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**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**

**POLICY & STRATEGY**

**Q2 2021-22 QUARTERLY PERFORMANCE REPORT**

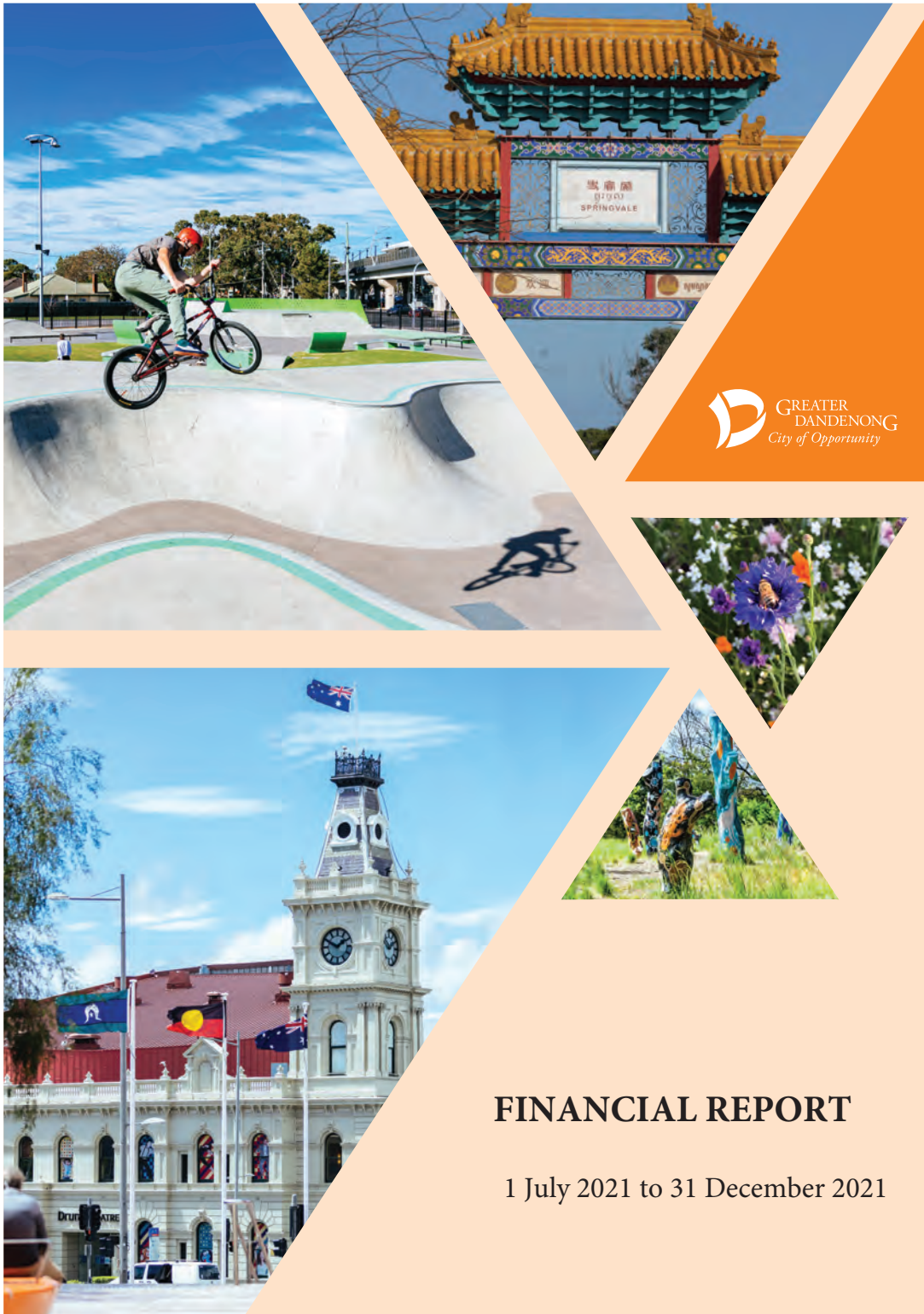
**ATTACHMENT 2**

**FINANCIAL REPORT  
1 JULY – 31 DECEMBER 2021**

**PAGES 49 (including cover)**

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

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**



**FINANCIAL REPORT**

1 July 2021 to 31 December 2021

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#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)

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Financial Report for the period 1 July 2021 – 31 December 2021

**Executive Summary****Operating Result**

For the six months ended December 2021 Council achieved a surplus operating result of \$11.37 million which is \$5.67 million better than the year to date budget. This comprises:

- Favourable income variance of \$1.61 million mainly due to operating grants received earlier than anticipated or unbudgeted.
- Favourable operating expenditure variance of \$4.06 million due to:
  - Employee costs (\$2.89 million favourable) mainly caused by delays in recruitment
  - Materials and services (\$1.43 million favourable) due to delays in the commencement of projects, works and receipt of invoices.

More detailed variance explanations are included in the body of this report.

**Capital Result**

Council expenditure for the first six months of 2021-22 is \$15.42 million which is \$3.05 million favourable to budget. The bulk of this variance is due to delays in the commencement of projects, some caused by COVID-19.

**Cash Position**

Cash and cash equivalents are \$194.29 million at 31 December 2021. This is a \$16.86 million increase on 30 June 2021 cash levels. Cash fluctuates frequently over the year due to a number of factors including the timing of payments and receipts. Of this cash balance, \$136.73 million of funds are "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.

**COVID-19 and 2021-22 impacts**

The 2021-22 Annual Budget was largely based on a return to some degree of economic normality. At the time of the preparation of the budget, it was not anticipated that Lockdown 6 would occur in July/August 2021. Council's finances continue to be impacted by COVID-19 and Lockdown 6 restrictions - most significantly on Council's revenue (statutory fees and fines, user fees, rental and interest income).

The Mid-Year Budget Review was conducted and endorsed by Council on 13 December 2021. This report now incorporates the outcomes of the Mid-Year Budget Review. In summary, COVID-19 financial losses for 2021-22 are estimated at nearly \$4 million. Reducing this unfavourable outcome are favourable non-COVID-19 related budget adjustments (\$730,000) and the surplus available at 30 June 2021 (\$1.88 million). The balance of \$1.35 million has been transferred from the Major Projects Reserve where Council had prudently transferred \$2 million dollars to this reserve as a COVID-19 contingency fund in 2020-21.

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The more significant COVID-19 impacts adjusted in the Mid-Year Budget Review comprise:

- Loss of income from parking fines, ticket machine income and permits (\$700,000)
- Dandenong Market – COVID-19 support payments (\$540,000)
- Loss of income from The Drum Theatre – partly offset by cost savings (\$531,000)
- Leisure Centres – higher contract costs (\$487,000)
- Loss of income from Civic Facilities – partly offset by cost savings (\$376,000)
- Loss of interest on rates from penalty rate interest payable on outstanding rates (\$200,000)
- Loss of interest income from lower than anticipated returns on investments (\$200,000)
- Loss of grant income from Planned Activity Group – partly offset by cost savings (\$188,000)
- Loss of income from food/health registration fees combined with Streetrader and statutory fines (\$184,000)
- Loss of seasonal sporting club ground charges and turf income combined with Council subsidising utility costs (\$171,000)
- Loss of rental income from commercial properties (\$141,000)
- Loss of income from building permit application and building inspection fees, combined with higher software maintenance costs (\$135,000)

The financial impact of COVID-19 will continue to be closely monitored and any permanent variances identified subsequent to the Mid-Year Budget Review will be reflected in the full year forecast. The forecast review is expected to be completed in March 2022.

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

**CGD – Operating Result**

For the period 1 July 2021 – 31 December 2021

	Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>	<b>B1</b>					
Rates and charges		79,161	79,053	108	156,053	156,253
Statutory fees and fines		3,626	3,687	(61)	7,716	8,227
User fees		3,335	3,019	316	6,728	7,972
Grants - operating		15,101	13,838	1,263	27,340	30,551
Grants - capital		4,054	3,983	71	24,972	9,996
Contributions - monetary		1,611	1,600	11	7,645	4,935
Contributions - non-monetary		-	-	-	10,000	10,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment		156	232	(76)	403	403
Other income		2,108	2,128	(20)	5,010	7,125
<b>Total income</b>		<b>109,152</b>	<b>107,540</b>	<b>1,612</b>	<b>245,867</b>	<b>235,462</b>
<b>Expenses</b>	<b>B2</b>					
Employee costs		40,987	43,874	2,887	93,562	86,802
Materials and services		34,530	35,963	1,433	77,562	74,566
Prior year capital expenditure unable to be capitalised (non-cash)		582	-	(582)	-	-
Bad and doubtful debts		487	783	296	1,568	1,568
Depreciation		16,612	16,612	-	33,237	33,277
Amortisation - intangible assets		50	50	-	100	60
Amortisation - right of use assets		299	299	-	604	604
Borrowing costs		1,390	1,387	(3)	2,800	2,802
Finance costs - leases		-	-	-	22	22
Fair value adjustments expense		-	-	-	-	-
Asset write offs		-	-	-	-	-
Other expenses		2,843	2,867	24	6,376	4,356
<b>Total expenses</b>		<b>97,780</b>	<b>101,835</b>	<b>4,055</b>	<b>215,831</b>	<b>204,057</b>
<b>Net surplus (deficit)</b>		<b>11,372</b>	<b>5,705</b>	<b>5,667</b>	<b>30,036</b>	<b>31,405</b>

For comments regarding movements in Operating Income and Expenditure items, please refer to explanatory notes located at B1 to B2.

