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**4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)**

**POLICY AND STRATEGY**

**Q2 COUNCIL QUARTERLY PERFORMANCE REPORT**

**ATTACHMENT 2**

**FINANCIAL REPORT 1 JULY 2022 – 31  
DECEMBER 2022**

**PAGES 47 (including cover)**

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

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4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)

# Financial Report

1 July 2022 to 31 December 2022



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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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### Table of Contents

<b>Executive Summary</b> .....	2
Income Statement .....	3
Balance Sheet .....	4
Cash Flow Statement .....	5
Capital Expenditure Statement .....	6
Notes to the Financial Statements .....	7
B1. Operating Income .....	8
B2. Operating Expenditure .....	10
C. Balance Sheet .....	12
C1. Current assets .....	12
C2. Non-current assets .....	13
C3. Current liabilities .....	13
C4. Non-current liabilities .....	14
C5. Net assets and equity .....	14
D. Cash Flow Statement .....	15
E. Statement of Capital Works .....	18
APPENDIX 1 - Capital Expenditure Report .....	20
APPENDIX 2 – Investment Analysis .....	25
Cash and Investments .....	25
APPENDIX 3 – Directorate Analysis .....	29
CGD BY DIRECTORATE .....	29
CEO DIRECTORATE .....	30
GREATER DANDENONG BUSINESS GROUP .....	31
CORPORATE SERVICES DIRECTORATE .....	33
ENGINEERING SERVICES DIRECTORATE .....	35
CITY PLANNING, DESIGN & AMENITY .....	37
COMMUNITY SERVICES DIRECTORATE .....	39
NON-DIRECTORATE .....	42
CAPITAL WORKS PROGRAM .....	44
APPENDIX 4 - Operating Initiatives .....	45

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### Executive Summary

Category	Quarter 2 - Financial Year 2022-23				Full Year 2022-23			
	YTD Actual (\$'000)	YTD Budget (\$'000)	YTD Variance (\$'000)	YTD Variance ( % )	Forecast (\$'000)	Adopted Budget (\$'000)	Forecast vs Adopted Budget (\$'000)	Forecast vs Adopted Budget ( % )
<b>Total Income</b>	116,176	113,419	2,757	2%	246,422	237,365	9,057	4%
<b>Total Expenses</b>	100,563	105,631	5,068	5%	222,968	210,799	(12,168)	-6%
<b>Operating Surplus (Deficit)</b>	15,613	7,788	7,825	100%	23,454	26,565	(3,111)	-12%

Legend:

	> - 5%, < 5%
	> 5%
	< - 5%

### Operating Result

For the six months ended 31 December 2022 Council achieved a surplus operating result of \$15.61 million which is \$7.82 million better than the year-to-date budget. The main factors contributing to this result comprise favourable variances in:

- Income year to date is \$2.76 million favourable predominantly due to better than anticipated interest income as a result of higher than anticipated interest rates (Non-Directorate \$808,000).
- Operating expenditure year to date is \$5.07 million favourable due to a number of offsetting variances. The favourable variances are in employee costs (\$6.23 million) and materials and services (\$3.51 million). The employee cost variance is predominately due to staff recruitment occurring later than planned and a delay in commencement of grant funded projects. Of the \$6.23 million favourable employee costs variance, \$2.85 million relates to fully funded grant projects (mainly in Community Services). The favourable variance in materials and services is due to delays in the commencement of works, timing of works schedules combined with lower than anticipated expenditure to date. These favourable operating expenditure variances are offset by fixed asset accounting entries which have nil impact on cash being 'Prior year expenditure unable to be capitalised' (\$3.07 million unfavourable), and 'Asset write-offs' (\$1.90 million unfavourable).

### Capital Result

Year-to-date capital expenditure for the period is \$20.29 million which is \$9.94 million favourable to budget. This is due to a number of favourable variances across projects, the most material including the Road Resurfacing Program (\$1.85 million), the Ross Reserve Pavilion and Synthetic Soccer Pitch (\$1.84 million), the Thomas Carroll Pavilion (\$1.26 million) and the Road Rehabilitation Program (\$850,000).

