Bld Modific.	1,565	330,000	328,435	330,000	328,435	330,000
3548. Keysborough South Community Hub Dev	446,643	3,612,121	3,165,478	2,971,053	2,524,410	2,575,108
3792. Dandenong Mkt Back of House-Coolrm	753,354	720,876	(32,478)	720,876	(32,478)	580,000
3793. Dandenong Market Utility Srv Infra	-	100,000	100,000	100,000	100,000	100,000
3802. Building Energy Efficiency Program	90,891	-	(90,891)	-	(90,891)	-
3805. Municipal Early Years Infrast. Plan	1,333	60,164	58,831	60,164	58,831	-
3813. Shalimar Kindergarten MCH	2,825	-	(2,825)	-	(2,825)	-
3814. D'ngong Nth Senior Citizen Ctr Latha	-	1,500	1,500	1,500	1,500	-
3873. Building Renewal Prg.- DDA	600	45,000	44,400	45,000	44,400	45,000
3874. Building Renewal Prg.- HVAC	128,939	310,000	181,061	310,000	181,061	310,000
3876. Building Renewal Prg.- Bathroom	187,109	115,000	(72,109)	115,000	(72,109)	115,000
3877. Building Renewal Prg.- Flooring	180,011	122,000	(58,011)	122,000	(58,011)	122,000
3878. Building Renewal Prg.- Lift Refurb.	41,910	28,375	(13,535)	28,375	(13,535)	-
3879. Building Renewal Prg.- Minor Works	105,387	45,000	(60,387)	45,000	(60,387)	45,000
3880. Building Renewal Prg.- Roof	59,410	125,000	65,590	125,000	65,590	275,000
3883. Building Renewal Prg.- Kitchen & Eq	204,436	224,300	19,864	224,300	19,864	224,300
3902. Ross Reserve Pavilion	1,505,552	1,992,500	486,948	1,992,500	486,948	2,000,000
3904. Building Renewal Prg.- Theatre	452,238	576,000	123,762	576,000	123,762	576,000
3906. Greater D'ngong Gallery of Art	3,932,187	6,437,493	2,505,306	6,437,493	2,505,306	1,500,000
3908. Oasis/NPAC Design Dev't	189,733	178,067	(11,666)	178,067	(11,666)	-
3945. CCTV Renewal Program	34,516	30,000	(4,516)	30,000	(4,516)	30,000
3946. Building Renewal Prg.-Aquatic & Lei	493,961	558,000	64,039	558,000	64,039	558,000
3947. Building Renewal Prg.- Project	20,020	150,000	129,980	150,000	129,980	150,000
3948. D'ngong Mkt (Fruit & Veg) Floor&Roof	18,360	130,000	111,640	130,000	111,640	130,000
3949. NPAC Redevelopment	674,797	3,000,000	2,325,203	3,000,000	2,325,203	-
3950. Robert Booth Baseball Design&Constr	30,789	20,000	(10,789)	20,000	(10,789)	20,000
3951. Ross Res P/grnd-Change Plc Toilet	196,445	300,000	103,555	300,000	103,555	300,000
3952. S/Vale Library/Civic-Storage&Equip	4,545	100,000	95,455	100,000	95,455	100,000
3953. Balmoral Ave Car Park	44,020	57,207	13,187	57,207	13,187	400,000
3972. Local Roads Community Infras. Prog.	-	-	-	-	-	500,000
3974. Dandenong Oasis Replacement	302,058	1,970,000	1,667,942	1,970,000	1,667,942	2,000,000
<b>Leasehold Improvements</b>						
0000. Not Applicable	89,124	-	(89,124)	-	(89,124)	-
3941. Police Paddocks Res. Grandstand	-	434,860	434,860	434,860	434,860	-
3954. Police Paddocks Changerooms	81,653	102,385	20,732	102,385	20,732	202,385
<b>Land</b>						
3396. 2A Frank St Noble Park	1,380,000	1,404,457	24,457	1,404,457	24,457	-
3444. 3-Way Land Swap-Dev't Vic	1,125,000	1,125,000	-	1,125,000	-	-
3452. 114 Hanna St, Noble Park	1,506,480	-	(1,506,480)	1,510,000	3,520	-
3975. 86-88 Clow St Dandenong	2,625,000	2,669,526	44,526	2,669,526	44,526	-
3976. 218 Railway Parade Noble Park	950,000	950,000	-	950,000	-	-
3989. DCP - 875 Taylors Road (LRO6b)	5,744	396,932	391,188	396,932	391,188	-
<b>Total property</b>	<b>20,080,326</b>	<b>33,118,298</b>	<b>13,037,972</b>	<b>33,962,230</b>	<b>13,881,904</b>	<b>13,712,793</b>

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

CIP Expenditure Report

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
<b>PLANT AND EQUIPMENT</b>						
<b>Plant, machinery and equipment</b>						
0000. Not Applicable	27,808	-	(27,808)	-	(27,808)	-
1445. Fleet Purchases	1,169,188	2,746,410	1,577,222	2,746,410	1,577,222	2,662,410
1447. Fleet New Program	-	160,000	160,000	160,000	160,000	244,000
3449. TAC Road Safety Trailer	17,510	-	(17,510)	17,155	(355)	-
<b>Library books</b>						
3104. Library Resources	695,276	849,560	154,284	849,560	154,284	859,560
<b>Computers and telecommunications</b>						
0000. Not Applicable	188,467	-	(188,467)	-	(188,467)	-
3827. Increase Wi-Fi Cover-Various Locatn	9,608	20,000	10,392	20,000	10,392	20,000
3902. Ross Reserve Pavilion	-	45,000	45,000	45,000	45,000	-
3911. Dandenong Stadium Wi-Fi	3,122	10,000	6,878	10,000	6,878	10,000
3913. People Counters Installation	3,045	-	(3,045)	-	(3,045)	-
3914. Asset Management System	-	915,258	915,258	915,258	915,258	216,612
3918. Drum Theatre Ticketing System	137,161	137,161	-	137,161	-	-
3919. Digital Infrastructure (Website)	7,906	100,000	92,095	100,000	92,095	100,000
3956. 39A Clow-Security Eq,Software&Radio	11,800	15,000	3,200	15,000	3,200	15,000
3957. Audio Visual Equipment Renewal	23,634	25,000	1,366	25,000	1,366	25,000
3958. D'ning Civic Ctr-Security Eq&S'ware	110,000	110,000	0	110,000	0	110,000
3959. Emergency Relief Centres-Equipment	35,197	60,000	24,803	60,000	24,803	60,000
3960. Menzies Ave CCTV	20,000	20,000	-	20,000	-	20,000
<b>Fixtures, fittings and furniture</b>						
0000. Not Applicable	7,050	-	(7,050)	-	(7,050)	-
3314. Public hall equipment	159,063	400,000	240,937	400,000	240,937	400,000
3952. S/Vale Library/Civic-Storage&Equip	8,450	10,000	1,550	10,000	1,550	10,000
3955. MCH Blinds-Chandler & Darren Reserv	7,575	16,000	8,425	16,000	8,425	16,000
<b>Total plant and equipment</b>	<b>2,641,862</b>	<b>5,639,389</b>	<b>2,997,527</b>	<b>5,656,544</b>	<b>3,014,682</b>	<b>4,768,582</b>
<b>INFRASTRUCTURE</b>						
<b>Parks, open space and streetscapes</b>						
0000. Not Applicable	111,054	-	(111,054)	-	(111,054)	-
1629. 275 Lonsdale St Dnong-Vanity Lane	64,501	1,175,000	1,110,499	1,175,000	1,110,499	1,175,000
1747. Barry Powell Reserve Master Plan	3,105	99,049	95,944	99,049	95,944	-
1748. Spring Valley Reserve Master Plan	14,294	38,724	24,430	38,724	24,430	-
1761. 6-8 Fifth Ave - Reserve Development	97,823	100,000	2,177	100,000	2,177	100,000
1762. 90 Gove St - Reserve Development	95,884	100,000	4,116	100,000	4,116	100,000
1796. Wal Turner Reserve Master Plan	443,099	383,591	(59,508)	383,591	(59,508)	-
1818. Safety, Security & Space Activation	-	-	-	17,270	17,270	-
2117. 89 Douglas Street Noble Park	75,638	80,000	4,362	80,000	4,362	80,000
2126. Herbert St Pocket Park	1,412	-	(1,412)	275,000	273,588	-
3065. Public Place Recycling Bin Instal.	37,189	39,192	2,003	39,192	2,003	-
3141. Thomas St Precinct Enhance(Afghan)	-	17,511	17,511	17,511	17,511	-
3192. Douglas St Streetscape	333,488	4,000	(329,488)	4,000	(329,488)	-
3248. DCP Keysb. Sth Industrial Buffer	98,581	109,229	10,648	109,229	10,648	-
3272. Indigenous Public Art SCP	29,985	61,000	31,015	61,000	31,015	-
3438. Hemmings St N'hood Act Ctr	102,094	60,000	(42,094)	60,000	(42,094)	-
3439. LRCH-Ross Reserve Stage 2	511,253	500,000	(11,253)	500,000	(11,253)	-
3440. LRCH-Warner Reserve	201,517	200,000	(1,517)	200,000	(1,517)	-
3454. Dogs off leash program	118,073	150,000	31,927	150,000	31,927	150,000
3490. Springvale Road Boulevard	170,856	4,069,601	3,898,745	4,069,601	3,898,745	-
3631. Dandenong Park Master Plan	1,706,475	2,200,915	494,440	2,200,915	494,440	1,000,000
3714. Tirhatuan Park Dog Off Leash	146,872	153,500	6,628	153,500	6,628	-
3747. Streetscapes - Activity Centres	41,728	50,000	8,272	50,000	8,272	50,000

