

4.2.3 Q1 2022-23 Council Quarterly Performance Report

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Responsible Officer: Executive Manager Communications & Customer Service

Attachments: Q1 Council Quarterly Performance Report 1 July – 30 September 2022
Financial Report 1 July – 30 September 2022

1. Report Summary

This report details Council's progress against performance targets outlined in the Council Plan 2021-25, Annual Plan 2022-23 and Amended Budget 2022-23.

2. Recommendation Summary

This report recommends that Council notes the achievements against the Council Plan indicators and the Amended Budget for the period ending 30 September 2022.

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3. Background

Council formally adopted the Council Plan 2021-25 and Annual Plan 2022-23 on Monday 27 June 2022, and the Amended Budget on 12 September 2022.

The Council Plan 2021-25 outlines the vision and objectives of the current Council over the four years of its term in office. This document guides service delivery, innovation and good governance, and provides the foundation for the corporate planning framework for all business activities. The Council Plan also guides the budget, service delivery priorities and the continuous improvement of our services.

The Council Plan 2021-25 is made available to residents through the Customer Service Centres, libraries and on Council's website at www.greaterdandenong.vic.gov.au

Progress against performance targets is outlined in two components of this report.

Part 1 – The Quarterly Performance Report details the achievements for the Council Plan Indicators from the Council Plan 2021-25 for the period 1 July to 30 September 2022.

Part 2 – The Financial Report is designed to inform Councillors of the results of operations for the period 1 July to 30 September 2022 including financial performance against the Amended Budget adopted by Council on Monday 12 September 2022.

Part 1 and Attachment 1: Quarterly Performance Report for the period 1 July to 30 September 2022

Performance highlights against the Council Plan strategic objectives include:

A socially connected, safe and healthy city

- Eight of 12 actions of the Year 3 Make Your Move (MYM) Action Plan have commenced including a review of the MYM Communication Strategy, development of a community ambassadors program, a review of the Walking and Cycling Strategies, and the development of an evaluation framework to monitor the impacts of the MYM Strategy.
- The Greater Dandenong Volunteer Resource Service has continued to provide volunteering matching services, including 14 new roles created of a total 168 roles advertised on GoVolunteer/Seek Volunteer and social media.
- Council provided representation at four Centre for Multicultural Youth meetings as part of an advocacy group for South Sudanese homeless people in collaboration with other key stakeholders.
- The Draft Community Safety Plan 2022-26 was created through extensive consultation and feedback.
- The 1000 Play Streets campaign has been launched.
- In consultation with the community, the new Springvale Community Hub Action Plan 2022-25 has been completed.
- Council has engaged with Food Bank and facilitated connections within the municipality to create new partnerships to deliver culturally appropriate food.

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A city that respects and celebrates diversity, our history and the arts

- Six Greater Dandenong early years services and primary schools have Reconciliation Action Plans registered with the Narragunnawali Reconciliation Online Platform.
- NAIDOC week celebrations provided an opportunity to explore First Nation cultures which included workshops delivered to 72 primary school students (grades three and four), learning about Indigenous artefacts and instruments.
- Springvale Snow Fest was delivered on 31 July with 40,000 attendees and a 78 per cent audience satisfaction rate.
- The Little Day Out was delivered on 18 September with 5,000 attendees and a 97 per cent audience satisfaction rate.
- Council received \$150,000 of funding matched 2:1 from Creative Victoria through the Creative Neighbourhood Infrastructure Program (CNISP) for interim infrastructure works to the ground floor level of the Precinct Energy Plant Creative Industries Hub.
- 95 events took place at the Drum Theatre including 51 live performances and 44 other events (functions, rehearsals and workshops) with an attendance of 7,853 people.

A city of accessible, vibrant centres and neighbourhoods

- The In Situ Pop Up Arts school holiday program and NAIDOC week event were delivered. These included nine activities over eight days and 11 events/performances. Approximately 3,500 community members were engaged.
- Contract documentation for the Vanity Lane pedestrian link, detailing all aspects of civil and landscape design for the project, is complete.
- Practical completion for the Springvale Boulevard has been reached and defects rectification is underway.
- Council has obtained approximately \$1 million for three Blackspot projects for the 2022-23 program to address safety issues based on historical crashes.