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### Balance Sheet As at 31 December 2021

	Note	2021-22 ACTUAL 31 Dec 2021 \$'000	2020-21 ACTUAL 30 Jun 2021 \$'000	2021-22 MID YEAR BUDGET \$'000	2021-22 ORIGINAL BUDGET \$'000
<b>ASSETS</b>					
<b>Current assets</b>	<b>C1</b>				
Cash and cash equivalents		194,291	177,428	132,812	112,384
Trade and other receivables		90,304	26,530	26,818	28,013
Other assets		1,171	4,894	4,004	2,872
<b>Total current assets</b>		<b>285,766</b>	<b>208,852</b>	<b>163,634</b>	<b>143,269</b>
<b>Non-current assets</b>	<b>C2</b>				
Property, infrastructure, plant and equipment		2,444,966	2,446,778	2,513,977	2,296,195
Investment property		10,860	10,860	10,860	11,814
Right-of-use assets		264	563	1,085	1,073
Intangible assets		164	202	102	4
Trade and other receivables		295	295	295	305
<b>Total non-current assets</b>		<b>2,456,549</b>	<b>2,458,698</b>	<b>2,526,319</b>	<b>2,309,391</b>
<b>Total assets</b>		<b>2,742,315</b>	<b>2,667,550</b>	<b>2,689,953</b>	<b>2,452,660</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>C3</b>				
Trade and other payables		5,938	19,019	21,879	24,965
Prepaid rates		76,600	-	-	-
Trust funds and deposits		5,405	4,427	4,870	8,925
Unearned income		60,060	60,293	52,293	40,340
Provisions		22,945	22,366	22,366	19,983
Interest-bearing liabilities		1,701	3,372	3,484	4,083
Lease liabilities		129	415	570	571
<b>Total current liabilities</b>		<b>172,778</b>	<b>109,892</b>	<b>105,462</b>	<b>98,867</b>
<b>Non-current liabilities</b>	<b>C4</b>				
Provisions		1,567	1,424	1,424	900
Trust funds and deposits		2,399	2,035	2,035	311
Interest-bearing liabilities		53,264	53,264	49,779	55,300
Lease liabilities		160	160	442	442
<b>Total non-current liabilities</b>		<b>57,390</b>	<b>56,883</b>	<b>53,680</b>	<b>56,953</b>
<b>Total liabilities</b>		<b>230,168</b>	<b>166,775</b>	<b>159,142</b>	<b>155,820</b>
<b>NET ASSETS</b>	<b>C5</b>	<b>2,512,147</b>	<b>2,500,775</b>	<b>2,530,811</b>	<b>2,296,840</b>
<b>EQUITY</b>					
Accumulated surplus		935,555	923,957	959,311	979,146
Asset revaluation reserve		1,511,604	1,511,604	1,511,604	1,269,823
Reserves		64,988	65,214	59,896	47,871
<b>TOTAL EQUITY</b>		<b>2,512,147</b>	<b>2,500,775</b>	<b>2,530,811</b>	<b>2,296,840</b>

Note - *Prepaid Rates*: 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.

For comments regarding movements in other Balance Sheet items, please refer to explanatory notes located at C1 to C5.



#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### Cash Flow Statement

	2021-22 ACTUAL 31 Dec 2021 Inflows/ (Outflows) \$'000	2021-22 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2021-22 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges	92,445	155,765	155,936
Statutory fees and fines	3,118	6,148	6,084
User fees	3,765	8,063	8,441
Grants - operating	19,243	29,478	32,400
Grants - capital	743	16,972	9,996
Contributions - monetary	942	7,645	4,935
Interest received	92	561	758
Trust funds and deposits taken	20,288	28,495	28,052
Other receipts	1,997	4,964	7,070
Net GST refund	4,769	14,213	10,948
Employee costs	(42,618)	(93,562)	(85,981)
Materials and services	(45,406)	(91,376)	(85,273)
Trust funds and deposits repaid	(18,912)	(28,052)	(27,552)
Other payments	(3,037)	(7,014)	(4,792)
<b>Net cash provided by operating activities</b>	<b>37,429</b>	<b>52,300</b>	<b>61,022</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	(17,370)	(90,737)	(63,362)
Proceeds from sale of property, infrastructure, plant and equipment	187	704	704
<b>Net cash used in investing activities</b>	<b>(17,183)</b>	<b>(90,033)</b>	<b>(62,658)</b>
<b>Cash flows from financing activities</b>			
Finance costs	(1,426)	(2,800)	(2,802)
Proceeds from borrowings	-	-	6,120
Repayment of borrowings	(1,671)	(3,372)	(3,372)
Interest paid - lease liability	-	(22)	(22)
Repayment of lease liabilities	(286)	(689)	(689)
<b>Net cash provided by (used in) financing activities</b>	<b>(3,383)</b>	<b>(6,883)</b>	<b>(765)</b>
Net increase (decrease) in cash and cash equivalents	16,863	(44,616)	(2,401)
Cash and cash equivalents at the beginning of the year	177,428	177,428	114,785
<b>Cash and cash equivalents at the end of the period</b>	<b>194,291</b>	<b>132,812</b>	<b>112,384</b>
<b>Represented by:</b>			
Operating cash	57,528	14,893	8,428
Restricted cash	136,763	117,919	103,956
<b>Total</b>	<b>194,291</b>	<b>132,812</b>	<b>112,384</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.

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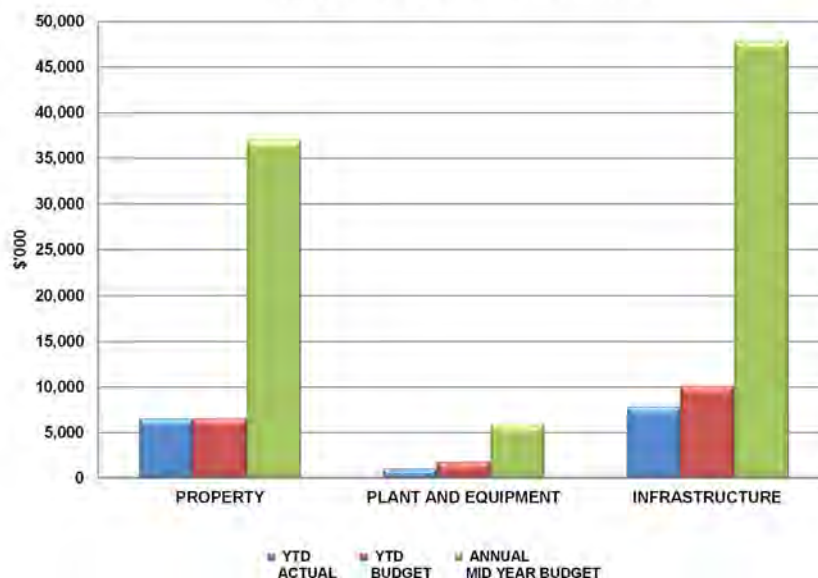
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## Capital Expenditure Statement

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

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	COMMIT \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
PROPERTY	6,526	6,542	16	14,428	37,005	34,798
PLANT AND EQUIPMENT	1,080	1,821	741	2,975	5,888	4,295
INFRASTRUCTURE	7,819	10,112	2,293	14,456	47,845	24,269
<b>TOTAL EXPENDITURE</b>	<b>15,425</b>	<b>18,476</b>	<b>3,051</b>	<b>31,859</b>	<b>90,738</b>	<b>63,362</b>

Capital Expenditure 2021-22



Capital expenditure is typically slower in the first half of the financial year and 2021-22 is no exception. Capital expenditure in the second half of the year is expected to increase significantly and historically, approximately 25% occurs in June. The progress and completion of a number of projects have been impacted by COVID-19 and other factors, which may mean that part of these project budgets will be carried over to the 2022-23 financial year. The Service and Assets Steering Committee are currently reviewing the current year progress of each project to identify those projects anticipated to be carried over at 30 June 2022.

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**

Financial Report for the period 1 July 2021 – 31 December 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 are recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations are recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent in nature).
3. **Fees and charges:** Most fees and charges are recognised when cash is received. Generally, where Council raises a debtor's invoice, income is recognised at the point of the invoice and not when cash is received. Car parking permit income relating to a future period at balance date are recognised as unearned income in the Balance Sheet.
4. **Contributions - cash:** Cash contributions are essentially from developers towards open space works. These monies are treated as income when received. Council is obligated to spend these monies for the purpose for which they are given by the developers. Council also receives external contributions for other capital projects. Cash contributions received are held in reserves and treated as "restricted cash" until they are spent (see **note 9** below).
5. **Employee costs:** Salaries expenditure is based on fortnightly salaries paid and accruals for salary on-costs such as leave entitlements, superannuation and workcover.
6. **Capital expenditure:** The two broad areas of capital are the capital improvement program (CIP) (which includes infrastructure and major projects) and 'other' which includes fleet, computers, plant and furniture. Expenditure is recognised as capital if it is significant in value and results in assets which have a useful life in excess of at least one year.
7. **Budget information:** The Original Budget information contained in the report is the budget approved by Council on 28 June 2021. The year to date budget in this report reflects the Mid Year Budget as adopted by Council on 13 December 2021. The Amended Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2020-21. In accordance with Section 97(3) of the Local Government Act 2020 the Chief Executive officer is of the view that a Revised Budget is not required for the financial reporting period 31 December 2021. No variations have been made to the declared rates and charges or loan borrowings other than what has been approved in the 2021-22 Adopted Budget. Council's financial position is sound with a working capital ratio of 1.65 as at 31 December 2021.
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.

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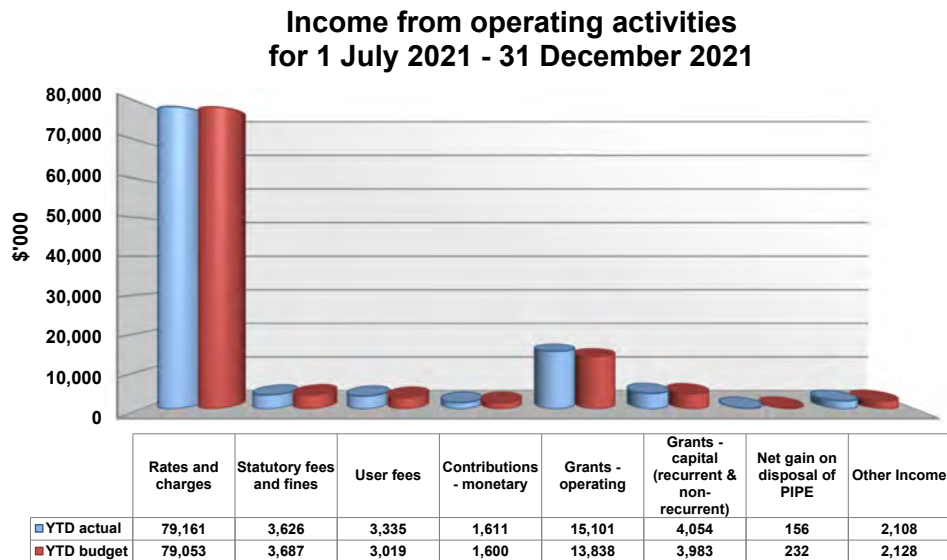
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Financial Report for the period 1 July 2021 – 31 December 2021

### B1. Operating Income

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



Income for the period ended 31 December 2021 is \$1.61 million favourable against budget. This is primarily due to the following:

**Grants – operating (\$1.26 favourable)** – Receipt of unbudgeted grant funding for COVID-Safe Outdoor Activation (\$575,000), Pandemic Local Partnerships (\$279,000), New Directions – Mothers and Babies (\$172,000) and Waste Management (\$167,000), combined with additional funding received for Family Day Care (\$716,000) and grant funding received earlier than anticipated for Maternal and Child Health (\$112,000)

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Home and Community Care (\$822,000) and Sleep and Settling Initiative (\$139,000).

**User fees (\$316,000 favourable)** – Mainly due to higher fee income from parking ticket machines/meters than expected to date (City Planning, Design and Amenity \$281,000).