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

CIP Expenditure Report

	FULL YEAR					
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$
3848. LRCI Hemmings SC Streetscape	388,170	417,807	29,637	417,807	29,637	100,000
3849. Frederick Wachter Res. Master Plan	698,318	1,310,626	612,308	1,310,626	612,308	510,000
3853. Parkfield Res. Master Plan Impl.	759,077	894,901	135,824	894,901	135,824	1,050,000
3854. Burden Park Res. Master Plan Imp.	792,322	787,104	(5,218)	787,104	(5,218)	20,000
3900. Ross Reserve Plaza/Play/Oval/Path	20,958	535,755	514,797	535,755	514,797	-
3929. Act Crt Strat Plan Imp - D'nong	393,633	443,393	49,760	443,393	49,760	-
3930. Act Crt Strat Plan Imp - NPark	13,565	50,000	36,435	50,000	36,435	-
3931. Guardrail Upgrade Program	8,670	8,670	-	8,670	-	-
3932. Open Space Infra Renewal Prg	145,494	160,000	14,506	160,000	14,506	160,000
3933. Sports Lighting Plan Imp.	248,005	400,000	151,995	400,000	151,995	-
3934. Parking Sensor Implementation	171,605	344,508	172,903	344,508	172,903	-
3940. Ross Reserve Comm Ctr Car Park	521,845	499,452	(22,393)	499,452	(22,393)	-
3943. Keysb Sth Comm Hub Dog Off Leash	51,075	62,938	11,863	62,938	11,863	-
3967. D'nong Act Ctr- Streetscape	23,055	25,000	1,945	25,000	1,945	25,000
3968. Norman Luth Reserve Lighting	377,422	376,365	(1,057)	376,365	(1,057)	376,365
3969. Thomas Carroll-Cricket/Play/Light	18,000	15,000	(3,000)	15,000	(3,000)	15,000
3970. Alan Corrigan Exercise Equipment	57,466	60,000	2,534	60,000	2,534	60,000
3971. D'nong/D'nong Nth-Sensory Nature Tr	-	-	-	-	-	100,000
3973. Signage Renewal Program	76,316	110,000	33,684	110,000	33,684	110,000
<b>Recreational, leisure and community facilities</b>						
0000. Not Applicable	219,126	-	(219,126)	-	(219,126)	-
3209. Active Reserves Program	296,898	335,000	38,102	335,000	38,102	335,000
3442. Noble Park Revitalisation	208,395	190,000	(18,395)	190,000	(18,395)	-
3518. Harmony Square Entrance Protection	10,000	30,000	20,000	30,000	20,000	-
3794. Tatterson Park Masterplan	451,214	435,671	(15,543)	435,671	(15,543)	-
3837. Greaves Res. Tennis Court Resurf.	86,339	95,276	8,937	95,276	8,937	-
3900. Ross Reserve Plaza/Play/Oval/Path	1,899,091	1,998,252	99,161	1,998,252	99,161	-
3963. Ian Tatterson Leisure Park Cricket	35,465	30,000	(5,465)	30,000	(5,465)	60,000
3964. Warner Reserve Recreation Space	176,710	175,450	(1,260)	175,450	(1,260)	350,900
3965. Red Gum Rest - Shade	123,542	120,000	(3,542)	120,000	(3,542)	120,000
3966. Tirhatuan Park - Basketball Court	4,700	4,700	-	4,700	-	175,000
3969. Thomas Carroll-Cricket/Play/Light	163,445	180,000	16,555	180,000	16,555	430,000
<b>Roads</b>						
0000. Not Applicable	203,447	-	(203,447)	-	(203,447)	-
1629. 275 Lonsdale St Dnong-Vanity Lane	60,477	90,000	29,523	90,000	29,523	-
3080. Abbots Road DCP item L102	111,060	4,806,087	4,695,027	4,806,087	4,695,027	4,806,087
3231. Local Road Upgrade & Reconstruction	15,727	165,133	149,406	165,133	149,406	-
3373. Municipal wide, Kerb and Channel	204,512	350,000	145,488	350,000	145,488	500,000
3418. Municipal Wide.LATM Program	348,494	450,000	101,506	450,000	101,506	450,000
3752. Local Road Rehab.Prg-Implement R2R	463,760	507,817	44,057	507,817	44,057	507,817
3753. Local Road Surf./Rehabit. Prg.	2,338,338	4,000,000	1,661,662	4,000,000	1,661,662	5,250,000
3828. Activity Centre Proj. Mason St	65,927	488,779	422,852	488,779	422,852	-
3923. Cheltenham Rd/Chandler Rd	214,275	241,666	27,391	241,666	27,391	-
3934. Parking Sensor Implementation	-	200,000	200,000	200,000	200,000	200,000
3938. Kerb & Channel Resurfacing Program	1,980,611	3,000,000	1,019,389	3,000,000	1,019,389	1,750,000
3942. Black Spot Works Program	321,755	2,681,676	2,359,921	2,681,676	2,359,921	-
3944. Keysb Sth Comm Hub Access Road	1,392,877	1,977,002	584,125	1,977,002	584,125	2,000,000
3961. Road Reconst Program - Geotechnical	-	50,000	50,000	50,000	50,000	50,000
3962. Bakers Road Service Road	-	-	-	-	-	180,000
3972. Local Roads Community Infrs. Prog.	-	-	-	-	-	517,807
3990. DCP - Chapel Rd Upg & Traffic Lght	224,772	156,237	(68,535)	156,237	(68,535)	-
3992. DCP - Perry Road South Upgrade	11,669	-	(11,669)	-	(11,669)	-

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**CIP Expenditure Report**

	FULL YEAR					
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$
<b>Bridges</b>						
0000. Not Applicable	9,797	-	(9,797)	-	(9,797)	-
3185. Municipal Wide - Bridges	-	-	-	-	-	100,000
<b>Footpath and cycleways</b>						
0000. Not Applicable	173,510	-	(173,510)	-	(173,510)	-
3174. Active Transport Infra.Priority Pat	24,653	200,000	175,347	200,000	175,347	200,000
3355. Municipal Wide-Footpath Renewal	829,333	1,000,000	170,667	1,000,000	170,667	1,400,000
<b>Off street car parks</b>						
3794. Tatterson Park Masterplan	1,334,937	1,648,918	313,981	1,648,918	313,981	-
3901. Ross Reserve Access Road	94,346	174,717	80,371	174,717	80,371	-
3937. Car Park Renewal Program	56,607	153,645	97,038	153,645	97,038	-
<b>Drainage</b>						
0000. Not Applicable	339,626	-	(339,626)	-	(339,626)	-
3019. Major Drainage Renewal Prg.	172,774	410,000	237,226	410,000	237,226	410,000
3129. Drainage program	285,999	384,770	98,771	384,770	98,771	-
3939. Drainage Reactive Renewal Program	246,695	250,000	3,305	250,000	3,305	250,000
<b>Total infrastructure</b>	<b>24,370,824</b>	<b>43,073,627</b>	<b>18,702,803</b>	<b>43,365,897</b>	<b>18,995,074</b>	<b>25,223,976</b>
<b>GRAND TOTAL</b>	<b>47,093,011</b>	<b>81,831,314</b>	<b>34,738,303</b>	<b>82,984,671</b>	<b>35,891,660</b>	<b>43,705,351</b>

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



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Financial Report for the period 1 July 2020 – 30 June 2021

# Appendix 2

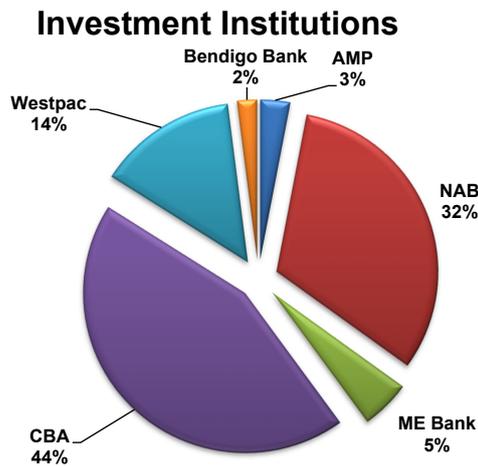
## Investment Analysis

4.2.2 June 2021 Financial Report (interim results) (Cont.)



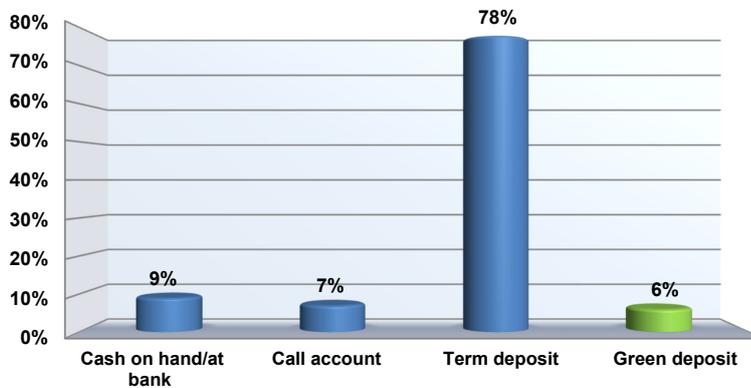
Financial Report for the period 1 July 2020 – 30 June 2021

Cash and Investments



Policy limit - no single institution shall comprise more than 35% of the total investment portfolio, unless the investment is with Council's banker.

Portfolio Products



**Note: Green deposit:** 6% (or \$10.10 million) was invested at 30 June 2021. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

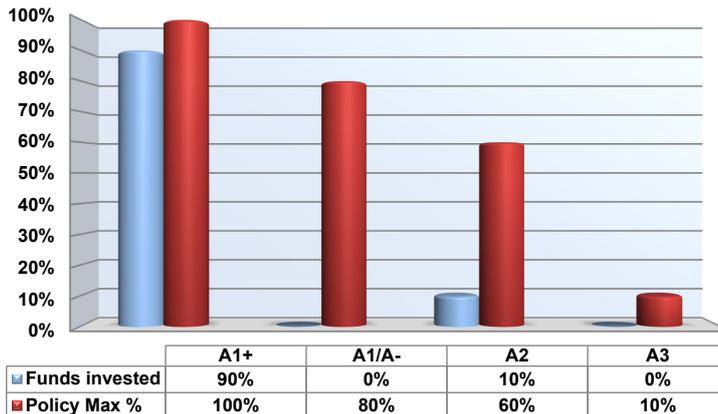
4.2.2 June 2021 Financial Report (interim results) (Cont.)



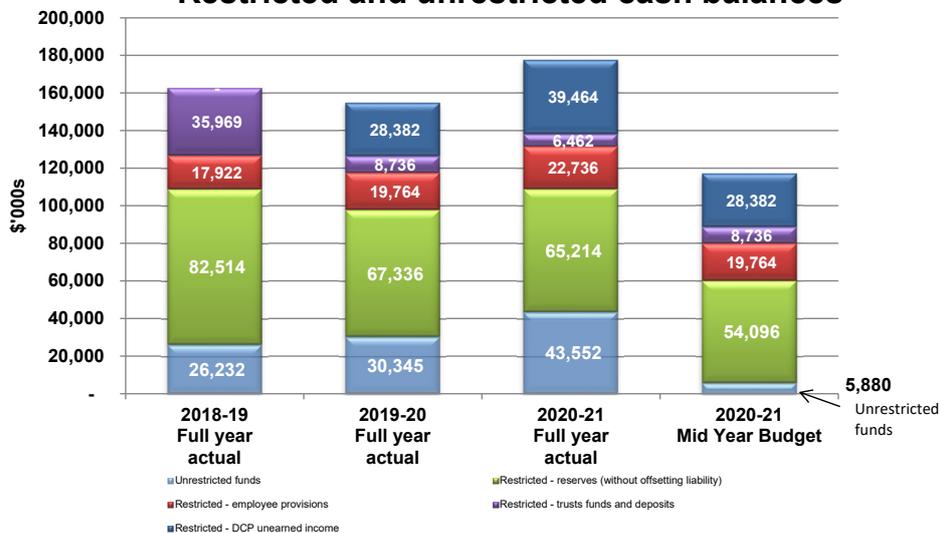
Financial Report for the period 1 July 2020 – 30 June 2021

Cash and Investments

Investment Credit Rating



Restricted and unrestricted cash balances



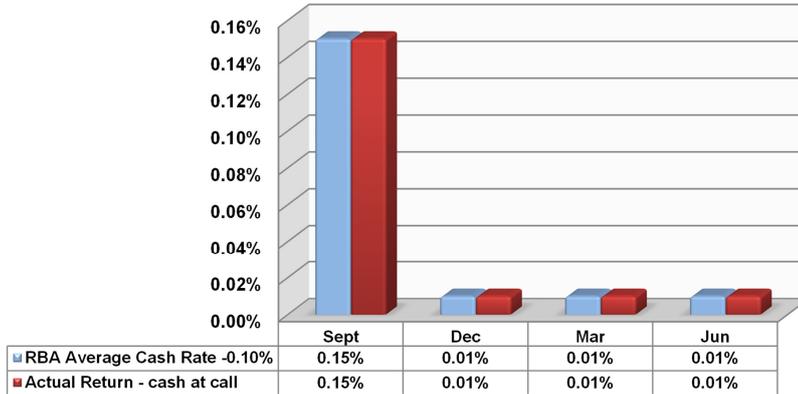
Note - DCP unearned income was previously classified in trust funds and deposits (2018-19 and prior).