A green city committed to a sustainable future

- A further five Hybrid vehicles have been added to the fleet making a total of seven, with electric vehicle purchases planned to commence in 2023-24.
- Implementation of the Sustainable Buildings Policy continues with major projects including the review of the detailed design of the Dandenong Wellbeing Centre and tender documentation for the Keysborough South Community Hub.
- The Biodiversity Action Plan has been completed and will be presented to Council for adoption in early 2023.
- Year five of Greening Our City is underway with the street tree planting program complete for the winter/spring season.
- The 2022-23 Waste Education and Marketing Plans have been developed and are currently being implemented. Key highlights will be the reintroduction of the Litter Action Task Force and Litter Prevention programs and the return of face to face delivery education programs.

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A city that supports entrepreneurship, quality education and employment outcomes

- The Ignite Business Program 2022 concluded in September with a Pitch night finishing the five-month program. Fifteen enthusiastic entrepreneurs enrolled in the Ignite program in 2022.
- This year's *Lunch with the Winners* was highly successful with a captivating and imaginative presentation from the CEO of The Creature Technology Company.
- 595 laptops were donated to more than 19 local government schools across the south east of Melbourne in the second full year of operation of the 'This is IT' Schools program.
- Library language and literacy appointments and programs had 292 attendees.

A Council that demonstrates leadership and a commitment to investing in the community

- Gender Equality Action Plan initiatives continue including a Flexible/Hybrid Work Policy, training on appropriate workplace behaviours, and improvements to leave provisions as part of the new Enterprise Agreement negotiations.
- The rollout of a new digital literacy campaign for staff has commenced.
- The Children's Advisory Group continues to meet and 19 students from nine primary schools attended the meeting in July.
- The rollout of in ground parking sensors within the Springvale Activity Centre have commenced.
- Council's Community Engagement Framework was endorsed in June and work is now underway to establish an internal working group to ensure effective engagement continues across Council.

Part 2 and Attachment 2: Financial Report for the period 1 July to 30 September 2022

The attached financial report is designed to inform Councillors of the results of operations for the period 1 July 2022 to 30 September 2022 including financial performance against the Amended Budget adopted by Council on 12 September 2022.

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.

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

The table on the following page provides a management accounting summary of the financial performance for the period 1 July 2022 to 30 September 2022 which removes non-cash items and adds back cash items that are excluded from the financial statements.

Management Accounting Summary for the period 1 July 2022 to 30 September 2022

Description	YEAR TO DATE			FULL YEAR		
	ACTUAL	AMENDED BUDGET	VARIANCE Fav(unfav)	AMENDED BUDGET	ORIGINAL BUDGET	VARIANCE Fav(unfav)
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income Statement						
Income	57,756	56,067	1,689	241,094	237,365	3,729
Expenditure	50,746	53,161	2,415	220,103	210,801	(9,302)
Net surplus - ongoing operations	7,010	2,906	4,104	20,991	26,564	(5,573)
Management Accounting reconciliation						
<i>Add back (less) non cash items</i>						
Depreciation	8,486	8,482	(4)	33,943	33,943	-
Amortisation - right of use assets	149	150	1	604	604	-
Amortisation - intangible assets	15	10	(5)	60	60	-
Contributions non-monetary assets	-	-	-	(10,000)	(10,000)	-
Assets written off	1,555	-	(1,555)	-	-	-
Prior year capital expenditure unable to be capitalised	296	-	(296)	-	-	-
Written down value of assets sold/disposed	26	26	-	261	261	-
Sub total	10,527	8,668	(1,859)	24,868	24,868	-
Net operating surplus	17,537	11,574	5,963	45,859	51,432	(5,573)
<i>Add/less non operating cash items</i>						
Capital expenditure	7,929	7,809	(120)	96,762	55,590	(41,172)
Net transfers to (from) reserves	2,155	2,085	(70)	(7,326)	(2,232)	5,094
Repayment of borrowings	859	859	-	3,484	3,484	-
Proceeds from borrowings	-	-	-	(6,120)	(6,120)	-
Repayment of lease liabilities	140	158	18	710	710	-
Sub total	11,083	10,911	(172)	87,510	51,432	(36,078)
Cash surplus (deficit)	6,454	663	5,791	(41,651)	-	(41,651)
Accumulated surplus brought forward	-	-	-	42,863	-	42,863
Surplus (deficit) position	6,454	663	5,791	1,212	-	1,212

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Results for the period 1 July 2022 to 30 September 2022

The overall management accounting result (after removing non-cash items) for the period 1 July 2022 to 30 September 2022 shows a favourable variance between the budget and actual of \$5.79 million. The variance is due to a favourable surplus from ongoing operations (\$4.10 million), caused by lower than anticipated operating expenditure and higher income.