**Rates and charges (\$108,000 favourable)** – Favourable variance due to higher than anticipated income from supplementary rates (Non-Directorate \$104,000).

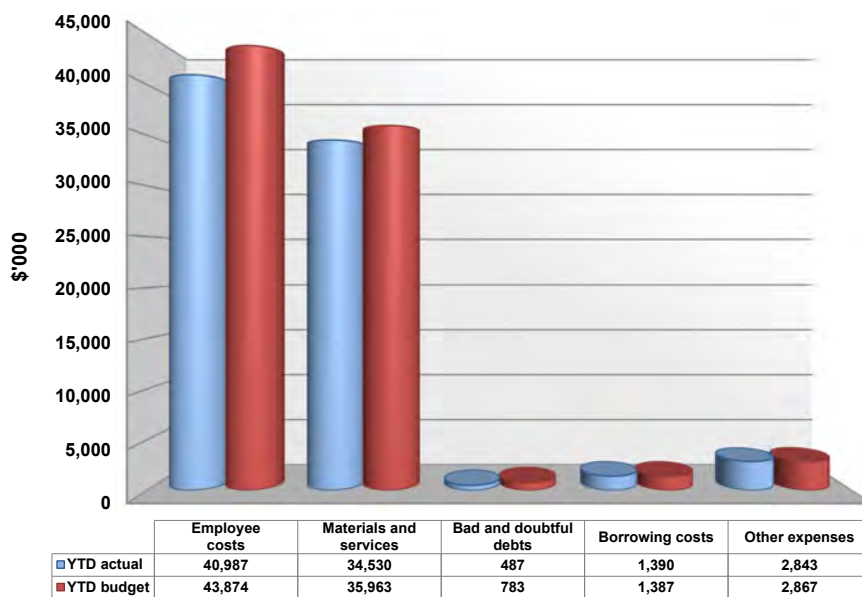
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**B2. Operating Expenditure**

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

**Expenditure from operating activities  
for 1 July 2021 to 31 December 2021**



Actual expenditure at 31 December 2021 against the budget is favourable by \$4.06 million. The major variances are in employee costs and materials and services.

**Employee costs (\$2.89 million favourable)** – This favourable variance is mainly due to staff recruitment occurring later than planned and a delay in commencement of grant funded projects (Community Services \$2.13 million, Corporate Services \$285,000, City Planning, Design and Amenity \$214,000, Engineering Services \$136,000 and Greater Dandenong Business \$110,000). Of the overall \$2.89 million employee costs favourable variance, \$2.16 million relates to grant funded programs which require an acquittal (predominantly in Community Services).

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**Materials and services (\$1.43 million favourable)** – The major items contributing to this favourable variance are:

- Administration costs (\$521,000) – 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 \$350,000, Corporate Services \$89,000, City Planning, Design and Amenity \$36,000 and Non-Directorate \$27,000).
- Utilities (\$439,000) – mainly due to lower than anticipated electricity and water costs to date (Engineering Services \$340,000 and Corporate Services \$72,000).
- Materials, maintenance and services (\$285,000) – mainly due to lower than anticipated expenditure for materials, delay in receipt of invoices and commencement of projects (Community Services \$188,000 and City Planning, Design and Amenity \$98,000).

**Prior year capital expenditure unable to be capitalised (non-cash) (\$582,000 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 \$582,000). This is an accounting entry that does not impact on Council's cash position. Examples of non-capital expenditure includes asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Bad and doubtful debts (\$296,000 favourable)** – Lower than anticipated bad and doubtful debt expenditure to date (City Planning, Design and Amenity \$292,000).

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Financial Report for the period 1 July 2021 – 31 December 2021

**C. Balance Sheet**

Council's net assets are valued at \$2.51 billion at 31 December 2021.

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

**Cash and cash equivalents (\$194.29 million)** – Represent the amount held by Council in cash or term deposits. Please note that this amount includes \$136.76 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'.

**Trade and other receivables (\$90.30 million)** – This balance includes:

- Rate debtors \$72.11 million.
- Infringement debtors of \$9.29 million (net of provision for doubtful debts).
- General debtors \$8.90 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 (\$1.17 million)** – This balance includes:

- Prepayments \$155,000 - expenses prepaid at 31 December 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.
- Accrued income \$457,000 – income earned but cash not yet received at 31 December 2021.

**C2. Non-current assets**

**Property, infrastructure, plant and equipment (\$2.44 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 is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right-of-use assets (\$264,000)** – 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 (\$164,000)** – Represents computer software assets. These values are reflected after recognising the associated amortisation expense.

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**Trade and other receivables (\$295,000)** - \$222,000 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site and a \$73,000 refundable bond with Western Health (originally related to Community Chef) which is expected to be returned upon completion of the contract.

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

**Trade and other payables (\$5.94 million)** – This balance includes trade creditors arising from operations and capital works.

**Trust funds and deposits (\$5.41 million)** – Trust funds and deposits includes other refundable monies in respect of:

- Other deposits (\$1.83 million).
- Fire services property levy funds collected by Council on behalf of the State Government, but not yet paid on to the State Revenue Office (\$1.24 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Landscape deposits (\$1.12 million).
- Open space contributions (\$664,000).
- Road deposits (\$552,000).

**Unearned income (\$60.06 million)** – Represents income not yet earned in accordance with the 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 31 December 2021 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$40.51 million)
- Capital grants (\$10.10 million)
- Operating grants (\$9.31 million)
- Other unearned income (\$134,000).

**Provisions (\$22.94 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 - \$9.12 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 (\$1.70 million)** – Represent the remaining repayments of long-term borrowings during 2021-22.

**Lease liabilities (\$129,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2021-22 and mainly comprise of property and information technology related lease obligations.



**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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

**Provisions (\$1.57 million)** – Represents the provisions estimated to be paid beyond the 2021-22 financial year and comprises long service leave entitlements for employees (\$844,000) 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 (\$2.40 million)** – Represents deposits that are payable beyond the 2021-22 financial year and comprises asset protection bonds of \$2.10 million, landscape deposits of \$193,000 and contractor deposits of \$105,000.

**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 and mainly comprise of property and information technology related lease obligations.

**C5. Net assets and equity**

**Net assets (\$2.51 billion)** - Represents the difference between total assets and total liabilities. It is the Council's net worth to the City's ratepayers.

**Asset revaluation reserve (\$1.51 billion)** – Represents the revaluation increments and decrements of property and infrastructure assets that are valued at fair value.

**Reserves (\$64.99 million)** – 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

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### D. Cash Flow Statement

Cash and investment holdings total \$194.29 million at 31 December 2021, an increase of \$16.86 million since 30 June 2021. Total cash and investment holdings are made up of operating cash (\$57.53 million) and restricted cash (\$136.76 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 \$37.43 million.

The major inflows are rates \$92.46 million, grants \$19.99 million, trust funds and deposits taken \$20.29 million, user fees \$3.77 million, monetary contributions \$942,000 and statutory fees and fines \$3.12 million.

The major outflows are materials and services \$45.41 million, employee costs \$42.62 million and trust funds and deposits repaid \$18.91 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 \$17.18 million, including:

- \$17.37 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.
- \$187,000 proceeds on asset sales mainly relating to the fleet replacement program.

**Cash flows from financing activities** – outflow of \$3.38 million. For the six months ending 31 December 2021, Council incurred \$1.43 million in finance costs on its borrowings and repaid \$1.67 million of existing loans. Council also repaid \$286,000 of its leased liabilities during that period.

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

Type	31 Dec 2021	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	20,100	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	5,568	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	5,576	To fund acquisitions of new open space land.
Major projects reserve	25,556	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.

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

Type	31 Dec 2021	Notes
Keysborough South Maintenance Levy	2,917	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	1,476	This reserve is for the rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	319	These funds are to meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	308	This fund has been created to meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	236	This reserve is to fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	1,693	This reserve is to fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	1,103	Funds set aside for the aged care reforms.
Future maintenance reserve	136	Contribution funds for future works to address level crossing removal authority defects.
<b>Total reserve funds</b>	<b>64,988</b>	
<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	13,788	Funds set aside to meet long service leave commitments.
Annual leave and other	9,670	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Employee provisions</b>	<b>23,458</b>	
<b>Trust funds and deposits</b>	<b>\$'000</b>	
Fire services property levy (FSPL) collected and due	1,236	Payable to State Revenue Office – legislative requirement.
Open space contributions	664	Pending completion of works.
Landscape deposits	1,316	Pending completion of works.
Road deposits	552	Pending completion of works.
Other trust funds and deposits	4,036	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>7,804</b>	
<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	40,513	Pending completion of works by developers.
<b>Other restricted funds</b>	<b>40,513</b>	
<b>Total restricted cash</b>	<b>136,763</b>	

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**Statement of Capital Works**

Total capital expenditure at 31 December 2021 was \$15.43 million. A further \$31.86 million remains committed at the end of December. The **CIP Expenditure Report** 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 are reported if the variance is 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.

**Infrastructure**

- **3849 Frederick Wachter Reserve Master Plan (\$452,000 favourable)** – Playground construction contract has been awarded. Ordering of materials and equipment has commenced.
- **4010 LRCI-Callander Rd Drain (\$337,000 favourable)** – Negotiations regarding the creation of easements are ongoing. Additional design elements, including the structural support of buildings is underway.

**Plant and equipment**

- **1445 Fleet Purchases (\$407,000 favourable)** – Renewal program delayed.