4.2.2 June 2021 Financial Report (interim results) (Cont.)

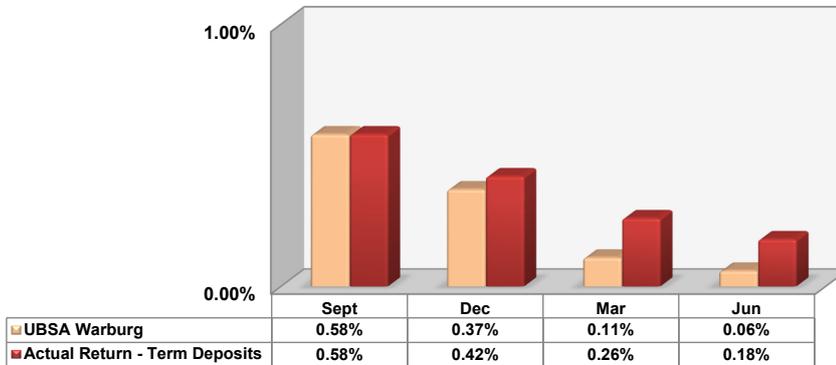


Financial Report for the period 1 July 2020 – 30 June 2021

**Benchmark Indicator - Cash at Call**



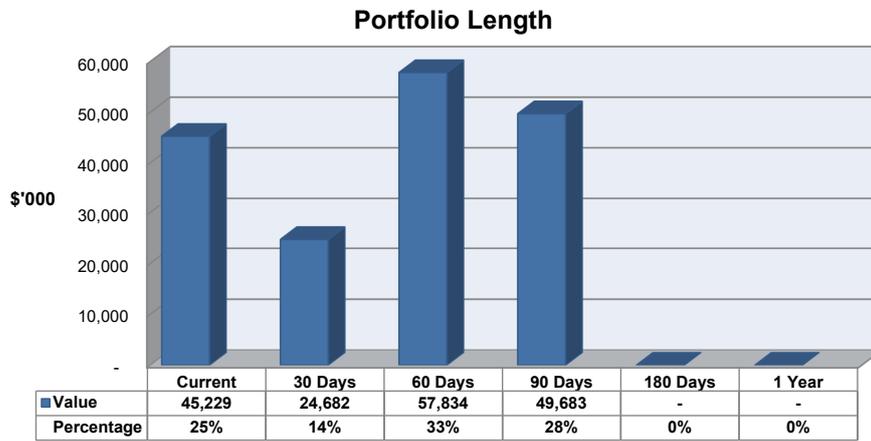
**Benchmark Indicator - Term/Green Deposits**



**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021



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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

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# Appendix 3

## Directorate Analysis

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

Total Operating Results

CGD BY DIRECTORATE						
	FULL YEAR					
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Chief Executive Office	-	-	-	-	-	-
Greater Dandenong Business	1,304	795	509	939	365	196
Corporate Services	2,302	2,131	171	2,035	267	2,691
Engineering Services	27,407	27,246	161	26,571	836	24,776
City Planning Design and Amenity	10,612	10,734	(122)	10,148	464	13,218
Community Services	22,358	20,338	2,020	20,989	1,369	20,602
Non-Directorate <sup>(a)</sup>	156,396	159,141	(2,745)	159,745	(3,349)	160,898
Capital Works Program	7,273	15,937	(8,664)	16,546	(9,273)	4,154
<b>Total income</b>	<b>227,652</b>	<b>236,322</b>	<b>(8,670)</b>	<b>236,973</b>	<b>(9,321)</b>	<b>226,535</b>
<b>Expenses</b>						
Chief Executive Office	644	788	144	779	135	788
Greater Dandenong Business	4,082	5,209	1,127	5,194	1,112	4,299
Corporate Services	20,899	22,858	1,959	21,759	860	23,280
Engineering Services	65,096	69,150	4,054	68,782	3,686	64,637
City Planning Design and Amenity	16,630	18,498	1,868	17,629	999	18,256
Community Services	46,889	52,162	5,273	52,815	5,926	47,828
Non-Directorate <sup>(a)</sup>	51,845	44,667	(7,178)	46,318	(5,527)	37,689
Capital Works Program	5,187	-	(5,187)	-	(5,187)	-
<b>Total expenses</b>	<b>211,272</b>	<b>213,332</b>	<b>2,060</b>	<b>213,276</b>	<b>2,004</b>	<b>196,777</b>
<b>Net surplus (deficit)</b>	<b>16,380</b>	<b>22,990</b>	<b>(6,610)</b>	<b>23,697</b>	<b>(7,317)</b>	<b>29,758</b>

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

(b) 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.

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

## CEO DIRECTORATE

### OPERATING RESULT

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
Other income		-	-	-	-	-	-
<b>Total income</b>		-	-	-	-	-	-
<b>Expenses</b>							
Employee costs		590	586	(4)	586	(4)	586
Materials and services		54	96	42	89	35	96
Other expenses	1	-	106	106	104	104	106
<b>Total expenses</b>		<b>644</b>	<b>788</b>	<b>144</b>	<b>779</b>	<b>135</b>	<b>788</b>
<b>Net surplus (deficit)</b>		<b>(644)</b>	<b>(788)</b>	<b>144</b>	<b>(779)</b>	<b>135</b>	<b>(788)</b>

### BUSINESS UNITS

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
CEO		-	-	-	-	-	-
<b>Total income</b>		-	-	-	-	-	-
<b>Expenses</b>							
CEO		644	788	144	779	135	788
<b>Total expenses</b>		<b>644</b>	<b>788</b>	<b>144</b>	<b>779</b>	<b>135</b>	<b>788</b>
<b>Net surplus (deficit)</b>		<b>(644)</b>	<b>(788)</b>	<b>144</b>	<b>(779)</b>	<b>135</b>	<b>(788)</b>

#### Expenditure

**Note 1 Other expenses (\$106,000 favourable)** – Favourable variance due to contribution for City Deals rebrand/narrative work of \$100,000 to South East Melbourne Incorporated no longer required.

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**GREATER DANDENONG BUSINESS GROUP**

**OPERATING RESULT**

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
User fees		-	6	(6)	6	(6)	6
Grants - operating	2	1,144	680	464	790	354	-
Other income	3	160	109	51	143	17	190
<b>Total income</b>		<b>1,304</b>	<b>795</b>	<b>509</b>	<b>939</b>	<b>365</b>	<b>196</b>
<b>Expenses</b>							
Employee costs	4	2,684	2,789	105	2,745	61	2,806
Materials and services	5	1,360	1,977	617	2,025	665	1,365
Other expenses	6	38	443	405	424	386	128
<b>Total expenses</b>		<b>4,082</b>	<b>5,209</b>	<b>1,127</b>	<b>5,194</b>	<b>1,112</b>	<b>4,299</b>
<b>Net surplus (deficit)</b>		<b>(2,778)</b>	<b>(4,414)</b>	<b>1,636</b>	<b>(4,255)</b>	<b>1,477</b>	<b>(4,103)</b>

**BUSINESS UNITS**

	Note	FULL YEAR					ANNUAL 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		-	-	-	-	-	(1)
Business Networks		496	204	292	180	316	50
Activity Centres Revitalisation		500	506	(6)	616	(116)	6
Major Projects		195	79	116	141	54	135
Economic Development		113	6	107	2	111	6
<b>Total income</b>		<b>1,304</b>	<b>795</b>	<b>509</b>	<b>939</b>	<b>365</b>	<b>196</b>
<b>Expenses</b>							
Greater Dandenong Business Executive		387	420	33	415	28	424
Business Networks		908	1,014	106	962	54	747
Activity Centres Revitalisation		1,162	1,871	709	1,953	791	1,102
Major Projects		553	494	(59)	557	4	550
Economic Development		1,072	1,410	338	1,307	235	1,476
<b>Total expenses</b>		<b>4,082</b>	<b>5,209</b>	<b>1,127</b>	<b>5,194</b>	<b>1,112</b>	<b>4,299</b>
<b>Net surplus (deficit)</b>		<b>(2,778)</b>	<b>(4,414)</b>	<b>1,636</b>	<b>(4,255)</b>	<b>1,477</b>	<b>(4,103)</b>

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### Greater Dandenong Business

#### Income

**Note 2 Grants - operating (\$464,000 favourable)** – The favourable variance is due to receipt of unbudgeted grant income for Strengthening Pathways to Economic Participation (Business Networks \$124,000), Central Dandenong Development Facilitation Study (Economic Development \$110,000) and Dandenong Sports Events Business Plan (Major Projects \$50,000) and extension of Community Revitalisation Project (\$180,000). These grants will be offset by associated expenditure and any unspent grant funding at 30 June 2021 is proposed to be carried over to 2021-22 – see **Appendix 5**.

**Note 3 Other income (\$51,000 favourable)** – The favourable variance is due to extension of salary recovery for City Deals secondment (Major Projects \$66,000). The secondment has since concluded on 2 July 2021.

#### Expenditure

**Note 4 Employee costs (\$105,000 favourable)** – The favourable variance is due to vacant positions and a delay in recruitment (Economic Development \$136,000 and Place Making and Revitalisation \$26,000), partly offset by second year extension of the City Deals secondment position (Major Projects \$61,000).

**Note 5 Materials and services (\$617,000 favourable)** – Favourable variance due to delay in receipt of invoices and commencement of projects (Indian Cultural Precinct \$212,000, Economic Development \$198,000, Business Networks \$99,000, Outdoor Eating and Entertainment \$86,000, Place Making and Revitalisation \$36,000 and Business Engineering and Major Projects Executive \$24,000).

This favourable variance is partly offset by higher expenditure for professional services (Community Revitalisation Project \$45,000 and Major Projects \$7,000).

**Note 6 Other expenses (\$405,000 favourable)** – Favourable variance due to delay in commencement of projects (Outdoor Eating and Entertainment \$328,000, Indian Cultural Precinct \$53,000 and Business Networks \$37,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**CORPORATE SERVICES DIRECTORATE**

**OPERATING RESULT**

Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
Statutory fees and fines	106	111	(5)	101	5	111
User fees	8	21	(13)	2	6	21
Grants - operating	7	259	40	219	72	187
Other income	1,929	1,959	(30)	1,860	69	2,558
<b>Total income</b>	<b>2,302</b>	<b>2,131</b>	<b>171</b>	<b>2,035</b>	<b>267</b>	<b>2,691</b>
<b>Expenses</b>						
Employee costs	8	13,381	14,063	682	13,547	166
Materials and services	9	6,440	7,518	1,078	7,046	606
Bad and doubtful debts		1	-	(1)	-	(1)
Other expenses	10	1,077	1,277	200	1,166	89
<b>Total expenses</b>	<b>20,899</b>	<b>22,858</b>	<b>1,959</b>	<b>21,759</b>	<b>860</b>	<b>23,280</b>
<b>Net surplus (deficit)</b>	<b>(18,597)</b>	<b>(20,727)</b>	<b>2,130</b>	<b>(19,724)</b>	<b>1,127</b>	<b>(20,589)</b>

**BUSINESS UNITS**

Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>						
Corporate Services Executive	-	-	-	-	-	-
Communications and Customer Service	193	197	(4)	73	120	559
Governance	1,530	1,511	19	1,508	22	1,748
Information Technology	3	-	3	-	3	-
Financial Services	158	363	(205)	354	(196)	363
People and Procurement Services	418	60	358	100	318	21
<b>Total income</b>	<b>2,302</b>	<b>2,131</b>	<b>171</b>	<b>2,035</b>	<b>267</b>	<b>2,691</b>
<b>Expenses</b>						
Corporate Services Executive	528	598	70	596	68	609
Communications and Customer Service	5,063	5,715	652	5,141	78	6,188
Governance	2,752	3,175	423	3,013	261	3,248
Information Technology	4,811	5,092	281	5,042	231	5,186
Financial Services	2,596	2,878	282	2,867	271	2,889
People and Procurement Services	5,149	5,400	251	5,100	(49)	5,160
<b>Total expenses</b>	<b>20,899</b>	<b>22,858</b>	<b>1,959</b>	<b>21,759</b>	<b>860</b>	<b>23,280</b>
<b>Net surplus (deficit)</b>	<b>(18,597)</b>	<b>(20,727)</b>	<b>2,130</b>	<b>(19,724)</b>	<b>1,127</b>	<b>(20,589)</b>

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### Corporate Services Directorate

#### Income

**Note 7 Grants - operating (\$219,000 favourable)** – Favourable variance due to receipt of unbudgeted grants for COVID-19 Business and Hospitality Relief, COVID-19 Relief Program and COVID-19 CALD (Culturally and Linguistically Diverse) Networks (Emergency Management Grants \$235,000). This grant funding will be offset by associated expenditure and any unspent funding at 30 June 2021 is proposed to be carried forward to the 2021-22 financial year.