Capital expenditure is \$7.93 million to 30 September 2022 (with a further \$20.52 million committed).

INCOME

Operating income for the quarter ended 30 September 2022 is \$1.69 million favourable against budget. This is primarily due to the following:

Grants – operating (\$1.25 million favourable) – Receipt of unbudgeted grant funding for Refugee Immunisation - PRIME (\$513,000), Waste Management Kerbside Reform support (\$369,000) and Local Partnership program (\$192,000), combined with earlier than anticipated funding received for Family Day Care (\$478,000), Library and Information Services (\$107,000), Child First (\$77,000) and Animal Management (\$14,000).

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Home and Community Care (\$266,000) and Planned Activity Group (\$37,000) combined with a delay in recognition of grant funding for HACC – Home Maintenance (\$166,000) and Sleep and Settling Initiative (\$71,000) as well as a delay in receipt of grant funding for the Local Government Capacity Building program (\$53,000).

Contributions – monetary (\$408,000 favourable) – Favourable variance due to better than anticipated income from public open space contributions (Non-Directorate \$211,000). The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves. Additionally, Council also received an unbudgeted contribution from Melbourne Water for Chapel Road which relates to prior year expenditure (Capital Works Program \$197,000).

Other income (\$398,000 favourable) – Mainly due to better than anticipated interest income as a result of higher than anticipated interest rates (Non-Directorate \$297,000).

Rates and charges (\$336,000 favourable) - Better than anticipated income from supplementary rates to date (Non-Directorate \$332,000).

These favourable income variances are partly offset by unfavourable variances in:

User fees (\$393,000 unfavourable) – Mainly due to lower than anticipated fee income from parking ticket machines/meters, building and inspection permits (City Planning, Design and Amenity \$383,000).

Statutory fees and fines (\$382,000 unfavourable) – Mainly due to lower than anticipated income from parking, littering, health and food infringements and planning applications (City Planning, Design and Amenity \$315,000).

Any permanent variances will be reviewed and adjusted in the Mid-Year Budget.

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EXPENDITURE

Operating expenditure for the quarter ended 30 September 2022 is favourable by \$2.42 million against budget. The major variances are in employee costs and materials and services.

Employee costs (\$2.96 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 \$1.98 million, Engineering Services \$440,000, City Planning, Design and Amenity \$301,000, Corporate Services \$146,000 and Greater Dandenong Business \$100,000). Of this favourable variance, \$1.48 million relates to grant funded programs which require an acquittal (mostly in Community Services).

Materials and services (\$1.40 million favourable) – The major items contributing to this favourable variance are:

- Contract services (\$299,000) – mainly due to delay in commencement of works, projects and receipt of invoices combined with timing of work schedules (Engineering Services \$535,000, City Planning, Design and Amenity \$92,000 and Greater Dandenong Business \$79,000). This is partly offset by higher payments to Family Day Care educators, which is offset by higher grant income (Community Services \$408,000).
- Materials, maintenance and services (\$293,000) – mainly due to lower than anticipated expenditure for materials, delay in receipt of invoices and commencement of projects (Community Services \$167,000, City Planning, Design and Amenity \$90,000 and Engineering Services \$27,000).
- Administration costs (\$257,000) – 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 \$143,000, Corporate Services \$59,000, Non Directorate \$46,000 and Engineering Services \$38,000).
- Consultants, professional services (\$232,000) – mainly due to delay in commencement of projects and receipt of invoices (Greater Dandenong Business \$136,000 and City Planning, Design and Amenity \$84,000).
- Utilities (\$220,000) – mainly due to lower than anticipated electricity and water costs to date (Engineering Services \$195,000 and Corporate Services \$30,000).

These favourable expenditure variances are partly offset by unfavourable variances in:

Asset write offs (\$1.56 million unfavourable) – Unfavourable variance arising from asset renewal and replacement as part of capital work projects. This variance predominantly relates to a building, two car parks and a bridge that were replaced. This item is difficult to predict and is a non-cash accounting entry (Non-Directorate).