There are also \$20.33 million in commitments (open purchase orders) as at 31 December. Please refer to the Statement of Capital Works below for further details.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### Income Statement

For the period 1 July 2022 - 31 December 2022

	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		82,931	82,559	372	162,173	162,081
Statutory fees and fines		4,361	4,773	(412)	9,569	9,696
User fees		4,502	4,398	104	8,589	9,389
Grants - operating		14,098	13,402	696	27,423	33,940
Grants - capital		3,459	3,343	116	16,182	3,518
Contributions - monetary		1,324	1,188	136	4,546	3,447
Contributions - non-monetary		-	-	-	10,000	10,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment		352	248	104	445	445
Other income		5,149	3,508	1,641	7,495	4,849
<b>Total income</b>		<b>116,176</b>	<b>113,419</b>	<b>2,757</b>	<b>246,422</b>	<b>237,365</b>
<b>Expenses</b>	<b>B2</b>					
Employee costs		38,684	44,913	6,229	98,579	91,636
Materials and services		35,416	38,927	3,511	80,887	75,427
Prior year capital expenditure unable to be capitalised (non-cash)		3,074	-	(3,074)	-	-
Bad and doubtful debts		794	1,089	295	1,953	1,953
Depreciation		16,864	16,864	-	32,943	33,943
Amortisation - intangible assets		30	30	-	60	60
Amortisation - right of use assets		299	150	(149)	604	604
Borrowing costs		1,361	1,361	-	2,665	2,667
Finance costs - leases		-	-	-	22	22
Asset write offs		1,898	-	(1,898)	-	-
Other expenses		2,143	2,297	154	5,112	4,489
<b>Total expenses</b>		<b>100,563</b>	<b>105,631</b>	<b>5,068</b>	<b>222,825</b>	<b>210,801</b>
<b>Net surplus (deficit)</b>		<b>15,613</b>	<b>7,788</b>	<b>7,825</b>	<b>23,597</b>	<b>26,564</b>

#### NOTE

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

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### Balance Sheet

As at 31 December 2022

	Note	2022-23 ACTUAL 31 Dec 2022 \$'000	2021-22 ACTUAL 30 Jun 2022 \$'000	2022-23 MID YEAR BUDGET \$'000	2022-23 ORIGINAL BUDGET \$'000
<b>ASSETS</b>					
<b>Current assets</b>	<b>C1</b>				
Cash and cash equivalents		109,658	30,212	143,447	126,900
Financial assets		86,703	150,504	-	-
Trade and other receivables		96,113	29,840	26,937	28,088
Other assets		1,364	9,077	5,773	4,085
<b>Total current assets</b>		<b>293,838</b>	<b>219,633</b>	<b>176,157</b>	<b>159,073</b>
<b>Non-current assets</b>	<b>C2</b>				
Property, infrastructure, plant and equipment		2,429,949	2,431,571	2,494,792	2,549,552
Investment property		6,347	6,336	6,336	10,860
Right-of-use assets		1,547	1,846	1,942	1,191
Intangible assets		86	116	56	102
Trade and other receivables		281	281	281	295
<b>Total non-current assets</b>		<b>2,438,210</b>	<b>2,440,150</b>	<b>2,503,407</b>	<b>2,562,000</b>
<b>Total assets</b>		<b>2,732,048</b>	<b>2,659,783</b>	<b>2,679,564</b>	<b>2,721,073</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>C3</b>				
Trade and other payables		2,103	23,749	25,933	23,714
Trust funds and deposits		4,862	4,521	4,870	4,870
Unearned income		55,772	55,791	52,693	52,293
Provisions		21,771	21,730	22,083	22,986
Other interest-bearing liabilities		-	-	-	-
Interest-bearing liabilities		1,760	3,484	3,597	4,196
Lease liabilities		147	524	520	570
<b>Total current liabilities</b>		<b>165,880</b>	<b>109,799</b>	<b>109,696</b>	<b>108,629</b>
<b>Non-current liabilities</b>	<b>C4</b>				
Provisions		802	1,113	1,003	1,289
Trust funds and deposits		3,291	2,409	2,409	2,035
Other interest-bearing liabilities		-	-	-	-
Interest-bearing liabilities		49,779	49,779	46,182	51,704
Lease liabilities		1,324	1,324	1,318	442
<b>Total non-current liabilities</b>		<b>55,196</b>	<b>54,625</b>	<b>50,912</b>	<b>55,470</b>
<b>Total liabilities</b>		<b>221,076</b>	<b>164,424</b>	<b>160,608</b>	<b>164,099</b>
<b>NET ASSETS</b>		<b>2,510,972</b>	<b>2,495,359</b>	<b>2,518,956</b>	<b>2,556,974</b>
<b>EQUITY</b>					
<b>EQUITY</b>	<b>C5</b>				
Accumulated surplus		962,886	954,375	978,263	992,642
Asset revaluation reserve		1,472,584	1,472,584	1,472,583	1,511,604
Reserves		75,502	68,400	68,110	52,728
<b>TOTAL EQUITY</b>		<b>2,510,972</b>	<b>2,495,359</b>	<b>2,518,956</b>	<b>2,556,974</b>