#### Expenditure

**Note 8 Employee costs (\$682,000 favourable)** – The favourable variance is primarily due to vacant positions and a reduction in the use of casual staff, training and overtime (Civic Facilities \$244,000, Call and Service Centres \$160,000, Records Management \$61,000, Financial Services \$32,000 and Southern Screen \$31,000), lower than anticipated corporate training and Occupational, Health and Safety (OHS) program costs (Organisational Development Executive \$110,000) combined with reduced hours for staff (Governance \$48,000).

This favourable variance is partly offset by an unbudgeted position (Emergency Management Grants \$16,000) which is grant funded and the phased retirement of a staff member (Property Revenue \$12,000).

**Note 9 Materials and services (\$1.08 million favourable)** – Favourable variance due to delay in commencement of projects and lower than anticipated software maintenance, application support, printing and stationery, postage, storage, subscriptions, professional services and insurance claims (Organisational Development Executive \$146,000, Technical Services \$145,000, Business Systems \$130,000, Property Management Administration \$108,000, Records Management \$67,000, Members of Council \$66,000, Civic Facilities \$59,000, OHS \$54,000, Property Revenue \$49,000, Financial Services \$36,000, Jan Wilson Community Centre \$35,000 Print Shop \$18,000, Communications and Customer Service Executive \$17,000, Senior Citizen Facilities \$16,000, Paddy O'Donoghue Centre \$13,000, Southern Screen \$11,000 and The Castle \$10,000).

Additionally, no outstanding rate recovery costs (recoverable) were incurred in 2020-21 due to COVID-19 (matched by lower recovery income) (Property Revenue \$175,000).

This favourable variance is partly offset by higher than anticipated emergency relief costs, which were mostly recoverable (Emergency Management \$45,000), professional services (Dandenong Market \$42,000) and insurance claims (Risk Management \$12,000).

**Note 10 Other expenses (\$200,000 favourable)** – Favourable variance mainly due to a saving in Council's contribution to the Dandenong Night Market which did not occur due to the COVID-19 pandemic (Dandenong Market \$87,000) combined with lower audit and administration costs (Corporate Services Executive \$69,000 and Members of Council \$28,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

## ENGINEERING SERVICES DIRECTORATE

### OPERATING RESULT

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
Rates and charges	11	22,495	22,438	57	22,438	57	22,438
Statutory fees and fines	12	285	215	70	250	35	413
User fees	13	550	607	(57)	607	(57)	607
Grants - operating	14	447	290	157	466	(19)	15
Contributions - monetary		4	-	4	1	3	-
Asset sales	15	495	686	(191)	526	(31)	686
Other income	16	3,131	3,010	121	2,283	848	617
<b>Total income</b>		<b>27,407</b>	<b>27,246</b>	<b>161</b>	<b>26,571</b>	<b>836</b>	<b>24,776</b>
<b>Expenses</b>							
Employee costs	17	18,335	18,621	286	18,887	552	18,082
Materials and services	18	46,174	49,810	3,636	49,256	3,082	46,131
Bad and doubtful debts		-	-	-	-	-	-
Carrying amount of assets sold	19	128	309	181	237	109	309
Other expenses		459	410	(49)	402	(57)	115
<b>Total expenses</b>		<b>65,096</b>	<b>69,150</b>	<b>4,054</b>	<b>68,782</b>	<b>3,686</b>	<b>64,637</b>
<b>Net surplus (deficit)</b>		<b>(37,689)</b>	<b>(41,904)</b>	<b>4,215</b>	<b>(42,211)</b>	<b>4,522</b>	<b>(39,861)</b>

### BUSINESS UNITS

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
Engineering Services Executive		-	-	-	-	-	-
Infrastructure Services		26,051	26,037	14	25,294	757	23,510
City Projects and Asset Improvement		32	19	13	19	13	19
Infrastructure Planning		1,324	1,190	134	1,258	66	1,247
<b>Total income</b>		<b>27,407</b>	<b>27,246</b>	<b>161</b>	<b>26,571</b>	<b>836</b>	<b>24,776</b>
<b>Expenses</b>							
Engineering Services Executive		-	-	-	-	-	-
Infrastructure Services		52,158	55,663	3,505	55,133	2,975	51,698
City Projects and Asset Improvement		10,833	11,371	538	11,560	727	10,940
Infrastructure Planning		2,105	2,116	11	2,089	(16)	1,999
<b>Total expenses</b>		<b>65,096</b>	<b>69,150</b>	<b>4,054</b>	<b>68,782</b>	<b>3,686</b>	<b>64,637</b>
<b>Net surplus (deficit)</b>		<b>(37,689)</b>	<b>(41,904)</b>	<b>4,215</b>	<b>(42,211)</b>	<b>4,522</b>	<b>(39,861)</b>

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### Engineering Services Directorate

#### Income

**Note 11 Rates and charges (\$57,000 favourable)** – Favourable variance due to better than anticipated income from waste and supplementary waste charges (Waste Management \$57,000).

**Note 12 Statutory fees and fines (\$70,000 favourable)** – Favourable variance due to better than anticipated fee income from sub-divisions and plan checking (Civil Development and Design \$70,000). Note - these income sources were reduced by \$167,000 in the 2020-21 Mid-Year Budget based on anticipated COVID-19 impacts.

**Note 13 User fees (\$57,000 unfavourable)** – Unfavourable variance due to lower than anticipated fee income (Civil Development and Design \$35,000 and Asset Protection \$21,000).

**Note 14 Grants - operating (\$157,000 favourable)** – Receipt of unbudgeted grant income for Peri-Urban Weed Management, Corridors of Green and Living Rivers (Parks Services \$150,000). These grants will be offset by associated project expenditure and any unspent grant funding at 30 June 2021 is proposed to be carried over to 2021-22.

**Note 15 Asset sales (\$191,000 unfavourable)** – Unfavourable variance due to lower than anticipated proceeds from plant and equipment sales as a result of delay in sending vehicles for auction caused by COVID-19 impacts on turnover of plant and equipment (Fleet Management \$191,000).

**Note 16 Other income (\$121,000 favourable)** – Favourable variance due to higher than anticipated developer contributions for park maintenance (Parks Services \$304,000), recovery income (Transport \$117,000 and Cleansing \$20,000) and a rebate for energy efficiency of street lighting partly offset by higher costs in the street lighting replacement project (Asset Management \$113,000). Note - \$197,000 of the developer funded landscape works in Parks Services will be carried over to 2021-22 as the works will occur in the 2021-22 financial year.

This favourable variance is partly offset by lower than anticipated recoveries for Spring Valley Landfill rehabilitation works as the works were not completed by 30 June 2021 (Spring Valley Landfill \$440,000). The remaining recovery income and expenditure budget is proposed to be carried over to the 2021-22 financial year, with Council's share funded by reserves.

#### Expenditure

**Note 17 Employee costs (\$286,000 favourable)** – Favourable variance caused by a delay in recruitment and lower temporary agency staff costs (Parks Services \$213,000, Roads and Drains \$149,000, Asset Management System Implementation \$130,000, CIP Implementation \$75,000, Infrastructure Services and Planning Executive \$50,000, Waste Management \$30,000 and Asset Protection \$10,000) combined with lower fringe benefits tax costs (Fleet Management \$122,000).

This favourable variance is partly offset by higher than anticipated temporary agency costs as a result of performing the public amenity cleansing service in house (Cleansing \$291,000), a temporary staff project manager budgeted in the capital program, a job share arrangement resulting in unbudgeted EFT combined with unbudgeted parental leave payments (City Improvement Executive \$142,000) as well as leave not yet taken by staff (Building Maintenance \$41,000).

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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**Note 18 Materials and services (\$3.64 million favourable) - Favourable variance due to:**

- Savings in Waste Management costs, particularly for garden waste, hard waste, tipping fees and recycling costs due to the increase in the State landfill levy being delayed to 2021-22, disposal cost increases anticipated in the 2020-21 Mid-Year Budget not eventuating, lower collection costs due to lower fuel prices and CPI combined with slowed service growth (Waste Management \$1.27 million). The savings in Waste Management were transferred to reserves at 30 June 2021.
- Lower than anticipated dumped rubbish due to performing service in-house (Cleansing \$360,000), bridge and drainage network maintenance, fire hydrants and line marking (Roads and Drains \$393,000), cleaning and maintenance of buildings (Building Maintenance \$274,000), park maintenance and utilities (Parks Services \$127,000) and asset protection reinstatements (Asset Protection \$68,000).
- Lower than anticipated contract services for street lighting, professional services for asset audits and asbestos rectification works and building demolitions (Building Disposal Program \$298,000, CIP Implementation \$187,000 and Asset Management \$88,000). Note - \$252,000 relating to the Building Disposal Program is proposed to be carried forward to the 2021-22 financial year.
- Lower contract services for rehabilitation works as the cell cap works were not complete by 30 June 2021 (Spring Valley Landfill \$433,000). The remaining cell cap work budget is proposed to be carried over to the 2021-22 financial year.
- Lower than anticipated fuel and fleet related costs due to COVID-19 work from home arrangements (proactive maintenance, consumables, electrical) (Fleet Management \$352,000).
- Delay in commencement of projects (Strategic Transport Planning \$28,000).