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Prior year capital expenditure unable to be capitalised (non-cash) (\$296,000 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 (Non-Directorate). 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.

Any permanent variances will be reviewed and adjusted in the Mid-Year Budget.

Capital expenditure

Total capital expenditure at 30 September 2022 was \$7.93 million. A further \$20.52 million remains committed at the end of September. The capital works program comprises of asset renewal, expansion, upgrade and the investment in new assets.

4. Proposal

That Council notes the progress against performance targets outlined in the Council Plan 2021-25 for the period 1 July to 30 September 2022 and the Financial Report for the period 1 July to 30 September 2022.

5. Financial Implications

The financial position of the Council will be monitored against the approved Amended Budget to ensure that Council achieves its financial goals.

6. Consultation

The Chief Executive Officer, Directors and staff responsible for reporting were consulted. Council's Finance Department has prepared the financial statements and all other attachments with feedback from Business Unit Managers.

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7. Community Vision 2040 and Council Plan 2021-25 – Strategic Objectives, Strategies and Plans

After consultation with the Greater Dandenong community on what kind of future they wanted for themselves and our city, the Greater Dandenong People's Panel developed a new Community Vision for 2040:

*The City of Great Dandenong is a home to all.
It's a city where you can enjoy and embrace life through celebration and equal opportunity.
We harmonise the community by valuing multiculturalism and the individual.
Our community is healthy, vibrant, innovative and creative.
Our growing city is committed to environmental sustainability.
Welcome to our exciting and peaceful community.*

7.1 Community Vision 2040

This report is consistent with the Community Vision 2040 and its accompanying principles:

- Safe and peaceful community
- Education, training, entrepreneurship and employment opportunities
- Sustainable environment
- Embrace diversity and multiculturalism
- Mind, Body and Spirit
- Art and Culture.

7.2 Council Plan 2021-25

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 strategic objectives:

- A socially connected, safe and healthy city
- A city that respects and celebrates diversity, our history and the arts
- A city of accessible, vibrant centres and neighbourhoods
- A green city committed to a sustainable future
- A city that supports entrepreneurship, quality education and employment outcomes
- A Council that demonstrates leadership and a commitment to investing in the community.

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8. 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 addresses the following principles:

- a. the municipal community is to be engaged in strategic planning and strategic decision making
- b. the transparency of Council decisions, actions and information is to be ensured.

And also takes into account the following supporting principles:

- a. the community engagement principles (section 56)
- b. the public transparency principles (section 58)
- c. the strategic planning principles (section 89)
- d. the financial management principles (section 101)
- e. the service performance principles (section 106).

The Quarterly Performance Report provides details on Council's progress against its key strategic objectives to ensure accountability and transparency of its actions.

9. 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).

All matters relevant to the Victorian Human Rights Charter have been considered in the preparation of this report and are consistent with the standards set by the Charter.

10. 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.

The content/topic/issue (of this report) is purely administrative in nature and does not benefit any one gender group over any other. The Council Plan itself was the subject of a Gender Impact Assessment and all strategic objectives and key priorities were developed to ensure that all genders were represented.

11. 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.

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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.

This report outlines progress against some of Council’s overarching climate change and sustainability actions for 2022-23. The Council Plan highlights key activities which impact Council’s Declaration on a Climate and Ecological Emergency, Council’s Climate Change Emergency Strategy 2020-30 and the requirements of the *Local Government Act 2020*.

12. Related Council Policies, Strategies or Frameworks

This report forms part of Council’s Integrated Planning Framework and is in accordance with Council’s policy of providing regular information and feedback to Council and the community about Council’s financial position.

13. Conclusion

Greater Dandenong City Council provides a performance report against organisational objectives and its financial position on a quarterly basis. The reporting procedures and systems in place provide Councillors and the community with the opportunity to monitor progress against Council Plan Indicators. This ensures that all resources are managed effectively and accountably.

14. Recommendation

That Council notes the progress against the performance targets outlined in the Council Plan 2021-25 for the period 1 July to 30 September 2022 and the Financial Report for the period 1 July to 30 September 2022.

MINUTE 622

Moved by: Cr Jim Memeti

Seconded by: Cr Loi Truong

That Council notes the progress against the performance targets outlined in the Council Plan 2021-25 for the period 1 July to 30 September 2022 and the Financial Report for the period 1 July to 30 September 2022.

CARRIED