#### NOTE

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

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### Cash Flow Statement

	2022-23 ACTUAL as at 31 Dec 2022 Inflows/ (Outflows) \$'000	2022-23 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2022-23 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges	96,644	162,605	161,639
Statutory fees and fines	3,183	8,031	7,203
User fees	4,206	8,950	9,996
Grants - operating	16,687	28,868	36,122
Grants - capital	3,436	16,504	3,518
Contributions - monetary	2,201	3,546	3,447
Interest received	1,675	2,171	499
Trust funds and deposits taken	22,328	30,549	28,102
Other receipts	3,315	9,036	4,855
Net GST refund	5,689	13,409	9,997
Employee costs	(41,643)	(98,151)	(90,698)
Materials and services	(45,267)	(94,364)	(88,018)
Short-term, low value and variable lease payments	(338)	(569)	(569)
Trust funds and deposits repaid	(21,547)	(30,200)	(28,102)
Other payments	(1,949)	(5,054)	(4,369)
<b>Net cash provided by operating activities</b>	<b>48,620</b>	<b>55,331</b>	<b>53,622</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	(29,930)	(86,425)	(55,590)
(Payments) proceeds for investments	63,801	150,504	-
Proceeds from sale of property, infrastructure, plant and equipment	419	706	706
<b>Net cash provided by investing activities</b>	<b>34,290</b>	<b>64,785</b>	<b>(54,884)</b>
<b>Cash flows from financing activities</b>			
Finance costs	(1,363)	(2,665)	(2,667)
Proceeds from borrowings	-	-	6,120
Repayment of borrowings	(1,724)	(3,484)	(3,484)
Interest paid - lease liability	-	(22)	(22)
Repayment of lease liabilities	(377)	(710)	(710)
<b>Net cash used in financing activities</b>	<b>(3,464)</b>	<b>(6,881)</b>	<b>(763)</b>
Net increase (decrease) in cash and cash equivalents	79,446	113,235	(2,025)
Cash and cash equivalents at the beginning of the year	30,212	30,212	128,925
<b>Cash and cash equivalents at the end of the period</b>	<b>109,658</b>	<b>143,447</b>	<b>126,900</b>
<b>Represented by:</b>			
Operating cash	(37,356)	17,276	43,593
Restricted cash	147,014	126,171	83,307
<b>Total</b>	<b>109,658</b>	<b>143,447</b>	<b>126,900</b>

**NOTE**

Details regarding Council's cash movements are contained in Note D (below) - Cash Flow Statement.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)