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2021 – 31 December 2021

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# Appendix 1

## Capital Expenditure

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

## CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>PROPERTY</b>						
<b>Buildings</b>						
1631. Art Gallery PEP Building	-	-	-	-	350,000	-
1796. Wal Turner Reserve Master Plan	18,901	25,000	6,099	2,012	150,000	150,000
1818. Safety, Security & Space Activation	-	-	-	-	193,994	193,994
1869. Feasibility Study D'ong Commun.Hub	-	10,000	10,000	-	325,000	325,000
3044. Roof Safety Program	-	10,000	10,000	-	157,000	157,000
3179. Shepley Regional Multipurpose Ctre	70,711	70,000	(711)	73,003	150,000	150,000
3219. Thomas Carroll Pavilion	135,736	137,287	1,551	95,988	5,294,615	3,000,000
3361. Springers Leisure Works	22,860	26,500	3,640	0	31,500	31,500
3543. Public Toilet Strategy-Implement	181,317	180,000	(1,317)	198,138	840,000	840,000
3547. George Andrews Reserve-Bld Modific.	-	-	-	-	328,435	-
3548. Keysborough South Community Hub Dev	72,992	73,675	683	171,711	1,494,442	10,229,862
3793. Dandenong Market Utility Srv Infra	4,744	16,667	11,923	6,077	100,000	-
3804. CCTV/Security Capital Program	-	-	-	50,700	105,000	105,000
3820. Noble Park Aquatic Ctr Mechan.&Pump	1,947	5,000	3,053	-	36,000	36,000
3821. Oasis Leisure Ctr Mechan. & Pump	-	-	-	-	10,000	10,000
3874. Building Renewal Prg.- HVAC	4,656	131,000	126,344	-	297,000	297,000
3876. Building Renewal Prg.- Bathroom	136,026	168,000	31,974	34,597	385,000	385,000
3877. Building Renewal Prg.- Flooring	22,020	45,000	22,980	1,840	103,000	103,000
3878. Building Renewal Prg.- Lift Refurb.	-	25,000	25,000	-	100,000	100,000
3879. Building Renewal Prg.- Minor Works	49,773	40,000	(9,773)	5,031	92,000	92,000
3880. Building Renewal Prg.- Roof	45,553	89,000	43,447	15,293	203,000	203,000
3883. Building Renewal Prg.- Kitchen & Eq	40,815	123,000	82,185	162,120	280,000	280,000
3902. Ross Reserve Pavilion	2,008,863	2,007,948	(915)	4,996,726	8,386,948	7,900,000
3904. Building Renewal Prg.- Theatre	7,689	146,762	139,073	-	175,762	52,000
3906. Greater D'ong Gallery of Art	466,346	466,863	517	1,581,734	2,504,863	-
3946. Building Renewal Prg.-Aquatic & Lei	94,086	126,000	31,914	36,606	289,000	289,000
3947. Building Renewal Prg.- Project	3,000	3,000	-	19,400	6,000	156,000
3948. D'ong Mkt (Fruit & Veg) Floor&Roof	-	-	-	-	111,640	-
3949. NPAC Redevelopment	1,363,927	1,364,203	276	4,453,887	6,525,203	4,200,000
3951. Ross Res P/gmd-Change Plc Toilet	121,078	103,555	(17,523)	4,914	103,555	-
3952. S/Vale Library/Civic-Storage&Equip	21,094	21,005	(89)	22,954	97,005	-
3957. Audio Visual Equipment Renewal	102,260	110,000	7,740	-	110,000	110,000
3974. Dandenong Oasis Replacement	904,537	886,942	(17,595)	2,145,077	4,967,942	3,300,000
4000. MCH Centres (x6) Works	-	7,000	7,000	-	26,000	26,000
4001. Dandenong Market Works	-	-	-	-	-	420,000
4002. Springvale Reserve Boardroom	-	5,000	5,000	-	20,000	20,000
4003. Springvale Reserve Changerooms (x2)	65,477	66,000	523	25,645	325,000	325,000
4004. Balmoral Car	-	-	-	7,200	942,793	942,793
4026. Springvale Town Hall Works	-	9,000	9,000	15,391	18,000	18,000
<b>Leasehold Improvements</b>						
3941. Police Paddocks Res. Grandstand	-	-	-	82	434,860	-
4005. Keysb PS Kinder Fitout	-	-	-	45,435	50,000	50,000
4006. Police Paddocks Soccer Function Rm	-	10,000	10,000	-	300,000	300,000
4028. Police Paddocks Batting Cage	32,742	33,750	1,008	31,139	247,500	-
4029. Police Paddocks Fence/Dugout	3,414	-	(3,414)	225,783	316,400	-
<b>Land</b>						
3987. DCP LR06b Taylors Rd(Bayliss-Colem)	-	-	-	-	20,600	-
4039. 49 View Rd. Springvale	154,000	-	(154,000)	-	-	-
4040. 61-63 Heyington Cres, N/Park Nth	269,500	-	(269,500)	-	-	-
4041. 10 Market St, Dandenong	100,100	-	(100,100)	-	-	-
<b>Total property</b>	<b>6,526,163</b>	<b>6,542,157</b>	<b>15,994</b>	<b>14,428,482</b>	<b>37,005,057</b>	<b>34,797,149</b>

**Note** - Council has purchased three properties for open space and strategic purposes (refer sub accounts 4039, 4040 and 4041 under Land in the above table). These property purchases will be funded from reserves and reflected in the Full Year Forecast in February.

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

## CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>PLANT AND EQUIPMENT</b>						
<b>Plant, machinery and equipment</b>						
1445. Fleet Purchases	418,286	825,000	406,714	2,406,278	3,542,000	2,837,000
1447. Fleet New Program	-	195,000	195,000	-	240,000	-
<b>Library books</b>						
3104. Library Resources	351,119	443,000	91,881	497,070	878,000	878,000
<b>Computers and telecommunications</b>						
3902. Ross Reserve Pavilion	-	15,000	15,000	-	45,000	-
3914. Asset Management System	207,993	210,000	2,007	50,135	337,197	-
3959. Emergency Relief Centres-Equipment	2,098	17,536	15,438	1,639	24,803	-
4007. Merit CRM Replacement	422	10,000	9,578	-	500,000	500,000
<b>Fixtures, fittings and furniture</b>						
3198. Public Art Program	-	5,000	5,000	17,903	20,000	20,000
3314. Public hall equipment	100,069	100,937	868	2,120	300,937	60,000
<b>Total plant and equipment</b>	<b>1,079,988</b>	<b>1,821,473</b>	<b>741,485</b>	<b>2,975,143</b>	<b>5,887,937</b>	<b>4,295,000</b>
<b>INFRASTRUCTURE</b>						
<b>Parks, open space and streetscapes</b>						
1629. 275 Lonsdale St Dnong-Vanilly Lane	80,125	80,332	207	54,018	1,244,499	134,000
1747. Barry Powell Reserve Master Plan	-	95,947	95,947	-	95,947	-
1818. Safety, Security & Space Activation	-	17,270	17,270	168,296	182,116	164,846
2126. Herbert St Pocket Park	21,217	21,990	773	264,658	548,588	275,000
3065. Public Place Recycling Bin Instal.	-	10,000	10,000	-	55,000	55,000
3141. Thomas St Precinct Enhance(Afghan)	-	17,511	17,511	-	17,511	-
3192. NPR Douglas St Streetscape	653,865	653,000	(865)	23,583	1,177,543	1,177,543
3248. DCP Keysb. Sth Industrial Buffer	-	10,648	10,648	-	10,648	-
3272. Indigenous Public Art SCP	2,605	3,015	410	-	31,015	-
3438. Hemmings St N'hood Act Ctr	-	-	-	-	-	40,000
3442. NPR Noble Park Revitalisation	7,825	25,000	17,175	3,810	205,000	610,000
3454. Dogs off leash program	-	15,963	15,963	-	31,927	-
3490. Springvale Road Boulevard	1,326,920	1,520,008	193,088	3,931,396	6,184,684	1,385,939
3631. Dandenong Park Master Plan	45,389	321,011	275,622	36,192	321,011	-
3848. LRCI Hemmings SC Streetscape	9,801	10,637	836	5,349	29,637	-
3849. Frederick Wachter Res. Master Plan	133,115	510,256	377,141	372,415	612,308	-
3853. Parkfield Res. Master Plan Impl.	1,300	113,186	111,886	11,541	135,824	-
3900. Ross Reserve Plaza/Play/Oval/Path	306,205	306,969	764	140,217	714,797	200,000
3929. Act Crt Strat Plan Imp - D'nong	93,131	49,760	(43,371)	60,405	49,760	-
3931. Guardrail Upgrade Program	-	15,000	15,000	-	113,411	113,411
3932. Open Space Infra Renewal Prg	33,084	25,000	(8,084)	64,101	165,000	165,000
3933. Sports Lighting Plan Imp.	22,139	22,377	238	34,418	147,377	-
3934. Parking Sensor Implementation	69,251	90,667	21,416	-	408,000	300,000
3936. Glendale Reserve Landscaping	1,433	15,000	13,567	597	150,000	150,000
3943. Keysb Sth Comm Hub Dog Off Leash	-	11,863	11,863	4,255	11,863	-
3970. Alan Corrigan Exercise Equipment	67,514	60,000	(7,514)	168,007	270,000	270,000
3973. Signage Renewal Program	2,510	-	(2,510)	1,040	30,000	30,000
3977. LXRA Rectification Works	53,356	40,000	(13,356)	8,197	94,000	40,000
4012. Alex Wilkie Wetlands & S/Water	-	-	-	-	50,000	50,000
4013. Charlotte Resv Local Park Fur.&L/SC	-	15,000	15,000	-	80,000	80,000
4014. NPR Frank Street Open Space	13,071	30,000	16,929	8,259	500,000	500,000
4015. Lonsdale/Halpin Pedestrian Lights	-	15,000	15,000	167,081	166,000	166,000
4016. Neighbourhood Act Ctr F/Wrk Imp	2,955	15,000	12,045	78,437	100,000	100,000
4017. Pocket Parks (x4) NPark & S/vale	296	-	(296)	204	40,000	40,000
4018. Tirhatuan Park Wetland	-	-	-	-	50,000	50,000
4019. Turner Close Resv Work	474	15,000	14,526	79,741	100,000	100,000
4020. Railway Parade SC S/Scape	23,720	25,000	1,280	59,880	100,000	100,000
4021. Browns Reserve Upgrade Works	16,468	5,000	(11,468)	58,477	70,000	70,000
4022. Burden Park Bowls BBQ Area	64	-	(64)	31,065	60,000	60,000
4027. NPR Ian Street S/Scape Upgrade	-	-	-	14,700	850,000	850,000
4030. Tattersson Park Oval 1 Lighting	38,963	41,652	2,689	395,426	563,652	-
4032. Hemmings St Precinct	-	-	-	29,948	343,320	-