This favourable variance is offset by higher than anticipated consultancy costs (Transport \$100,000), security costs (Springvale Community Hub \$67,000) and professional services and software maintenance (City Improvement Executive \$61,000)

**Note 19 Carrying amount of assets sold (\$181,000 favourable) –** Lower than anticipated carrying amount of assets sold due to delay in sending vehicles for auction as a result of COVID-19 impacts on the supply of new plant and fleet equipment (Fleet Management \$181,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**CITY PLANNING, DESIGN & AMENITY**

**OPERATING RESULT**

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
Statutory fees and fines	20	6,674	6,614	60	6,231	443	7,701
User fees	21	3,222	3,539	(317)	3,195	27	4,961
Grants - operating	22	703	493	210	709	(6)	468
Other income	23	13	88	(75)	13	-	88
<b>Total income</b>		<b>10,612</b>	<b>10,734</b>	<b>(122)</b>	<b>10,148</b>	<b>464</b>	<b>13,218</b>
<b>Expenses</b>							
Employee costs	24	12,400	13,450	1,050	12,904	504	13,670
Materials and services	25	3,095	3,648	553	3,335	240	3,141
Bad and doubtful debts	26	1,118	1,353	235	1,355	237	1,353
Other expenses		17	47	30	35	18	92
<b>Total expenses</b>		<b>16,630</b>	<b>18,498</b>	<b>1,868</b>	<b>17,629</b>	<b>999</b>	<b>18,256</b>
<b>Net surplus (deficit)</b>		<b>(6,018)</b>	<b>(7,764)</b>	<b>1,746</b>	<b>(7,481)</b>	<b>1,463</b>	<b>(5,038)</b>

**BUSINESS UNITS**

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
City Planning, Design and Amenity Exec.		-	-	-	-	-	-
Building Services		1,958	2,009	(51)	1,935	23	2,236
Planning and Design		1,726	1,743	(17)	1,723	3	1,733
Regulatory Services		6,928	6,982	(54)	6,490	438	9,249
<b>Total income</b>		<b>10,612</b>	<b>10,734</b>	<b>(122)</b>	<b>10,148</b>	<b>464</b>	<b>13,218</b>
<b>Expenses</b>							
City Planning, Design and Amenity Exec.		462	481	19	474	12	481
Building Services		3,812	3,719	(93)	3,799	(13)	3,511
Planning and Design		5,085	5,760	675	5,382	297	5,571
Regulatory Services		7,271	8,538	1,267	7,974	703	8,693
<b>Total expenses</b>		<b>16,630</b>	<b>18,498</b>	<b>1,868</b>	<b>17,629</b>	<b>999</b>	<b>18,256</b>
<b>Net surplus (deficit)</b>		<b>(6,018)</b>	<b>(7,764)</b>	<b>1,746</b>	<b>(7,481)</b>	<b>1,463</b>	<b>(5,038)</b>

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### City Planning, Design and Amenity Directorate

#### Income

**Note 20 Statutory fees and fines (\$60,000 favourable)** – Favourable variance due to better than anticipated income from parking fines despite COVID-19 impacts (Parking Management \$198,000).

This favourable variance is partly offset by lower than anticipated animal fines (Animal Management \$87,000) and planning fines (Planning Compliance \$70,000).

Note – statutory fees and fines in this directorate were reduced by a combined \$2.39 million in the 2020-21 Original Budget and Mid-Year Budgets based on anticipated COVID-19 impacts.

**Note 21 User fees (\$317,000 unfavourable)** – Unfavourable variance due to lower than anticipated building permits (Building \$167,000), parking permits (Car Parks \$118,000), health renewals (Health \$66,000), planning fees (Statutory Planning \$41,000) and animal registration fees (Animal Management \$34,000).

The unfavourable variance is partly offset by higher than anticipated income from ticket machines (Parking Management \$117,000).

Note – user fees in this directorate were reduced by a combined \$1.89 million in the 2020-21 Original Budget and Mid-Year Budgets based on anticipated COVID-19 impacts.

**Note 22 Grants – operating (\$210,000 favourable)** – Favourable variance due to unbudgeted grant funding from the State Government (Local Government (LG) Capacity Building Grant – High Risk Waste Sites \$224,000). This grant will be offset by associated project expenditure and any unspent grant funding at 30 June 2021 is proposed to be carried over to 2021-22.

**Note 23 Other income (\$75,000 unfavourable)** – Unfavourable variance due to lower than anticipated rental income from Carroll Lane car park caused by delay in commencing lease arrangement as a result of COVID-19 testing at this site (Car Park \$74,000).

#### Expenditure

**Note 24 Employee costs (\$1.05 million favourable)** – Favourable variance due to delay in recruitment of vacant positions, lower overtime and use of temporary staff (Statutory Planning \$309,000, Parking Management \$157,000, Animal Management \$146,000, Public Safety and Security \$135,000, Strategic Design and Sustainability Planning \$103,000, Regulatory Services Administration \$81,000, General Law Enforcement \$59,000, Building \$51,000 and Planning Compliance \$34,000) combined with lower school crossing salary costs due to closure of schools under COVID-19 restrictions (School Crossing Supervisors \$50,000).

**Note 25 Materials and services (\$553,000 favourable)** – Favourable variance due to lower Fines Victoria statutory lodgement costs for parking infringements (Parking Management \$332,000), delay in commencement of projects, combined with lower professional services expenditure (Strategic Design and Sustainability Planning \$235,000, Car Parks \$43,000 and Regulatory Services Administration \$31,000).

This favourable variance is partly offset by higher than anticipated professional services (Health \$95,000).

**Note 26 Bad and doubtful debts (\$235,000 favourable)** – Favourable variance due to lower than anticipated provision for doubtful debts expense (Parking Management \$218,000, and Health \$19,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**COMMUNITY SERVICES DIRECTORATE**

**OPERATING RESULT**

	Note	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000	
<b>Income</b>							
User fees	27	1,918	2,329	(411)	1,837	81	2,473
Grants - operating	28	20,083	17,439	2,644	18,829	1,254	17,191
Other income	29	357	570	(213)	323	34	938
<b>Total income</b>		<b>22,358</b>	<b>20,338</b>	<b>2,020</b>	<b>20,989</b>	<b>1,369</b>	<b>20,602</b>
<b>Expenses</b>							
Employee costs	30	32,868	37,072	4,204	36,991	4,123	34,076
Materials and services	31	11,805	12,496	691	13,226	1,421	11,095
Bad and doubtful debts		17	9	(8)	9	(8)	9
Other expenses	32	2,199	2,585	386	2,589	390	2,648
<b>Total expenses</b>		<b>46,889</b>	<b>52,162</b>	<b>5,273</b>	<b>52,815</b>	<b>5,926</b>	<b>47,828</b>
<b>Net surplus (deficit)</b>		<b>(24,531)</b>	<b>(31,824)</b>	<b>7,293</b>	<b>(31,826)</b>	<b>7,295</b>	<b>(27,226)</b>

**BUSINESS UNITS**

	Note	FULL YEAR					ANNUAL 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		11,168	9,739	1,429	10,775	393	8,873
Community Care		9,231	8,655	576	8,300	931	9,655
Community Arts, Culture and Libraries		1,506	1,511	(5)	1,469	37	1,613
Community Development, Sports and Recreation		453	433	20	445	8	461
<b>Total income</b>		<b>22,358</b>	<b>20,338</b>	<b>2,020</b>	<b>20,989</b>	<b>1,369</b>	<b>20,602</b>
<b>Expenses</b>							
Community Services Executive		661	744	83	734	73	445
Community Wellbeing		15,894	19,046	3,152	20,028	4,134	14,791
Community Care		12,565	13,113	548	12,817	252	13,894
Community Arts, Culture and Libraries		9,567	10,077	510	9,888	321	10,331
Community Development, Sports and Recreation		8,202	9,182	980	9,348	1,146	8,367
<b>Total expenses</b>		<b>46,889</b>	<b>52,162</b>	<b>5,273</b>	<b>52,815</b>	<b>5,926</b>	<b>47,828</b>
<b>Net surplus (deficit)</b>		<b>(24,531)</b>	<b>(31,824)</b>	<b>7,293</b>	<b>(31,826)</b>	<b>7,295</b>	<b>(27,226)</b>

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### Community Services Directorate

#### Income

**Note 27 User fees (\$411,000 unfavourable)** - Unfavourable variance mainly due to the Family Day Care (FDC) administration levy not being charged for most of the year as a result of COVID-19, (\$424,000 - mostly offset by higher FDC grant subsidy income) combined with lower than anticipated service provision fee income (Home and Community Care \$66,000).

This unfavourable variance is partly offset by higher than anticipated fee income (Food Services \$59,000).

**Note 28 Grants – operating (\$2.64 million favourable)** - Favourable variance due to:

*Grants higher than budget for:*

- Family Day Care \$1.71 million
- Enhanced Maternal and Child Health (MCH) Program \$134,000
- Child First \$125,000
- Children's Support Services (Essential Enrolment) \$69,000
- Library and Information Services (mainly Public Libraries Funding Program) \$68,000
- Access and Quality Systems \$24,000

*New (unbudgeted) grant funding received:*

- HACC PYP Linkages \$170,000
- HACC – Home Maintenance \$162,000
- Refugee Immunisation Project \$137,000
- Community Development (Community Activation Social Isolation (CASI)) \$65,000
- Community Development (CASI Working For Victoria) \$49,000
- Healthy Children & Young People \$45,000
- Community Development (Safety, Security and Space Activation) \$23,000
- COVID-19 Mass Vaccination \$20,000
- Sports Planning (Health Promotion Innovation) \$15,000

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

- Home and Community Care \$329,000

These favourable variances are partly offset by:

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

- Sleep and Settling Initiative \$368,000
- Planned Activity Group \$69,000
- HACC – Assessments and Team Leaders \$39,000

*Lower than anticipated grant funding:*

- Immunisation \$18,000

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#### 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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*Grant funding no longer expected to be received:*

- Sports Planning (Walk to School) \$10,000

In general, any unspent grant income at 30 June 2021 is proposed to be carried forward to the 2021-22 financial year.

**Note 29 Other income (\$213,000 unfavourable)** – Unfavourable variance due lower than anticipated rental income from sporting clubs and indoor sports stadium as a result of rental waivers (Sports Planning \$124,000 and Dandenong Indoor Sports Stadium \$36,000) and lower recovery income due to the COVID-19 lockdowns (Drum Theatre \$49,000).

#### **Expenses**

**Note 30 Employee costs (\$4.20 million favourable)** - \$3.40 million of this favourable variance relates to grant funded programs (which require an acquittal) caused by a delay in recruitment (Child First \$986,000, Enhanced MCH Program \$929,000, Sleep and Settling Initiative \$353,000, New Directions - Mother and Babies \$319,000, Playgroups Initiative \$254,000, Pre-School Field Officer \$190,000, Right@Home \$164,000 and Drug Strategy \$93,000). Any unspent grant funds relating to these programs is proposed to be carried forward to the 2021-22 financial year.

The remaining favourable variance is due to a delay in recruitment (Library and Information Services \$280,000, Children's Support Services \$188,000, Planned Activity Group \$180,000, Maternal and Child Health \$147,000, Community Development \$64,000, Food Services \$57,000, Cultural Development \$54,000, Youth Development \$54,000, Family Day Care \$52,000, Home and Community Care \$47,000, Community Transport \$41,000, Youth Leadership \$40,000 and HACC – Co-ordination \$37,000).

The favourable variance is partly offset by higher temporary/agency staff (HACC – Home Maintenance \$71,000), increased hours due to COVID-19 social distancing requirements (Immunisation \$136,000) and changes of working conditions (The Drum Theatre \$90,000).

**Note 31 Material and services (\$691,000 favourable)** – Favourable variance due to COVID-19 related savings and delay in commencement of projects (Leisure Centres \$629,000, Library and Information Services \$202,000, Festivals and Events \$163,000, Home and Community Care \$159,000, Drug Strategy \$132,000, Market Street Occasional Child Care Centre \$121,000, Enhanced MCH Program \$96,000, Community Hub Early Years \$70,000, Community Wellbeing Executive \$67,000, Community Precinct Operations \$65,000, Cultural Development \$48,000, Food Services \$38,000, Planned Activity Group \$38,000, HACC Co-ordination \$29,000 and Drum Theatre \$22,000).

This favourable variance is partly offset by higher payments to educators relating to additional service delivery requirements which are offset by higher grant income (Family Day Care \$1.25 million), higher than anticipated home maintenance materials (HACC – Home Maintenance \$39,000) and application support (HACC – Assessments and Team Leaders \$38,000).