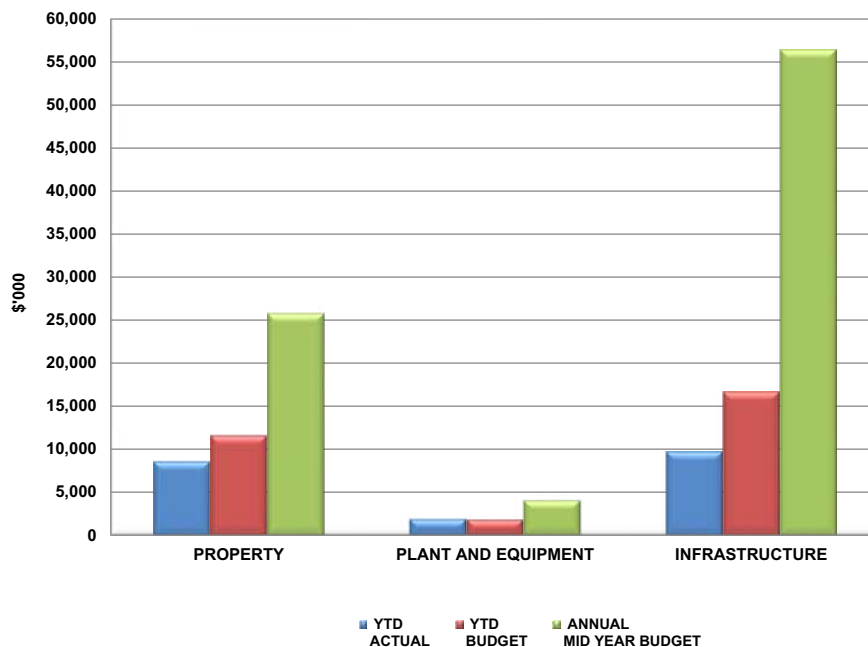


Financial Report for the period 1 July 2022 – 31 December 2022

### 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	8,596	11,629	3,032	6,295	25,839	17,461
PLANT AND EQUIPMENT	1,934	1,880	(54)	1,261	4,114	1,047
INFRASTRUCTURE	9,761	16,724	6,963	12,771	56,472	37,084
<b>TOTAL EXPENDITURE</b>	<b>20,292</b>	<b>30,233</b>	<b>9,942</b>	<b>20,326</b>	<b>86,425</b>	<b>55,590</b>





#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

## 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 Local Government 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 27 June 2022. The year to date budget in this report reflects the Mid-Year Budget as adopted by Council on 12 December 2022. 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 2022. No variations have been made to the declared rates and charges or loan borrowings other than what has been approved in the 2022-23 Adopted Budget.
- 8. Cash Flow Statement:** Reflects the actual cash movements during the year.
- 9. Restricted cash:** These are monies set aside for specific purposes and are not readily available for day to day operations or general capital works. They include funds set aside towards meeting long service leave commitments (required by government regulations), statutory reserves (eg. open space contributions) and other funds that are committed towards specific purposes.

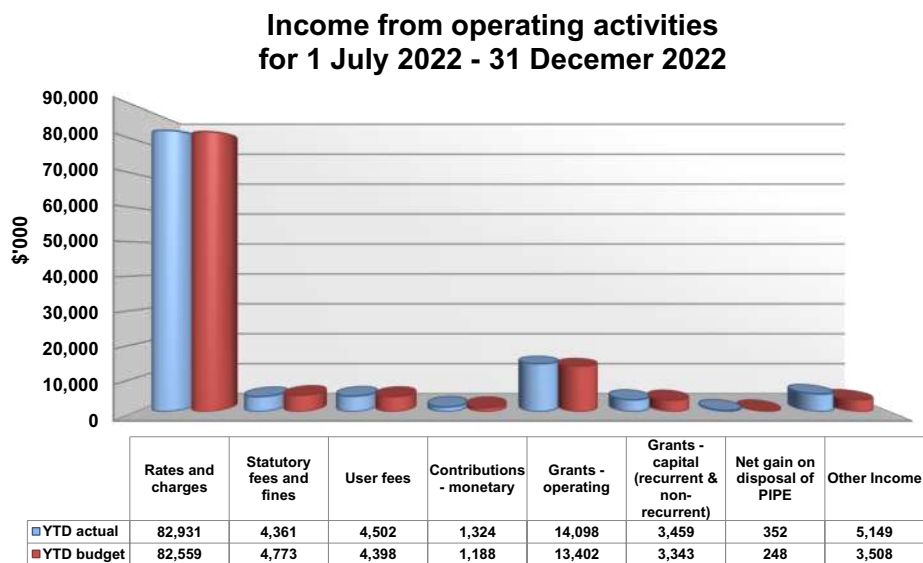
#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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).



Operating income for the quarter ended 31 December 2022 is \$2.76 million favourable against budget. This is primarily due to the following:

**Other income (\$1.64 million favourable)** – Mainly due to better than anticipated interest income as a result of higher than anticipated interest rates (Non-Directorate \$808,000).