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



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## CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>Recreational, leisure and community facilities</b>						
1747. Barry Powell Reserve Master Plan	21,854	50,000	28,146	-	235,000	235,000
1859. Rowley Allan Reserve	21,620	30,000	8,380	-	300,000	300,000
3029. Playground Improvements	10,394	50,000	39,606	162,047	500,000	500,000
3518. Harmony Square Entrance Protection	-	-	-	-	20,000	-
3687. Roth Hetherington Reserve	5,665	-	(5,665)	13,156	20,000	20,000
3849. Frederick Wachter Res. Master Plan	548	75,000	74,452	491,856	450,000	450,000
3853. Parkfield Res. Master Plan Impl.	14,479	62,500	48,021	84,760	280,000	250,000
3854. Burden Park Res. Master Plan Impl.	33,170	125,000	91,830	1,060,318	1,176,000	500,000
3900. Ross Reserve Plaza/Play/Oval/Path	-	96,686	96,686	-	96,686	-
3925. Active Fencing Program	85,481	65,000	(20,481)	116,768	200,000	200,000
3966. Tirhatuan Park - Basketball Court	478	10,000	9,522	215,760	220,300	220,300
3969. Thomas Carroll-Cricket/Play/Light	-	12,500	12,500	-	250,000	250,000
4008. Greaves Resv Netball Crt & Car Pk	9,820	25,000	15,180	25,977	100,000	100,000
4011. Hennessy Reserve Playgmd & L/Scape	-	15,000	15,000	-	100,000	100,000
4023. Warner Reserve Community Garden	10,867	-	(10,867)	26,365	40,000	40,000
4024. Noble Park Reserve Plgmd Shade	-	15,000	15,000	-	80,000	80,000
4025. Noble Park Comm Ctr Petanque	-	-	-	4,529	50,000	50,000
4031. Ross Reserve Soccer Pitch	978	-	(978)	1,929,087	2,366,000	-
<b>Roads</b>						
1629. 275 Lonsdale St Dnong-Vaniry Lane	29,486	29,523	37	0	29,523	-
3080. Abbotts Road DCP Item L102	392,193	392,216	23	1,634,424	6,434,433	2,090,000
3373. Municipal wide, Kerb and Channel	298,635	275,000	(23,635)	47,430	500,000	500,000
3418. Municipal Wide, LATM Program	84,948	111,000	26,052	20,185	600,000	600,000
3752. Local Road Rehab.Prg-Implement R2R	-	100,000	100,000	485,381	1,515,113	1,017,807
3753. Local Road Surf./Rehabit. Prg.	608,036	608,840	804	173,972	2,919,436	2,656,596
3828. Activity Centre Proj. Mason St	-	-	-	7,350	422,852	-
3938. Kerb & Channel Resurfacing Program	497,982	637,000	139,018	115,258	664,149	664,149
3942. Black Spot Works Program	665,633	666,581	948	424,563	2,968,677	-
3944. Keysb Sth Comm Hub Access Road	566,471	584,125	17,654	153,225	584,125	-
3961. Road Reconst Program - Geotechnical	-	-	-	-	50,000	-
3962. Bakers Road Service Road	-	10,000	10,000	58,097	206,200	206,200
3972. Local Roads Community Infrass. Prog.	-	-	-	634,879	1,535,614	-
4009. LRCI2-Colemans Rd Reconstruction	500	20,000	19,500	-	1,226,500	1,226,500
<b>Bridges</b>						
3185. Municipal Wide - Bridges	15,628	25,000	9,373	17,973	100,000	100,000
4034. LRCI3-Hammond Road Bridge	-	-	-	-	400,000	-
<b>Footpath and cycleways</b>						
3174. Active Transport Infra.Priority Pat	185,226	185,347	121	20,099	475,347	300,000
3355. Municipal Wide-Footpath Renewal	643,946	894,000	250,054	104,277	1,400,000	1,400,000
3589. Dandenong Creek Trail User Paths	-	10,000	10,000	-	430,000	430,000
<b>Off street car parks</b>						
1747. Barry Powell Reserve Master Plan	4,202	-	(4,202)	-	60,000	60,000
3937. Car Park Renewal Program	-	10,000	10,000	-	46,000	46,000
4033. LRCI3-The Crescent Car Park	-	-	-	-	100,000	-
<b>Drainage</b>						
3019. Major Drainage Renewal Prg.	374,580	203,029	(171,551)	7,319	523,029	400,000
3939. Drainage Reactive Renewal Program	196,067	145,000	(51,067)	116,594	300,000	300,000
4010. LRCI2-Callander Rd Drain	13,310	350,000	336,690	28,190	1,759,808	1,700,000
<b>Total infrastructure</b>	<b>7,818,993</b>	<b>10,112,409</b>	<b>2,293,416</b>	<b>14,455,553</b>	<b>47,845,230</b>	<b>24,269,291</b>
<b>GRAND TOTAL</b>	<b>15,425,144</b>	<b>18,476,039</b>	<b>3,050,895</b>	<b>31,859,178</b>	<b>90,738,224</b>	<b>63,361,440</b>



#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

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# Appendix 2

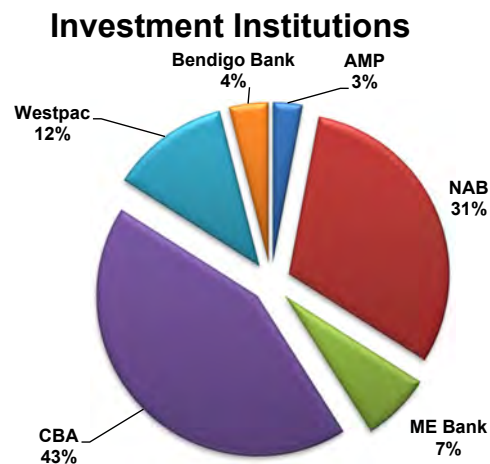
## Investment Analysis

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)

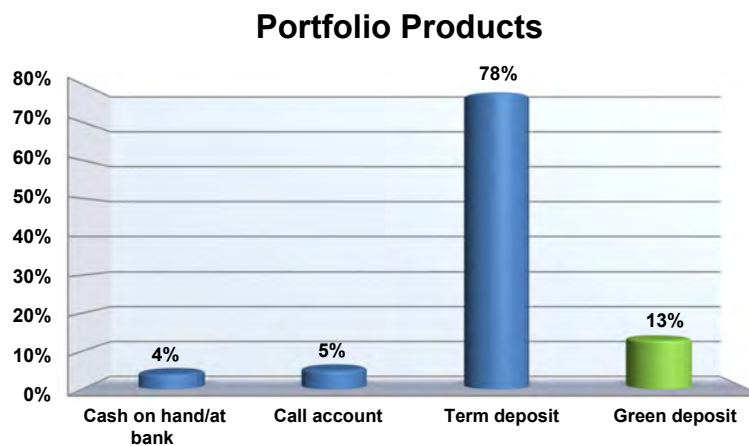


Financial Report for the period 1 July 2021 – 31 December 2021

### 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 (CBA).



**Note: Green deposit:** 13% (or \$25.46 million) was invested at 31 December 2021. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

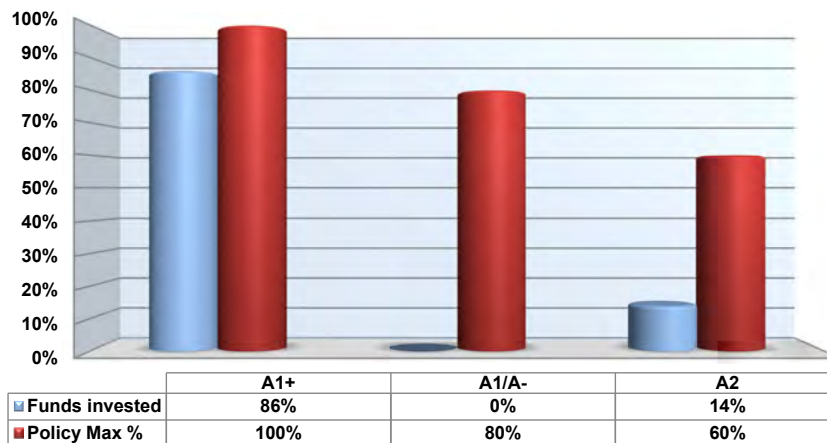
#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



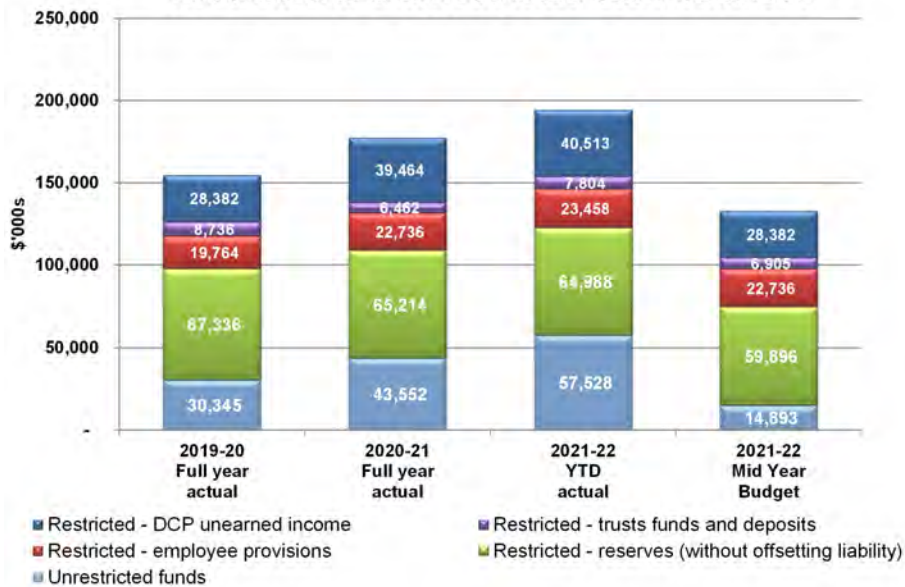
Financial Report for the period 1 July 2021 – 31 December 2021

### Cash and Investments

#### Investment Credit Rating



#### Restricted and unrestricted cash balances

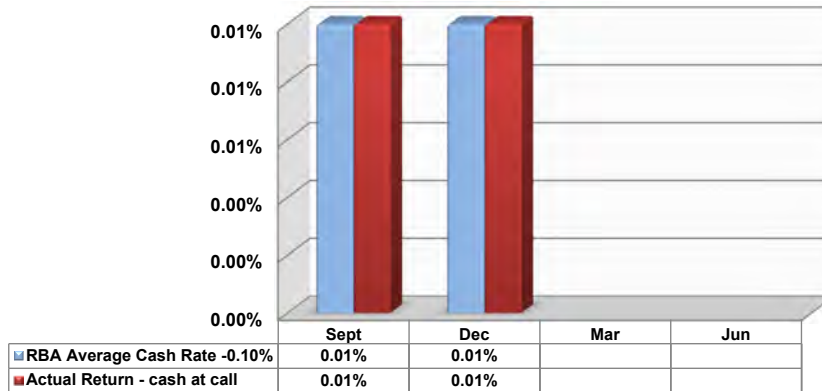
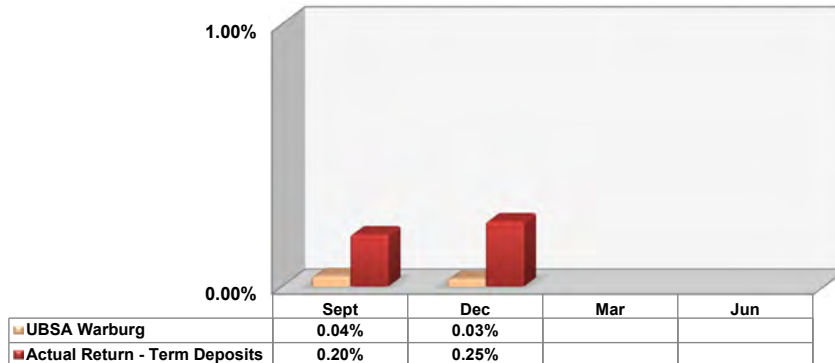


## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



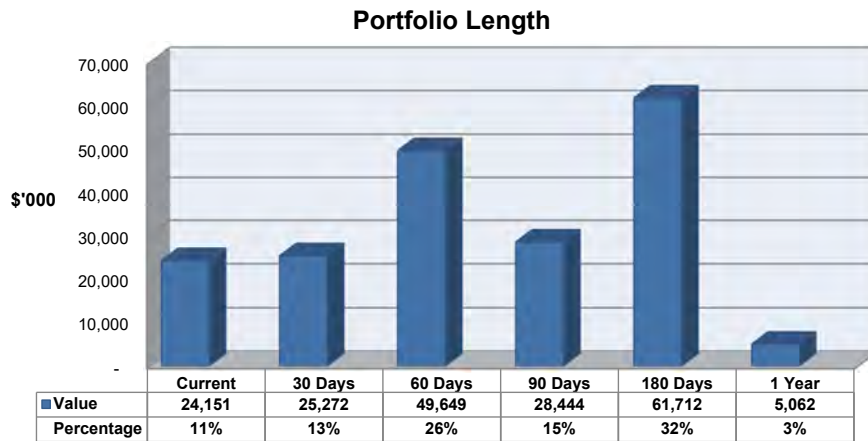
Financial Report for the period 1 July 2021 – 31 December 2021

**Benchmark Indicator - Cash at Call****Benchmark Indicator - Term/Green Deposits**

4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021



**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2021 – 31 December 2021

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# Appendix 3

## Directorate Analysis

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### Total Operating Results

#### CGD BY DIRECTORATE

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Chief Executive Office	-	-	-	-	-
Greater Dandenong Business	652	189	463	445	258
Corporate Services	1,101	1,143	(42)	2,148	4,002
Engineering Services	13,098	13,017	81	26,773	25,914
City Planning Design and Amenity	5,828	5,627	201	11,421	12,938
Community Services	11,808	11,318	490	23,244	21,691
Non-Directorate <sup>(a)</sup>	72,590	72,332	258	156,205	158,028
Capital Works Program	4,104	4,033	71	25,932	12,931
<b>Total income</b>	<b>109,181</b>	<b>107,659</b>	<b>1,522</b>	<b>246,168</b>	<b>235,762</b>
<b>Expenses</b>					
Chief Executive Office	332	341	9	703	703
Greater Dandenong Business	2,387	2,492	105	5,476	4,236
Corporate Services	11,815	12,738	923	24,099	23,608
Engineering Services	29,157	29,961	804	68,530	66,466
City Planning Design and Amenity	8,477	9,062	585	19,101	18,882
Community Services	24,652	27,025	2,373	58,845	51,849
Non-Directorate <sup>(a)</sup>	20,989	20,335	(654)	39,378	38,613
Capital Works Program	-	-	-	-	-
<b>Total expenses</b>	<b>97,809</b>	<b>101,954</b>	<b>4,145</b>	<b>216,132</b>	<b>204,357</b>
<b>Net surplus (deficit)</b>	<b>11,372</b>	<b>5,705</b>	<b>5,667</b>	<b>30,036</b>	<b>31,405</b>

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

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

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### CEO DIRECTORATE

#### OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Other income	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-
<b>Expenses</b>					
Employee costs	266	271	5	589	589
Materials and services	66	70	4	108	108
Other expenses	-	-	-	6	6
<b>Total expenses</b>	<b>332</b>	<b>341</b>	<b>9</b>	<b>703</b>	<b>703</b>
<b>Net surplus (deficit)</b>	<b>(332)</b>	<b>(341)</b>	<b>9</b>	<b>(703)</b>	<b>(703)</b>

#### BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
CEO	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-
<b>Expenses</b>					
CEO	332	341	9	703	703
<b>Total expenses</b>	<b>332</b>	<b>341</b>	<b>9</b>	<b>703</b>	<b>703</b>
<b>Net surplus (deficit)</b>	<b>(332)</b>	<b>(341)</b>	<b>9</b>	<b>(703)</b>	<b>(703)</b>

No notes/comments required for this directorate.



4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

## GREATER DANDENONG BUSINESS GROUP

### OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
User fees		-	-	-	6	6
Grants - operating	1	443	168	275	483	115
Other income	2	209	21	188	(44)	137
<b>Total income</b>		<b>652</b>	<b>189</b>	<b>463</b>	<b>445</b>	<b>258</b>
<b>Expenses</b>						
Employee costs	3	1,288	1,398	110	2,987	2,731
Materials and services		1,091	1,062	(29)	2,208	1,373
Other expenses		8	32	24	281	132
<b>Total expenses</b>		<b>2,387</b>	<b>2,492</b>	<b>105</b>	<b>5,476</b>	<b>4,236</b>
<b>Net surplus (deficit)</b>		<b>(1,735)</b>	<b>(2,303)</b>	<b>568</b>	<b>(5,031)</b>	<b>(3,978)</b>

### BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Greater Dandenong Business Executive	-	-	-	-	-
Business Networks	149	151	(2)	463	165
Activity Centres Revitalisation	467	-	467	6	6
Major Projects	36	35	1	(30)	81
Economic Development	-	3	(3)	6	6
<b>Total income</b>	<b>652</b>	<b>189</b>	<b>463</b>	<b>445</b>	<b>258</b>
<b>Expenses</b>					
Greater Dandenong Business Executive	201	193	(8)	407	407
Business Networks	420	591	171	1,344	757
Activity Centres Revitalisation	902	831	(71)	1,901	1,231
Major Projects	270	266	(4)	404	456
Economic Development	594	611	17	1,420	1,385
<b>Total expenses</b>	<b>2,387</b>	<b>2,492</b>	<b>105</b>	<b>5,476</b>	<b>4,236</b>
<b>Net surplus (deficit)</b>	<b>(1,735)</b>	<b>(2,303)</b>	<b>568</b>	<b>(5,031)</b>	<b>(3,978)</b>

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**Greater Dandenong Business Group****Income**

**Note 1 Grants - operating (\$275,000 favourable)** – Favourable variance due to receipt of unbudgeted grant income which will be offset by associated costs and reflected in the Full Year Forecast (COVIDSafe Outdoor Activation \$275,000).

**Note 2 Other income (\$188,000 favourable)** – Favourable variance due to receipt of unbudgeted contribution income from Development Victoria which will be offset by associated costs and reflected in the Full Year Forecast (Place Making and Revitalisation \$192,000).

**Expenditure**

**Note 3 Employee costs (\$110,000 favourable)** – Favourable variance mainly due to delay in recruitment (Community Revitalisation \$132,000 and Place Making and Revitalisation \$23,000).

4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

**CORPORATE SERVICES DIRECTORATE**

**OPERATING RESULT**

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Rates and charges	-	-	-	-	-
Statutory fees and fines	70	50	20	100	100
User fees	1	1	-	7	22
Grants - operating	4 171	112	59	191	48
Other income	5 859	980	(121)	1,850	3,832
<b>Total income</b>	<b>1,101</b>	<b>1,143</b>	<b>(42)</b>	<b>2,148</b>	<b>4,002</b>
<b>Expenses</b>					
Employee costs	6 6,583	6,867	284	14,774	14,588
Materials and services	7 4,712	5,313	601	7,990	7,685
Other expenses	520	558	38	1,335	1,335
<b>Total expenses</b>	<b>11,815</b>	<b>12,738</b>	<b>923</b>	<b>24,099</b>	<b>23,608</b>
<b>Net surplus (deficit)</b>	<b>(10,714)</b>	<b>(11,595)</b>	<b>881</b>	<b>(21,951)</b>	<b>(19,606)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Corporate Services Executive	-	-	-	-	-
Communications and Customer Service	100	69	31	270	853
Governance	685	760	(75)	1,338	2,749
Information Technology	8	5	3	5	-
Financial Services	108	182	(74)	323	323
People and Procurement Services	200	127	73	212	77
<b>Total income</b>	<b>1,101</b>	<b>1,143</b>	<b>(42)</b>	<b>2,148</b>	<b>4,002</b>
<b>Expenses</b>					
Corporate Services Executive	87	95	8	275	612
Communications and Customer Service	2,360	2,596	236	5,709	5,912
Governance	1,285	1,472	187	3,095	3,210
Information Technology	3,123	3,265	142	5,675	5,470
Financial Services	1,288	1,532	244	3,097	2,961
People and Procurement Services	3,672	3,778	106	6,248	5,443
<b>Total expenses</b>	<b>11,815</b>	<b>12,738</b>	<b>923</b>	<b>24,099</b>	<b>23,608</b>
<b>Net surplus (deficit)</b>	<b>(10,714)</b>	<b>(11,595)</b>	<b>881</b>	<b>(21,951)</b>	<b>(19,606)</b>

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**Corporate Services Directorate****Income**

**Note 4 Grants – operating (\$59,000 favourable)** – Receipt of additional unbudgeted grant for Local Government Business Concierge project (Emergency Management Grants \$60,000).

**Note 5 Other income (\$121,000 unfavourable)** – Unfavourable variance is due mainly to the COVID-19 lockdown restrictions resulting in reduced rental income (Property Management Administration \$78,000) and lower recovery income for the follow up of outstanding rate debtors (Property Revenue \$94,000), which is offset by lower corresponding expenditure.

**Expenditure**

**Note 6 Employee costs (\$284,000 favourable)** – The favourable variance is primarily due to delay in recruitment of vacant positions combined with a reduction in the use of casuals and temporary staff (Call and Service Centres \$61,000, Civic Facilities \$48,000, Emergency Management Grants \$36,000, Financial Services \$30,000, Communications and Customer Service Executive \$26,000, Information Technology Executive \$27,000 and Southern Screen \$20,000).

**Note 7 Materials and services (\$601,000 favourable)** - Favourable variance due to delay in receipt of invoices and commencement of projects, combined with lower than anticipated printing and stationery, postage and storage, subscriptions and professional services (Property Revenue \$211,000, Risk Management \$139,000, Technical Services \$106,000, Property Management Administration \$90,000, Jan Wilson Community Centre \$33,000 and Business Systems \$25,000).

This favourable variance is partly offset by unbudgeted expenditure (Emergency Management Grants \$35,000) which relates to grant income received.