**Note 32 Other expenses (\$386,000 favourable)** – Favourable variance mainly due to lower than anticipated community funding allocations (Community Funding \$284,000) and expenditure (Senior Citizens Centres \$33,000 and Library Services \$14,000).

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**NON-DIRECTORATE**

**OPERATING RESULT**

Note	FULL YEAR						ANNUAL ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000		
<b>Income</b>							
Rates and charges	33	129,831	129,312	519	129,442	389	129,887
Statutory fees and fines	34	66	200	(134)	9	57	200
Grants - operating	35	17,420	10,720	6,700	11,218	6,202	12,201
Contributions - monetary	36	2,506	2,000	506	2,000	506	2,000
Contributions - non-monetary	37	4,634	15,000	(10,366)	15,000	(10,366)	15,000
Asset sales		1,000	1,000	-	1,001	(1)	-
Other income		939	909	30	1,075	(136)	1,610
<b>Total income</b>		<b>156,396</b>	<b>159,141</b>	<b>(2,745)</b>	<b>159,745</b>	<b>(3,349)</b>	<b>160,898</b>
<b>Expenses</b>							
Employee costs	38	3,289	3,959	670	4,447	1,158	1,050
Materials and services	39	1,687	2,369	682	2,497	810	1,188
Prior year capital expenditure unable to be capitalised (non-cash)	40	3,708	-	(3,708)	-	(3,708)	-
Bad and doubtful debts		(3)	-	3	-	3	-
Depreciation	41	32,489	32,308	(181)	32,308	(181)	31,433
Amortisation - intangible assets		97	60	(37)	60	(37)	-
Amortisation - right of use assets		597	581	(16)	581	(16)	-
Borrowing costs		2,924	2,924	-	2,924	-	3,051
Finance costs - leases		23	21	(2)	21	(2)	-
Carrying amount of assets sold	42	1,000	-	(1,000)	1,000	-	-
Fair value adjustments expense	43	954	-	(954)	-	(954)	-
Asset write offs	44	1,992	-	(1,992)	-	(1,992)	-
Other expenses	45	3,088	2,445	(643)	2,480	(608)	967
<b>Total expenses</b>		<b>51,845</b>	<b>44,667</b>	<b>(7,178)</b>	<b>46,318</b>	<b>(5,527)</b>	<b>37,689</b>
<b>Net surplus (deficit)</b>		<b>104,551</b>	<b>114,474</b>	<b>(9,923)</b>	<b>113,427</b>	<b>(8,876)</b>	<b>123,209</b>

**BUSINESS UNITS**

Note	FULL YEAR						ANNUAL ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUAL VARIANCE \$'000		
<b>Income</b>							
Governance		1,000	1,000	-	1,001	(1)	-
Corporate Accounting		152,890	156,141	(3,251)	156,744	(3,854)	158,898
Planning and Design		2,506	2,000	506	2,000	506	2,000
<b>Total income</b>		<b>156,396</b>	<b>159,141</b>	<b>(2,745)</b>	<b>159,745</b>	<b>(3,349)</b>	<b>160,898</b>
<b>Expenses</b>							
Governance		1,007	30	(977)	1,030	23	30
Corporate Accounting		50,804	44,619	(6,185)	45,266	(5,538)	37,641
Planning and Design		34	18	(16)	22	(12)	18
<b>Total expenses</b>		<b>51,845</b>	<b>44,667</b>	<b>(7,178)</b>	<b>46,318</b>	<b>(5,527)</b>	<b>37,689</b>
<b>Net surplus (deficit)</b>		<b>104,551</b>	<b>114,474</b>	<b>(9,923)</b>	<b>113,427</b>	<b>(8,876)</b>	<b>123,209</b>

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.

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## 4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

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### Non-Directorate

#### Income

**Note 33 Rates and charges (\$519,000 favourable)** – Favourable variance due mainly to higher than anticipated income from supplementary rates, interest on rates and maintenance levy for Keysborough South Development (the maintenance levy is transferred to reserves).

**Note 34 Statutory fees and fines (\$134,000 unfavourable)** – Unfavourable variance due to lower than anticipated fine income for council election (Corporate Accounting \$134,000).

**Note 35 Grants – operating (\$6.70 million favourable)** – The favourable variance is due to the early receipt of \$6.35 million (50%) of the 2021-22 Financial Assistance Grant funding allocation via the Victorian Local Government Grants Commission in June 2021 (Corporate Accounting) and unbudgeted Culturally and Linguistically Diverse (CALD) Local Partnership (second phase) grant funding (Pandemic \$350,000). Any unspent grant funding is proposed to be carried over to the 2021-22 financial year.

**Note 36 Contributions – monetary (\$506,000 favourable)** – Better than anticipated income from public open space contributions. The nature of these receipts makes the timing and amount difficult to predict. These funds are transferred to reserves.

**Note 37 Contributions – non-monetary (\$10.37 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.

#### Expenditure

**Note 38 Employee costs (\$670,000 favourable)** – Favourable variance due mainly to an FBT refund received due to a successful Australian Taxation Office ruling (Corporate Accounting \$427,000) and lower than anticipated salaries and training costs (Working for Victoria Fund \$255,000).

**Note 39 Materials and services (\$682,000 favourable)** – Favourable variance due to lower than anticipated professional services, postage, occupancy costs and bank charges (Pandemic \$357,000, Working for Victoria Fund \$262,000 and Corporate Accounting \$56,000).

**Note 40 Prior year capital expenditure unable to be capitalised (non-cash) (\$3.71 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 \$3.71 million). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure include asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Note 41 Depreciation (\$181,000 unfavourable)** – Unfavourable variance of 0.56% due to the finalisation of fixed asset capitalisations and revaluations for the 2020-21 financial year.

**Note 42 Carrying amount of assets sold (\$1 million unfavourable)** – Unfavourable variance due to written down value of land sold as part of three-way land swap with Development Victoria not being included in the Mid-Year Budget. This is a fixed asset transaction that does not impact on the cash result of Council.

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

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**Note 43 Fair value adjustment expense (\$954,000 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.

**Note 44 Asset write offs (\$1.99 million unfavourable)** – Unfavourable variance due to assets written off mostly due to asset renewal and replacement of kerb and channel, footpaths and road surface assets.

**Note 45 Other expenses (\$643,000 unfavourable)** – Unfavourable variance due to higher than anticipated expenditure (Working for Victoria Fund \$506,000) and contributions (Local Partnerships Program \$106,000) which are offset by grant funding.

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

## CAPITAL WORKS PROGRAM

### OPERATING RESULT

	Note	FULL YEAR				FORECAST vs ACTUAL VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000		
<b>Income</b>							
Grants - capital	46	6,466	13,879	(7,413)	14,488	(8,022)	3,244
Contributions - monetary	47	807	2,058	(1,251)	2,058	(1,251)	910
<b>Total income</b>		<b>7,273</b>	<b>15,937</b>	<b>(8,664)</b>	<b>16,546</b>	<b>(9,273)</b>	<b>4,154</b>
<b>Expenses</b>							
Employee costs		-	-	-	-	-	-
Materials and services	48	4,869	-	(4,869)	-	(4,869)	-
Other expenses	49	318	-	(318)	-	(318)	-
<b>Total expenses</b>		<b>5,187</b>	<b>-</b>	<b>(5,187)</b>	<b>-</b>	<b>(5,187)</b>	<b>-</b>
<b>Net surplus (deficit)</b>		<b>2,086</b>	<b>15,937</b>	<b>(13,851)</b>	<b>16,546</b>	<b>(14,460)</b>	<b>4,154</b>

#### Income

**Note 46 Grants - capital (\$7.41 million unfavourable)** – Unfavourable variance due mainly to grant income not recognised where performance obligations were not yet satisfied at 30 June 2021 under the Accounting Standard AASB 1058 'Income of Not-For-Profit Entities'. The grant income received has been transferred to unearned income in the Balance Sheet at 30 June 2021 and will be recognised as income in future years as and when the performance obligations are met. The unfavourable variance relates mainly to Noble Park Aquatic Centre (NPAC) gym redevelopment (\$2.69 million), Black Spot Works Program (\$2.20 million), Ross Reserve Plaza, Playground, Oval and Path (\$905,000), Thomas Carroll Pavilion (\$583,000), Ross Reserve Pavilion (\$561,000), Roads to Recovery Program (\$487,000) and Police Paddocks Reserve Grandstand (\$200,000). These capital grant budgets are proposed to be carried over to the 2021-22 financial year.

**Note 47 Contributions – monetary (\$1.25 million unfavourable)** – Unfavourable variance due to DCP contribution income not yet able to be recognised as a result of a delay in the Abbotts Road project (\$910,000) and due to the DCP required land purchase at 875 Taylors Road being accounted for as a contribution instead of capital expenditure (\$401,000). The Abbotts Road project is proposed to be carried over to the 2021-22 financial year.

**Note 48 Materials and services (\$4.87 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 Local Road Surface/Rehabilitation Program (\$1.30 million), Kerb and Channel Resurfacing Program (\$950,000) and Asset Management System (\$578,000).

**Note 49 Other expenses (\$318,000 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.

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

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# Appendix 4

## Operating Initiatives

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Operating Initiatives**

Operating initiative project	2020-21 Actuals \$	2020-21 Budget \$	Variance (Unfav) Fav \$	2020-21 Original Budget \$	Project update - 30 June 2021
<b>Community Services</b>					
Membership fee for Refugee Welcome Zone (RWZ) Leadership Council	5,000	5,000	0	5,000	Initiative completed for 2020-21.
Dandenong Community Hub - Business Case and Concept Plan	24,250	80,000	55,750	80,000	Project has now commenced. Currently due to be completed by November 2021. Unspent funds at 30 June 2021 will be carried over to 2021-22.
Chandler Reserve Community Gardens Contribution	720	20,000	19,280	20,000	Community consultation has closed. Officers continue to liaise with the Maralinga Community Garden Inc. The proposal has been delayed, pending a State Government Advisory Committee decision for the adjacent school site combined with further consideration by council and consultation with the community. Councillors have been kept informed on the progress of this initiative. Officers met with representatives on the Garden in July, and are awaiting further feedback, prior to the planning permit process being completed. Unspent funds as at 30 June 2021 will be carried over to 2021-22.
	<b>29,970</b>	<b>105,000</b>	<b>75,030</b>	<b>105,000</b>	
<b>City Planning, Design and Amenity</b>					
Climate Change Strategy Implementation	98,967	80,000	(18,967)	80,000	Consultant is developing the South East Councils Climate Change Alliance (SECCCA) additional asset vulnerability assessments for community services and open space for review in July.
Community Gardens Strategy Development	3,640	20,000	16,360	20,000	Draft policy and guidelines have been developed and will be presented to Council in July 2021 for their feedback. Unspent funds as at 30 June 2021 will be carried over to 2021-22.
	<b>102,607</b>	<b>100,000</b>	<b>(2,607)</b>	<b>100,000</b>	