**Grants – operating (\$696,000 favourable)** – Receipt of unbudgeted grant funding for Waste Management Kerbside Reform support (\$369,000), Market St Occasional Child Care Centre (\$123,000), Parks (\$85,000), School Crossing (\$69,000) and Festivals & Events (\$61,000), combined with earlier than anticipated funding received for Family Day Care (\$1.12 million), Child First (\$55,000), Childrens Support Services (\$44,000), Pre-School Field Officer (\$44,000), Immunisation (\$38,000), Healthy Children & Young People (\$30,000) and Y-Space (\$25,000).

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Home and Community Care (\$559,000) and Planned Activity Group (\$85,000) combined with a delay in recognition of grant funding for HACC – Assessment & Team Leaders (\$247,000), Empowering Communities (\$180,000), HACC – Home Maintenance (\$134,000) and Sleep and Settling Initiative (\$125,000).

**Rates and charges (\$372,000 favourable)** - Better than anticipated income from supplementary rates to date (Non-Directorate \$355,000).

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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

**Statutory fees and fines (\$412,000 unfavourable)** – Mainly due to lower than anticipated income from parking, littering, health and food infringements and planning applications (City Planning, Design and Amenity \$453,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)

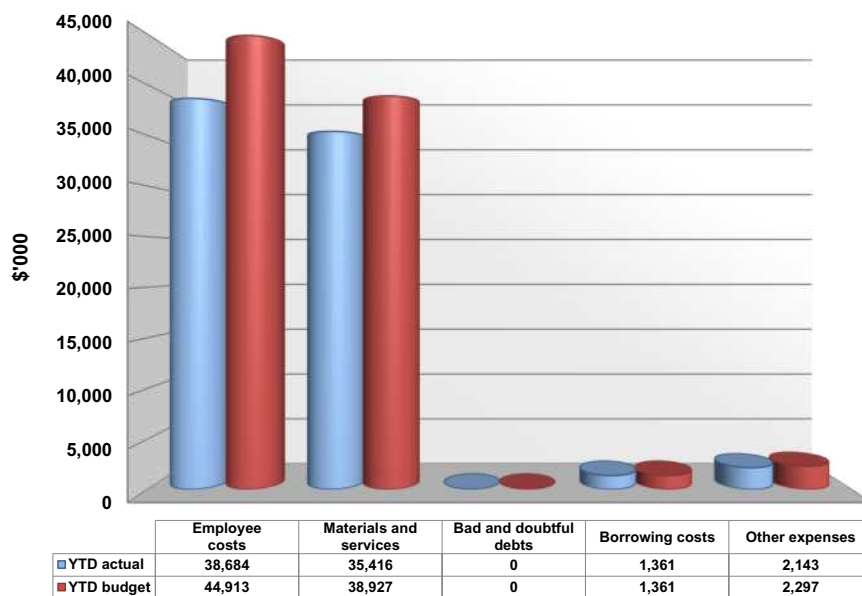


Financial Report for the period 1 July 2022 – 31 December 2022

## 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 2022 to 31 December 2022**



Operating expenditure for the quarter ended 31 December 2022 is favourable by \$5.07 million against budget. The major variances are in employee costs and materials and services.

**Employee costs (\$6.23 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 \$4.45 million, Engineering Services \$673,000, City Planning, Design and Amenity \$519,000, Corporate Services \$452,000 and Greater Dandenong Business \$243,000).

Of this favourable variance, \$2.85 million relates to grant funded programs which require an acquittal (mostly in Community Services).

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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**Materials and services (\$3.51 million favourable)** – The major items contributing to this favourable variance are:

- Contract services (\$965,000) – mainly due to delay in commencement of works, projects and receipt of invoices combined with timing of maintenance schedules (Engineering Services \$1.92 million and Greater Dandenong Business \$122,000). This is partly offset by higher payments to Family Day Care educators, which is offset by higher grant income (Community Services \$1.04 million).
- Consultants, professional services (\$847,000) – mainly due to delay in commencement of projects and receipt of invoices (Engineering \$354,000, Greater Dandenong Business \$256,000 and City Planning, Design and Amenity \$150,000).
- Administration costs (\$689,000) – 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 \$326,000, Engineering Services \$136,000, Corporate Services \$135,000 and Greater Dandenong Business \$56,000).
- Materials, maintenance and services (\$580,000) – mainly due to lower than anticipated expenditure for materials, delay in receipt of invoices and commencement of projects (Community Services \$346,000, City Planning, Design and Amenity \$171,000 and Engineering Services \$53,000).
- Utilities (\$309,000) – mainly due to lower than anticipated electricity and water costs to date (Engineering Services \$254,000 and Corporate Services \$53,000).