4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

## ENGINEERING SERVICES DIRECTORATE

### OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Rates and charges	11,722	11,719	3	23,317	23,317
Statutory fees and fines	241	222	19	444	444
User fees	332	293	39	586	586
Grants - operating	8 204	-	204	119	-
Contributions - monetary	2	-	2	-	-
Asset sales	9 187	351	(164)	704	704
Other income	410	432	(22)	1,603	863
<b>Total income</b>	<b>13,098</b>	<b>13,017</b>	<b>81</b>	<b>26,773</b>	<b>25,914</b>
<b>Expenses</b>					
Employee costs	10 8,832	8,968	136	19,249	18,677
Materials and services	11 20,171	20,781	610	48,828	47,376
Bad and doubtful debts	-	1	1	1	1
Carrying amount of assets sold	12 32	120	88	301	301
Other expenses	122	91	(31)	151	111
<b>Total expenses</b>	<b>29,157</b>	<b>29,961</b>	<b>804</b>	<b>68,530</b>	<b>66,466</b>
<b>Net surplus (deficit)</b>	<b>(16,059)</b>	<b>(16,944)</b>	<b>885</b>	<b>(41,757)</b>	<b>(40,552)</b>

### BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Engineering Services Executive	-	-	-	-	-
Infrastructure Services	12,378	12,285	93	25,376	24,565
City Projects and Asset Improvement	18	19	(1)	19	19
Infrastructure Planning	702	713	(11)	1,378	1,330
<b>Total income</b>	<b>13,098</b>	<b>13,017</b>	<b>81</b>	<b>26,773</b>	<b>25,914</b>
<b>Expenses</b>					
Engineering Services Executive	-	-	-	-	-
Infrastructure Services	23,239	23,610	371	54,593	52,970
City Projects and Asset Improvement	4,907	5,327	420	11,798	11,357
Infrastructure Planning	1,011	1,024	13	2,139	2,139
<b>Total expenses</b>	<b>29,157</b>	<b>29,961</b>	<b>804</b>	<b>68,530</b>	<b>66,466</b>
<b>Net surplus (deficit)</b>	<b>(16,059)</b>	<b>(16,944)</b>	<b>885</b>	<b>(41,757)</b>	<b>(40,552)</b>

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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

**Note 8 Grants - operating (\$204,000 favourable)** – Favourable variance due to unbudgeted grant income for Recycling Victoria Initiative (Waste Management \$167,000) and Peri Urban Weed Management Project (\$30,000).

**Note 9 Asset sales (\$164,000 unfavourable)** – Unfavourable variance due to delay in sending a number of retired service vehicles to auction for disposal (retained for use during COVID-19 restrictions) (Fleet Management \$164,000).

**Expenditure**

**Note 10 Employee costs (\$136,000 favourable)** - Favourable variance due mainly to delay in filling vacant positions (CIP Implementation \$145,000, Parks Services \$118,000, Infrastructure Services and Planning Executive \$25,000 and Fleet Management \$19,000)

This favourable variance is partly offset by higher than anticipated temporary agency costs and casual salaries (City Improvement Executive \$86,000, Building Maintenance \$49,000, Asset Management \$41,000, Transport \$23,000 and Civil Development and Design \$11,000).

**Note 11 Materials and services (\$610,000 favourable)** - Favourable variance due to timing of works, delay in receipt of invoices from contractors, lower utility costs - mainly electricity and water (Building Maintenance \$396,000, Cleansing \$174,000, Waste Management \$159,000, Springvale Community Hub \$47,000, Asset Management \$42,000, Strategic Transport Planning \$31,000 and Asset Protection \$30,000).

This favourable variance is partly offset by higher than anticipated expenditure for professional and contractor services (Roads and Drains \$138,000, City Improvement Executive \$55,000, Transport \$37,000 and Parks Services \$28,000) and fuel combined with lower fuel recovery (Fleet Management \$32,000).

**Note 12 Carrying amount of assets sold (\$88,000 favourable)** – Lower than anticipated carrying amount of assets sold to date, consistent with lower asset sale proceeds. This is a non-cash accounting entry (Fleet Management \$88,000).

4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

**CITY PLANNING, DESIGN & AMENITY**

**OPERATING RESULT**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Rates and charges		-	-	-	-	-
Statutory fees and fines	13	3,267	3,341	(74)	7,022	7,533
User fees	14	1,878	1,597	281	3,625	4,631
Grants - operating		681	685	(4)	685	685
Other income		2	4	(2)	89	89
<b>Total income</b>		<b>5,828</b>	<b>5,627</b>	<b>201</b>	<b>11,421</b>	<b>12,938</b>
<b>Expenses</b>						
Employee costs	15	6,255	6,469	214	14,048	14,128
Materials and services	16	1,716	1,791	75	3,434	3,135
Bad and doubtful debts	17	486	778	292	1,558	1,558
Other expenses		20	24	4	61	61
<b>Total expenses</b>		<b>8,477</b>	<b>9,062</b>	<b>585</b>	<b>19,101</b>	<b>18,882</b>
<b>Net surplus (deficit)</b>		<b>(2,649)</b>	<b>(3,435)</b>	<b>786</b>	<b>(7,680)</b>	<b>(5,944)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
City Planning, Design and Amenity Exec.	-	-	-	-	-
Building Services	1,571	1,526	45	2,057	2,465
Planning and Design	960	942	18	1,895	1,905
Regulatory Services	3,297	3,159	138	7,469	8,568
<b>Total income</b>	<b>5,828</b>	<b>5,627</b>	<b>201</b>	<b>11,421</b>	<b>12,938</b>
<b>Expenses</b>					
City Planning, Design and Amenity Exec.	246	223	(23)	470	470
Building Services	2,328	2,191	(137)	4,344	3,868
Planning and Design	2,451	2,571	120	5,477	5,475
Regulatory Services	3,452	4,077	625	8,810	9,069
<b>Total expenses</b>	<b>8,477</b>	<b>9,062</b>	<b>585</b>	<b>19,101</b>	<b>18,882</b>
<b>Net surplus (deficit)</b>	<b>(2,649)</b>	<b>(3,435)</b>	<b>786</b>	<b>(7,680)</b>	<b>(5,944)</b>

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**City Planning, Design and Amenity Directorate****Income**

**Note 13 Statutory fees and fines (\$74,000 unfavourable)** – Unfavourable variance mainly due to lower than anticipated fines issued (Parking Management \$123,000).

The unfavourable variance is partly offset by higher than anticipated application fee income (Building \$58,000 and Statutory Planning \$32,000).

**Note 14 User fees (\$281,000 favourable)** – Favourable variance mainly due to higher than anticipated income from ticket machine/meters and parking permits to date (Parking Management \$244,000 and Car Parks \$57,000).

**Expenditure**

**Note 15 Employee costs (\$214,000 favourable)** – Favourable variance due to a delay in filling vacant positions (Statutory Planning \$106,000, Animal Management \$52,000, Local Government Capacity Building Grant \$41,000, Parking Management \$33,000, General Law Enforcement \$33,000 and Regulatory Services Administration \$31,000).

This favourable variance is offset by higher than anticipated temporary agency staff costs (Health \$61,000) and staff allowances due mainly to higher duties (City Planning, Design and Amenity Executive \$23,000).

**Note 16 Materials and services (\$75,000 favourable)** – Favourable variance is partly offset by lower expenditure in professional and contract services, repairs and maintenance, and a delay in the commencement of projects (Parking Management \$111,000, Strategic Design and Sustainability Planning \$36,000, Car Parks \$33,000, Regulatory Services Administration \$22,000 and Animal Management \$20,000).

This favourable variance is partly offset by higher than anticipated costs for a legal matter (Health \$147,000).

**Note 17 Bad and doubtful debts (\$292,000 favourable)** – Favourable variance due to lower than anticipated bad debts expense to date (Parking Management \$238,000, General Law Enforcement \$33,000 and Animal Management \$23,000).



4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

**COMMUNITY SERVICES DIRECTORATE**

**OPERATING RESULT**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
User fees		1,123	1,128	(5)	2,506	2,728
Grants - operating	18	10,344	9,895	449	19,904	17,638
Other income		341	295	46	834	1,325
<b>Total income</b>		<b>11,808</b>	<b>11,318</b>	<b>490</b>	<b>23,244</b>	<b>21,691</b>
<b>Expenses</b>						
Employee costs	19	16,431	18,560	2,129	40,302	35,060
Materials and services	20	6,484	6,641	157	14,412	14,352
Bad and doubtful debts		-	5	5	9	9
Amortisation - right of use assets		-	-	-	6	6
Other expenses	21	1,737	1,819	82	4,116	2,422
<b>Total expenses</b>		<b>24,652</b>	<b>27,025</b>	<b>2,373</b>	<b>58,845</b>	<b>51,849</b>
<b>Net surplus (deficit)</b>		<b>(12,844)</b>	<b>(15,707)</b>	<b>2,863</b>	<b>(35,601)</b>	<b>(30,158)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Community Services Executive	-	-	-	-	-
Community Wellbeing	6,430	5,411	1,019	10,691	9,084
Community Care	3,622	4,462	(840)	10,425	9,909
Community Arts, Culture and Libraries	1,652	1,293	359	1,608	1,964
Community Development, Sports and Recreation	104	152	(48)	520	734
<b>Total income</b>	<b>11,808</b>	<b>11,318</b>	<b>490</b>	<b>23,244</b>	<b>21,691</b>
<b>Expenses</b>					
Community Services Executive	360	378	18	803	744
Community Wellbeing	7,907	9,772	1,865	21,000	15,244
Community Care	6,533	6,566	33	14,273	14,090
Community Arts, Culture and Libraries	5,036	5,263	227	10,809	10,609
Community Development, Sports and Recreation	4,816	5,046	230	11,960	11,162
<b>Total expenses</b>	<b>24,652</b>	<b>27,025</b>	<b>2,373</b>	<b>58,845</b>	<b>51,849</b>
<b>Net surplus (deficit)</b>	<b>(12,844)</b>	<b>(15,707)</b>	<b>2,863</b>	<b>(35,601)</b>	<b>(30,158)</b>

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

**Community Services Directorate****Income****Note 18 Grants – operating (\$449,000 favourable)** - Favourable variance due to:*Additional or grant funding received earlier than anticipated:*

- Family Day Care \$716,000
- Maternal and Child Health \$112,000
- Refugee Immunisation Project \$64,000
- COVID Mass Vaccination \$20,000
- Child First \$16,000
- Festivals and Events \$16,000
- PYP Linkages \$15,000

*New (unbudgeted) grant funding received:*

- COVID-Safe Outdoor Activation \$300,000
- New Directions – Mothers and Babies \$172,000

These favourable variances are partly offset by:

*Lower than anticipated grant funding based on target achievement for:*

- HACC – Assessments and Team Leaders \$518,000
- Home and Community Care \$305,000
- Planned Activity Group \$52,000
- Sleep and Settling Initiative \$139,000

**Expenses**

**Note 19 Employee costs (\$2.13 million favourable)** – \$1.95 million of this favourable variance relates to grant funded programs (which require an acquittal) caused by a delay in recruitment (Enhanced MCH Program \$607,000, Child First \$487,000, Sleep and Settling Initiative \$319,000, Playgroups Initiative \$134,000, Pre-School Field Officer \$94,000, Right@Home \$72,000, Drug Strategy \$49,000, Refugee Immunisation Project \$44,000, Best Start \$33,000 and Healthy Children and Young People \$13,000).