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

**Operating Initiatives**

Operating initiative project	2020-21 Actuals \$	2020-21 Budget \$	Variance (Unfav) Fav \$	2020-21 Original Budget \$	Project update - 30 June 2021
<b>Business, Engineering and Major Projects</b>					
Stage 2 Social Enterprise Program	0	40,000	40,000	40,000	Project being reviewed.
Business Case for Dandenong Sports and Events Centre	40,520	50,000	9,480	50,000	Project underway. \$100,000 grant received from Sports and Recreation Victoria will contribute towards project cost.
Street Trees - Springvale South	17,402	20,000	2,598	20,000	Project completed (minor savings).
Biodiversity Action Plan	50,978	50,000	(978)	50,000	The draft Biodiversity Action Plan and Ecological Knowledge review has been completed. The draft Biodiversity Action Plan will be on public display for comment and feedback in August 2021.
Electric Vehicle Fleet Transition Plan	20,000	20,000	0	20,000	Draft final report received for review and comment in July 2021. It is anticipated that this will be finalised with the consultant in August 2021.
Landscaping - Robinson Street and Princes Highway Intersection	12,000	200,000	188,000	200,000	Design is currently under review. Unspent funds as at 30 June 2021 will be carried over to 2021-22.
Building demolition - Ross Reserve Junior Soccer Pavilion	58,840	80,000	21,160	80,000	Project delayed due to wet weather and material shortages. Unspent funds as at 30 June 2021 will be carried over to 2021-22.
Building demolition - Ross Reserve O'Donahue Pavilion (Football)	73,815	100,000	26,185	100,000	Project delayed due to wet weather and material shortages. Unspent funds as at 30 June 2021 will be carried over to 2021-22.
Street lighting - install and replacement	485,979	408,000	(77,979)	408,000	Project on track with lights ordered. However, United Energy charged for the lights' replacement in 2020-21 instead of 2021-22 (offset by unbudgeted income).
	<b>759,534</b>	<b>968,000</b>	<b>208,466</b>	<b>968,000</b>	
<b>TOTAL</b>	<b>892,111</b>	<b>1,173,000</b>	<b>280,889</b>	<b>1,173,000</b>	

**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

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**4.2.2 June 2021 Financial Report (interim results) (Cont.)**



Financial Report for the period 1 July 2020 – 30 June 2021

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# Appendix 5

## Capital and Operating Carry Over's from 2020-21 to 2021-22

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (A) - OPERATING CARRY OVERS TO 2021-22

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET \$	COVID-19 IMPACT?
				INCOME \$	RESERVES \$	EXPENSE \$		
<b>GRANT FUNDED PROJECTS AND PROGRAMS</b>								
<b>COMMUNITY SERVICES</b>								
<b>Community Arts, Culture and Libraries</b>								
A1	Libraries After Dark [1769]	Unspent grant	3003	(6,000)	0	53,896	47,896	Yes
				(6,000)	0	53,896	47,896	
<b>Community Care</b>								
A2	PYP Linkages	Unspent grant	3327	0	0	119,650	119,650	Yes
A3	Supporting Carers Locally [2475]	Unspent grant	3336	0	0	24,129	24,129	No
				0	0	143,779	143,779	
<b>Community Development, Sport and Recreation</b>								
A4	Safety, Security and Space Activation [1818]	Unspent grant	3503	0	0	22,730	22,730	No
A5	Health Promotion Innovation [1891]	Unspent grant	2218	0	0	23,800	23,800	No
A6	Community Activation Social Isolation Working For Victoria [2458]	Unspent grant	3503	0	0	33,925	33,925	No
A7	Healthy Children and Young People	Unspent grant	3524	0	0	37,980	37,980	No
				0	0	118,435	118,435	
<b>Community Wellbeing</b>								
A8	Childrens Support Services - Essential Enrolment [2156]	Unspent grant	2906	0	0	9,320	9,320	No
A9	Childrens Support Services - 3 Year Old Kindergarten Planning [2157]	Unspent grant	2906	0	0	100,700	100,700	No
A10	Childrens Support Services - Outreach Support CALD [2460]	Unspent grant	2906	0	0	58,940	58,940	No
A11	Playgroups Initiative	Unspent grant	2915	0	0	281,518	281,518	Yes
A12	Child First	Unspent grant	2917	0	0	1,125,841	1,125,841	No
A13	Preschool Field Officer	Unspent grant	2920	0	0	178,150	178,150	Yes
A14	Freeza	Unspent grant	2926	0	0	11,592	11,592	Yes
A15	Market Street Occasional Child Care Ctr - Community Support [1181]	Unspent grant	2951	0	0	122,495	122,495	Yes
A16	Market Street Occasional Child Care Ctr - Sustainability Support [1800]	Unspent grant	2951	0	0	17,826	17,826	Yes
A17	Market Street Occasional Child Care Centre - Operational	Unspent grant	2953	0	0	11,102	11,102	Yes
A18	Y-Space	Unspent grant	2956	0	0	20,713	20,713	Yes
A19	Youth Development - Transitions [2478]	Unspent grant	2957	0	0	10,000	10,000	No
A20	Enhanced Maternal and Child Health Program	Unspent grant	2958	0	0	1,157,390	1,157,390	Yes
A21	Best Start	Unspent grant	2959	0	0	20,060	20,060	Yes
A22	Drug Strategy	Unspent grant	2960	0	0	238,444	238,444	Yes
A23	Community Hub Early Years	Unspent grant	2977	0	0	69,632	69,632	Yes
A24	Maternal and Child Health - Sleep and Settling Training Backfill [2459]	Unspent grant	3401	0	0	32,065	32,065	No
A25	Right @ Home	Unspent grant	3404	0	0	163,043	163,043	No
A26	New Directions - Mothers and Babies	Unspent grant	3406	0	0	319,624	319,624	Yes
A27	Refugee Immunisation Project	Unspent grant	3490	0	0	125,014	125,014	No
A28	Sleep and Settling Initiative	Unspent grant	3449	(368,126)	0	372,653	4,527	Yes
A29	COVID Mass Vaccination	Unspent grant	3491	0	0	20,000	20,000	Yes
				(368,126)	0	4,466,122	4,097,996	
<b>TOTAL COMMUNITY SERVICES</b>				(374,126)	0	4,782,232	4,408,106	

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (A) - OPERATING CARRY OVERS TO 2021-22

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET \$	COVID-19 IMPACT?
				INCOME \$	RESERVES \$	EXPENSE \$		
<b>GRANT FUNDED PROJECTS AND PROGRAMS</b>								
<b>CITY PLANNING, DESIGN AND AMENITY</b>								
<b>Planning and Design</b>								
A30	Living Rivers [1513]	Unspent grant	2645	0	0	15,836	15,836	Yes
				0	0	15,836	15,836	
<b>Building and Compliance Services</b>								
A31	Local Government Capacity Building - High Risk Waste Sites	Unspent grant	2605	0	0	172,638	172,638	No
				0	0	172,638	172,638	
<b>TOTAL CITY PLANNING, DESIGN AND AMENITY</b>				0	0	188,474	188,474	
<b>BUSINESS, ENGINEERING &amp; MAJOR PROJECTS</b>								
<b>Activity Centres Revitalisation</b>								
A32	Indian Cultural Precinct	Unspent grant	2251	0	0	265,383	265,383	No
A33	Outdoor Eating and Entertainment Program	Unspent grant	2252	0	0	404,203	404,203	Part
				0	0	669,586	669,586	
<b>Business Networks</b>								
A34	Community Revitalisation (including Career Education Association)	Unspent grant	0902	0	0	150,193	150,193	Yes
A35	Strengthening Pathways to Economic Participation (SPEP)	Unspent grant	0904	0	0	124,000	124,000	No
				0	0	274,193	274,193	
<b>Economic Development</b>								
A36	Central Dandenong Development Facilitation Study [2461]	Unspent grant	0601	0	0	110,000	110,000	No
				0	0	110,000	110,000	
<b>Major Projects</b>								
A37	Dandenong Sports and Events Centre [1881]	Unspent grant	2705	0	0	50,000	50,000	No
				0	0	50,000	50,000	
<b>Infrastructure Services and Planning</b>								
A38	Parks Services - Peri Urban Weed Management Project [2454]	Unspent grant	2643	0	0	123,368	123,368	No
A39	Parks Services - Corridors of Green Yarraman Creek [2457]	Unspent grant	2643	0	0	20,000	20,000	No
A40	Parks Services - Corridors of Green Brady Road [2482]	Unspent grant	2643	0	0	20,000	20,000	No
A41	Parks Services - Living Rivers Fotheringham Billabong [2483]	Unspent grant	2643	0	0	20,000	20,000	No
A42	Parks Services - Corridors of Green Robert Booth [1758]	Unspent grant	2643	0	0	20,000	20,000	No
A43	Parks Services - Dandenong Creek Arts Trail [1886]	Unspent grant	2643	(32,143)	0	67,370	35,227	No
				(32,143)	0	270,738	238,595	
<b>TOTAL BUSINESS, ENGINEERING AND MAJOR PROJECTS</b>				(32,143)	0	1,374,517	1,342,374	

4.2.2 June 2021 Financial Report (interim results) (Cont.)



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APPENDIX 5 (A) - OPERATING CARRY OVERS TO 2021-22

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET \$	COVID-19 IMPACT?
				INCOME \$	RESERVES \$	EXPENSE \$		
<b>GRANT FUNDED PROJECTS AND PROGRAMS</b>								
<b>CORPORATE SERVICES and NON-DIRECTORATE</b>								
<b>Corporate Services - People and Procurement</b>								
A44	COVID-19 Business and Hospitality and COVID-19 CALD Networks	Unspent grant	0804	0	0	151,295	151,295	No
A45	COVID-19 Relief Program [2470]	Unspent grant	0804	0	0	64,915	64,915	No
				0	0	216,210	216,210	
<b>Non-Directorate - Pandemic</b>								
A46	Pandemic - Local Partnership [1898]	Unspent grant	1307	0	0	172,996	172,996	No
				0	0	172,996	172,996	
<b>TOTAL CORPORATE SERVICES</b>				0	0	389,206	389,206	
<b>Total grant programs</b>				(406,269)	0	6,734,429	6,328,160	
<b>GRANTS BUDGETED IN 2021-22, BUT RECEIVED EARLY IN 2020-21</b>								
A47	Financial Assistance Grant allocation (50% of 2021-22 allocation)	Grant in advance	1302	6,350,369	0	0	6,350,369	No
				6,350,369	0	0	6,350,369	0
<b>Total grant adjustment for early receipts</b>				6,350,369	0	0	6,350,369	
<b>OTHER OPERATING CARRY OVERS</b>								
<b>COMMUNITY SERVICES</b>								
<i>Additional comments provided for each item below in Attachment D.</i>								
<b>Community Services Executive</b>								
A48	Springvale Community Hub - Asset purchases	One off operating initiative	2706	0	0	10,727	10,727	Yes
A49	Springvale Community Hub Celebration Event	Recurrent budget	2706	0	0	31,226	31,226	Yes
A50	Springvale Community Hub Celebration Event - promotional materials	Recurrent budget	2706	0	0	17,890	17,890	Yes
				0	0	59,843	59,843	
<b>Community Development, Sport and Recreation</b>								
A51	Chandler Reserve Community Garden Contribution [1451]	Operating initiative	3503	0	0	19,280	19,280	No
A52	Anti-Poverty Collective Impact Grant Program [2484]	Redirection of budget	2982	0	0	150,000	150,000	Yes
				0	0	169,280	169,280	
<b>Community Arts, Culture and Libraries</b>								
A53	Greater Dandenong Gallery Website	Recurrent budget	3504	0	0	13,440	13,440	Yes
				0	0	13,440	13,440	
<b>Community Wellbeing</b>								
A54	Feasibility Study Dandenong Community Hub [1869]	Operating initiative	2904	0	0	55,750	55,750	Yes
				0	0	55,750	55,750	
				0	0	298,313	298,313	

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (A) - OPERATING CARRY OVERS TO 2021-22

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET	COVID-19 IMPACT?
				INCOME \$	RESERVES \$	EXPENSE \$		
<b>GRANT FUNDED PROJECTS AND PROGRAMS</b>								
<b>BUSINESS, ENGINEERING AND MAJOR PROJECTS</b>								
<b>City Improvement</b>								
A55	Building demolition/site reinstatement - 14 Stuart Street, Dandenong [2114]	Operating initiative via CIP	1619	0	(10,000)	10,000	0	No
A56	Building demolition/site reinstatement - 77 Herbert Street, Dandenong [2116]	Operating initiative via CIP	1619	0	(10,000)	10,000	0	No
A57	Building demolition/site reinstatement - 89 Douglas Street, Noble Park [2117]	Operating initiative via CIP	1619	0	(25,000)	25,000	0	No
A58	Building demolition/site reinstatement - Ross Reserve Junior Soccer Pavilion [1872]	Operating initiative via CIP	1619	0	0	20,000	20,000	No
A59	Building demolition/site reinstatement - Ross Reserve O'Donoghue Football Pavilion [1873]	Operating initiative via CIP	1619	0	0	20,000	20,000	No
A60	Building demolition/site reinstatement - 275 Lonsdale Street, Dandenong [1629]	Operating initiative via CIP	1619	0	(106,750)	106,750	0	No
A61	Building demolition/site reinstatement - 280 Lonsdale Street, Dandenong [1537]	Operating initiative via CIP	1619	0	0	60,591	60,591	No
A62	Princes Highway and Robinson Street - median landscaping works [3133]	Operating initiative via CIP	2104	0	0	188,000	188,000	No
				0	(151,750)	440,341	288,591	
<b>Infrastructure Services and Planning</b>								
A63	Spring Valley Landfill - rehabilitation works [1059]	Income / reserve funded project	2209	(399,585)	(99,148)	498,733	0	No
A64	Asset Management System Implementation	Operating initiative	1505	0	0	122,732	122,732	No
A65	Developer Funded Landscape Works	Unbudgeted funding	2643	0	0	197,189	197,189	No
				(399,585)	(99,148)	818,654	319,921	
<b>Major Projects</b>								
A66	Dandenong Sports and Events Centre Business Plan	One off operating initiative	2705	0	0	9,480	9,480	No
				0	0	9,480	9,480	
				(399,585)	(250,898)	1,268,475	617,992	
<b>CITY PLANNING, DESIGN AND AMENITY</b>								
<b>Planning and Design</b>								
A67	Community Gardens Strategy Development [1448]	Operating initiative	3503	0	0	16,360	16,360	No
				0	0	16,360	16,360	
<b>CORPORATE SERVICES</b>								
<b>Information Technology</b>								
A68	Digital Transformation Portal	Previously part capital project	1503	0	0	250,000	250,000	No
				0	0	250,000	250,000	
<b>Total other carry over items</b>				(399,585)	(250,898)	1,773,305	1,122,822	
<b>Total operating carry overs</b>				5,544,515	(250,898)	8,567,577	13,861,194	

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (B) - CAPITAL CARRY OVERS TO 2021-22

NO.	PROJECT DESCRIPTION	SUB ACCT	CIP BID NO.	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	COVID-19 IMPACT?
				RESERVE \$	INCOME \$			
C1	Fleet Renewal Program <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	1445	1958-20/21	0	0	705,000	705,000	Yes
C2	Fleet Purchase - Mobile Eco Centre/Community Environment Centre	1447	1957-20/21	0	0	160,000	160,000	No
C3	Vanity Lane - Design (Stage 1 of 3)	1629	1921-20/21	(29,523)	0	29,523	0	No
C4	Vanity Lane - Construction of Streetscape (Stage 3 of 3)	1629	1922-20/21	(1,110,499)	0	1,110,499	0	No
C5	Barry Powell Reserve - Master Plan Implementation	1747	1770-19/20	0	0	95,944	95,944	Yes
C6	Safety, Security and Space Activation	1818	Grant	0	(17,270)	17,270	0	No
C7	77 Herbert Street - Pocket Park Construction and Streetscape Improvements	2126	1740-19/20	0	(273,588)	273,588	0	No
C8	Major Drainage Renewal Program <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	3019	1954-20/21	0	0	123,029	123,029	Yes
C9	Abbotts Road (Section 2 Between Taylors Road and National Drive) - Widening (Construct Stage 1 of 3)	3080	1743-19/20	(618,775)	(910,244)	4,195,027	2,666,008	No
C10	Drainage Capital Program (Catchment 9 Detailed Design) <i>* Carry over reallocation to LRCI Callander Road Drain (4010)</i>	3129 to 4010	964-18/19	0	0	59,808	59,808	No
C11	Thomas Street - Afghan Precinct Undergrounding (Stage 4 - City Edge to Walker Street)	3141	1730-19/20	0	0	17,511	17,511	No
C12	Active Transport Infrastructure Priority Program (ATIPP)	3174	1500-19/20	0	0	175,347	175,347	Yes
C13	Thomas P Carroll Reserve Crowe Pavilion - Construction / Refurbishment	3219	1039-18/19	0	(582,843)	2,294,615	1,711,772	No
C14	Local Road Upgrade and Reconstruction <i>* Carry over reallocation to Abbotts Road (3080)</i>	3231 to 3080	1743-19/20	0	0	149,406	149,406	No
C15	DCP Keysborough South Industrial Buffer	3248	1322-18/19	0	0	10,648	10,648	No
C16	Springvale Library/Civic Centre - Indigenous Public Art Work	3272	2015-20/21	0	0	31,015	31,015	No
C17	Public Hall Equipment Program (Springvale City Hall - Re-upholster Balcony Chairs) <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	3314	1860-20/21	0	0	240,937	240,937	Yes
C18	Clarendon Reserve - Dog Off Leash Park	3454	1291-18/19	0	0	31,927	31,927	No
C19	Springvale Road Boulevard Project - Implementation (Stage 2)	3490	1711-19/20	(748,745)	0	3,898,745	3,150,000	No
C20	Dandenong Civic Centre - Design Protected / Sheltered Area	3518	1987-20/21	0	0	20,000	20,000	No

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (B) - CAPITAL CARRY OVERS TO 2021-22

NO.	PROJECT DESCRIPTION	SUB ACCT	CIP BID NO.	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	COVID-19 IMPACT?
				RESERVE \$	INCOME \$			
C21	George Andrews Reserve - Extension to Whittle Pavilion Kitchen	3547	1504-19/20	0	0	328,435	328,435	No
C22	Keysborough South Community Hub Development - Construction (Stage 1 of 2)	3548	1331-18/19	(2,229,968)	(198,497)	2,524,410	95,945	No
C23	Dandenong Park (Northern Parkland/Riverside Precinct) - Master Plan Construction Year 4 and Concept Design for Riverside Park	3631	1949-20/21	0	0	321,011	321,011	No
C24	Roads to Recovery Resurfacing Program <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	3752	1985-20/21	0	(497,306)	497,306	0	Yes
C25	Road Resurfacing Program <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	3753	1975-20/21	0	0	262,840	262,840	Yes
C26	Dandenong Market (Market Square) - Provision of Services Design (Stage 3 of 4)	3793	1583-19/20	0	0	100,000	100,000	No
C27	Mason/Robinson Street - Road Realignment	3828	1685-19/20	(201,432)	0	422,852	221,420	No
C28	Hemmings Street Shopping Precinct - Streetscape Upgrade (Stage 2 of 2)	3848	1999-20/21	0	(31,780)	29,637	(2,143)	No
C29	Frederick Wächter Reserve (Wetlands) - Construction and Landscape Improvements (Stage 2 of 2)	3849	1880-20/21	0	0	612,308	612,308	No
C30	Parkfield Reserve - Construction of Oval	3853	1845-20/21	0	0	135,824	135,824	No
C31	Ross Reserve - Shared Pedestrian Path (Jogging/Tan Track) - Construction and Ross Reserve - Oval 1 Upgrade	3900	1775-19/20 1776-19/20	0	(808,588)	514,797	(293,791)	No
C32	Ross Reserve - All Abilities Playground (Construct)	3900	1697-19/20	0	(96,686)	96,686	0	Yes
C33	Ross Reserve New Pavilion (Football) - Construction (Stage 1 of 2)	3902	1876-20/21	0	(561,373)	531,948	(29,425)	Yes
C34	Building Renewal Program Theatre (Drum Theatre - Wireless Comms Replacement and Hardwired Stage Communications Data, Drum Theatre - General Audit Recommendation Improvements) <i>* Note this is a renewal project, but is recommended by the Services and Assets Steering Committee to be carried over.</i>	3904	1906-20/21 1911-20/21	0	0	123,762	123,762	Part
C35	Greater Dandenong Gallery of Art (5 Mason Street) - Construct (Stage 2 of 2)	3906	1916-20/21	0	0	2,504,863	2,504,863	No
C36	Supply, Implementation and Maintenance of Replacement Asset Management System (Stage 2 of 3)	3914	1963-20/21	0	0	337,197	337,197	No
C37	Arkana Streetscape (Corner Foster Street and Lonsdale Street) - Design	3929	1431-19/20	(49,760)	0	49,760	0	Yes

4.2.2 June 2021 Financial Report (interim results) (Cont.)



Financial Report for the period 1 July 2020 – 30 June 2021

APPENDIX 5 (B) - CAPITAL CARRY OVERS TO 2021-22

NO.	PROJECT DESCRIPTION	SUB ACCT	CIP BID NO.	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	COVID-19 IMPACT?
				RESERVE \$	INCOME \$			
C38	Sports Lighting Plan	3933	1710-19/20	0	0	147,377	147,377	No
C39	Implement Parking Sensors (Stage 2 of 3)	3934	1762-19/20	0	0	108,000	108,000	No
C40	Police Paddocks Reserve - Construction of Grandstand (Stage 2)	3941	1767-19/20	0	(200,000)	434,860	234,860	No
C41	Black Spot Program 2020-21	3942	2026-20/21	0	(1,978,815)	2,140,581	161,766	Yes
C42	Ian Tatterson Leisure Park - Relocation of Dog Off Leash	3943	1952-20/21	(11,863)	0	11,863	0	No
C43	Villiers Road - Access Road to Springers Leisure Centre for Keysborough South Community Hub	3944	2006-20/21	(584,125)	0	584,125	0	Yes
C44	Dandenong Market (Fruit & Veg) - Roof Repair	3948	1941-20/21	0	0	111,640	111,640	No
C45	Noble Park Aquatic Centre (NPAC) - Health and Wellbeing Gymnasium Redevelopment Design (Stage 1)	3949	1997-20/21	0	(2,690,718)	2,325,203	(365,515)	No
C46	Ross Reserve All Abilities Playground - Changing Places Toilet	3951	1406-19/20	0	0	103,555	103,555	No
C47	Springvale Library/Civic Centre - Storage Provisions for Civic Facilities, Events, Parks, Cleansing and Emergency Relief	3952	1927-20/21	0	0	97,005	97,005	No
C48	Emergency Relief Centres - Provision of Equipment (Stage 1 of 2)	3959	1407-19/20	0	0	24,803	24,803	Yes
C49	Road Reconstruction Program - Geotechnical Investigations	3961	1978-20/21	0	0	50,000	50,000	No
C50	Dandenong Oasis Replacement - Detailed Design (Stage 2 of 6)	3974	1968-20/21	0	0	1,667,942	1,667,942	No
<b>Total capital carry overs (recommended)</b>				<b>(5,584,690)</b>	<b>(8,847,708)</b>	<b>30,840,429</b>	<b>16,408,031</b>	

KEY:

- Renewal projects.
- Projects with a practical completion date expected by 30 September 2021.