The remaining favourable variance is due to a delay in recruitment (Library and Information Services \$130,000, Children's Support Services \$110,000, Maternal and Child Health \$88,000, PYP Linkages \$77,000, Youth Development \$74,000, Planned Activity Group \$48,000, HACC – Assessments and Team Leaders \$44,000, Youth Engagement \$28,000, Food Services \$25,000, Festival and Events \$19,000, HACC – Home Maintenance \$18,000, Community Arts, Cultural and Library Executive \$18,000, Commercial Aged Care \$15,000 and Cultural Development \$14,000).

The favourable variance is partly offset by higher than anticipated temporary/agency staff costs (Home and Community Care \$138,000, HACC Co-ordination \$73,000 and Access and Quality Systems \$35,000), increased hours due to COVID-19 social distancing requirements (Immunisation \$35,000) and changes in working conditions due to COVID-19 redeployments (The Drum Theatre \$102,000).

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**Note 20      Material and services (\$157,000 favourable) – Favourable variance due to:**

- Delay in receipt of contract management fee invoices (Leisure Centres \$135,000).
- Lower than anticipated expenditure for materials, delay in receipt of invoices and commencement of projects (Cultural Development \$124,000, Festivals and Events \$73,000, Library and Information Services \$59,000, Food Services \$49,000, PYP Linkages \$42,000, Enhanced MCH Program \$42,000, Community Precinct Operations \$28,000, Sports Planning \$23,000, Community Hub Early Years \$22,000, Cultural Venues \$20,000, Sleep and Settling Initiative \$18,000, Drum Theatre \$17,000 and Community Funding \$13,000).

This favourable variance is partly offset by higher than anticipated payments to educators (Family Day Care (\$502,000) relating to additional service delivery requirements, offset by higher grant income), higher than anticipated professional services expenditure (HACC - Home Maintenance \$30,000 and Home and Community Care \$28,000) and unbudgeted expenditure which will be offset by grant funding received (COVID-Safe Outdoor Activation \$50,000).

**Note 21      Other expenses (\$82,000 favourable) – Favourable variance mainly due to lower than anticipated expenditure as a result of delay in commencement of programs (Community Funding \$48,000 and Community Development \$10,000, Enhanced MCH Program \$5,000 and Sleep and Settling Initiative \$5,000).**

## ORDINARY COUNCIL MEETING - MINUTES

## 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

## NON-DIRECTORATE

## OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Rates and charges	22	67,439	67,335	104	132,736	132,936
Statutory fees and fines		47	75	(28)	150	150
Grants - operating	23	3,257	2,979	278	5,958	12,066
Grants - capital		-	-	-	-	-
Contributions - monetary		1,560	1,550	10	6,685	2,000
Contributions - non-monetary		-	-	-	10,000	10,000
Other income	24	287	393	(106)	676	876
<b>Total income</b>		<b>72,590</b>	<b>72,332</b>	<b>258</b>	<b>156,205</b>	<b>158,028</b>
<b>Expenses</b>						
Employee costs		1,332	1,340	8	1,613	1,028
Materials and services		289	303	14	582	537
Prior year capital expenditure unable to be capitalised (non-cash)	25	582	-	(582)	-	-
Depreciation		16,612	16,612	-	33,237	33,277
Amortisation - intangible assets		50	50	-	100	60
Amortisation - right of use assets		299	299	-	598	598
Borrowing costs		1,390	1,387	(3)	2,800	2,802
Finance costs - leases		-	-	-	22	22
Other expenses	26	435	344	(91)	426	289
<b>Total expenses</b>		<b>20,989</b>	<b>20,335</b>	<b>(654)</b>	<b>39,378</b>	<b>38,613</b>
<b>Net surplus (deficit)</b>		<b>51,601</b>	<b>51,997</b>	<b>(396)</b>	<b>116,827</b>	<b>119,415</b>

## BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Governance		-	-	-	-	-
Corporate Accounting		71,030	70,782	248	154,205	156,028
Planning and Design		1,560	1,550	10	2,000	2,000
<b>Total income</b>		<b>72,590</b>	<b>72,332</b>	<b>258</b>	<b>156,205</b>	<b>158,028</b>
<b>Expenses</b>						
Governance		-	-	-	31	31
Corporate Accounting		20,978	20,321	(657)	39,329	38,564
Planning and Design		11	14	3	18	18
<b>Total expenses</b>		<b>20,989</b>	<b>20,335</b>	<b>(654)</b>	<b>39,378</b>	<b>38,613</b>
<b>Net surplus (deficit)</b>		<b>51,601</b>	<b>51,997</b>	<b>(396)</b>	<b>116,827</b>	<b>119,415</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.

**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2021 – 31 December 2021

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**Non-Directorate****Income**

**Note 22 Rates and charges (\$104,000 favourable)** – Favourable variance due mainly to higher than anticipated income from supplementary rates.

**Note 23 Grants - operating (\$278,000 favourable)** – Receipt of unbudgeted grant income for the second phase of the Local Partnerships project (Pandemic \$279,000).

**Note 24 Other income (\$106,000 unfavourable)** – Unfavourable variance due to lower than anticipated interest income to date attributable to lower interest rates in the current COVID-19 economic environment (Corporate Accounting \$106,000).

**Expenditure**

**Note 25 Prior year capital expenditure unable to be capitalised (non-cash) (\$582,000 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 \$582,000). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure includes asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Note 26 Other expenses (\$91,000 unfavourable)** – Unfavourable variance mainly due to higher than anticipated expenditure for Local Partnership grant funded program (Pandemic \$81,000), which is offset by higher grant income.

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### CAPITAL WORKS PROGRAM

#### OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Grants - capital	27	4,054	3,983	71	24,972	9,996
Contributions - monetary		50	50	-	960	2,935
<b>Total income</b>		<b>4,104</b>	<b>4,033</b>	<b>71</b>	<b>25,932</b>	<b>12,931</b>
<b>Expenses</b>						
Employee costs		-	-	-	-	-
Materials and services		-	-	-	-	-
Bad and doubtful debts		-	-	-	-	-
Other expenses		-	-	-	-	-
<b>Total expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus (deficit)</b>		<b>4,104</b>	<b>4,033</b>	<b>71</b>	<b>25,932</b>	<b>12,931</b>

#### Notes:

##### Income

**Note 27 Grants - operating (\$71,000 favourable)** – Favourable variance due to:

*Additional or grant funding recognised earlier than anticipated:*

- Springvale Road Boulevard \$22,000
- NPAC Redevelopment \$11,000
- Thomas Carroll Pavilion \$10,000
- Police Paddocks Batting Cage \$8,000

*New (unbudgeted) grant funding received:*

- Active Transport Infrastructure (Clow Street bridge path widening) \$15,000

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**4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2021 – 31 December 2021

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## Appendix 4

# Operating Initiatives

#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### Operating Initiatives

Operating initiative project	2021-22 YTD Actuals \$	2021-22 YTD Budget \$	YTD Variance (Unfav) Fav \$	2021-22 Full Year Original Budget \$	2021-22 Full Year Amended Budget \$	Project update - 31 Dec 2021
<b>Community Services</b>						
Barry Powell Sports Pavilion - Concept design	0	0	0	80,000	80,000	Concept Plan is progressing, with procurement of an architect now completed.
Dandenong Community Hub - Business Case and Concept Plan	53,700	46,595	(7,105)	0	55,750	Draft concept plan and business case presented to Council in December 2021. Additional work requested by Council. Consultant now being engaged to develop further spatial allocation plans for alternate models.
Chandler Reserve Community Gardens Contribution	0	14,280	14,280	0	19,280	Planning Permit issued by Council on 11 October 2021. Council report on the lease endorsed on 15 November 2021. Soil report complete on 17 December and draft lease with the committee for consideration / signature on 20 December 2021.
	53,700	60,875	7,175	80,000	155,030	
<b>City Planning, Design and Amenity</b>						
Community Gardens Strategy Development	0	0	0	0	16,360	The draft graphic design has been completed for the guidelines. Maralinga Community Garden has received planning approval. Council officers are working with the community garden group on the implementation requirements as per the planning permit.
	0	0	0	0	16,360	

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#### 4.1.1 Q2 2021-22 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2021 – 31 December 2021

### Operating Initiatives

Operating initiative project	2021-22 YTD Actuals \$	2021-22 YTD Budget \$	YTD Variance (Unfav) Fav \$	2021-22 Full Year Original Budget \$	2021-22 Full Year Amended Budget \$	Project update - 31 Dec 2021
<b>Business, Engineering and Major Projects</b>						
Business Case for Dandenong Sports and Events Centre	120,000	120,480	480	51,000	110,480	Project progressing well. Timelines for completion to be extended to June 2022.
Compost subsidy	0	8,330	8,330	20,000	20,000	Quotations for the service delivery by a suitable contractor have been issued. Project delivery will commence by January 2022.
Landscaping - Robinson Street and Princes Highway Intersection	0	0	0	0	188,000	Site meeting proposed with interested parties when COVID-19 restrictions are eased.
Building demolition - Ross Reserve Junior Soccer Pavilion	0	15,000	15,000	0	20,000	Works to be completed by March 2022.
Building demolition - Ross Reserve O'Donahue Pavilion (Football)	0	10,000	10,000	0	20,000	Works to be completed by March 2022.
Building demolition - 275 Lonsdale Street, Dandenong	0	0	0	0	106,750	Works delayed due to site access. Works to be completed by May 2022.
Building demolition - 280 Lonsdale Street, Dandenong	0	0	0	0	60,591	Works to be completed by June 2022.
Building demolition - 14 Stuart Street, Dandenong	0	10,000	10,000	0	10,000	Works to be completed by June 2022.
Building demolition - 77 Herbert St, Dandenong	0	10,000	10,000	0	10,000	Works to be completed by June 2022.
Building demolition - 89 Douglas St, Noble Park	0	0	0	0	25,000	Works to be completed by March 2022.
Asset demolition - Barry Powell Tennis Pavilion and Tennis Courts (x 2)	2,083	1,000	(1,083)	90,000	90,000	Contractor appointed to undertake demolition works. Project to be completed by May 2022.
Asset demolition - Glendale Reserve Scout Hall	52,246	3,000	(49,246)	75,000	75,000	Demolition works complete. Site rectification works underway.
Street lighting - install and replacement	0	0	0	400,000	400,000	Negotiations in progress with two selected tenderers for the installation of the lights. COVID-19 is affecting availability of personnel to undertake the works.
	174,329	177,810	3,481	636,000	1,135,821	
<b>TOTAL</b>	<b>228,029</b>	<b>238,685</b>	<b>10,656</b>	<b>716,000</b>	<b>1,307,211</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
- Ongoing initiatives
- Carry overs of prior year operating initiatives