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

**Prior year capital expenditure unable to be capitalised (non-cash) (\$3.07 million unfavourable)** –

This unfavourable variance is due to works in progress (prior year capital expenditure) that is not able to be capitalised to the asset register because it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets (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.

**Asset write offs (\$1.90 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).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### C. Balance Sheet

Council's net assets are valued at \$2.51 billion as at 31 December 2022.

#### C1. Current assets

*Cash and other assets that can be readily converted to cash.*

**Cash and cash equivalents (\$109.66 million)** – Represent the net amount held by Council in cash or term deposits with a term of less than 90 days.

\$147.01 million of cash and investment funds are 'restricted' for various purposes. The reduction in operating funds as at 31 December 2022 is due to the classification of \$86.70 million of term deposits greater than 90 days as 'financial assets'. These are detailed in the notes to the cash flows that follow in **section D** and a graphical presentation in **Appendix 2**. However, if these term deposits were classified as cash, the operating cash balance would be \$49.35 million.

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

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

**Financial assets (\$86.70 million)** – Reduction in financial assets from 30 June 2022 is due to maturity of investments placed in Term Deposits with a term of greater than three months as of 31 December 2022. These terms resulted from investments placed to maximise the interest return to Council.

**Trade and other receivables (\$96.11 million)** – This balance includes:

- Rate debtors \$77.01 million
- Infringement debtors of \$9.33 million (net of provision for doubtful debts).
- General debtors \$9.77 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 (\$1.36 million)** – This balance includes:

- Accrued income \$761,000 – income earned but cash not yet received as at 31 December 2022.
- Prepayments \$44,000 - expenses prepaid at 31 December 2022.
- 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.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### C2. Non-current assets

**Property, infrastructure, plant and equipment (\$2.43 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 (\$6.35 million)** is separately classified from 'Property, infrastructure, plant and equipment' in accordance with Australian Accounting Standards. Any adjustment to the fair value of these assets on an annual basis is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right-of-use assets (\$1.55 million)** – 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 (\$86,000)** – Represents computer software assets. These values are reflected after recognising the associated amortisation expense.

**Trade and other receivables (\$281,000)** – \$208,000 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 (\$2.10 million)** – This balance includes trade creditors arising from operations and capital works.

**Trust funds and deposits (\$4.86 million)** – Trust funds and deposits includes other refundable monies in respect of:

- Fire services property levy funds collected by Council on behalf of the State Government, but not yet paid on to the State Revenue Office (\$1.13 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Other deposits (\$1.60 million).
- Landscape deposits (\$1.16 million).
- Road deposits (\$249,000).
- Open space contributions (\$712,000).

**Unearned income (\$55.77 million)** – Represents income not yet earned in accordance with Accounting Standards AASB 1058 'Income of Not-For-Profit Entities' and AASB 15 'Revenue from Contracts with Customers' based on specific performance obligations that were not complete at 30 September 2022 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$41.66 million).
- Operating grants (\$10.53 million).
- Capital grants (\$3.49 million).
- Other (\$93,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

**Provisions (\$21.77 million)** – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
  - Long service leave entitlements - \$12.43 million.
  - Annual leave entitlements - \$8.61 million.
  - Rostered days off (RDO) - \$545,000.
- Landfill provision - \$185,000 - 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 (\$1.76 million)** – Represents the repayment of long-term borrowings during 2022-23.

**Lease liabilities (\$147,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2022-23.

#### C4. Non-current liabilities

*Debts due to be repaid in future years.*

**Provisions (\$802,000)** – Represents the provisions estimated to be paid beyond the 2022-23 financial year and comprises long service leave entitlements for employees (\$116,000) and landfill provision for restoration of Spring Valley landfill site (\$686,000) (Council's share is 19.88% of the total future estimated costs).

**Trust funds and deposits (\$3.29 million)** – Represents deposits that are payable beyond the 2022-23 financial year and comprises asset protection bonds of \$2.94 million, landscape deposits of \$258,000 and contractor deposits of \$93,000.

**Interest-bearing liabilities (\$49.78 million)** – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

**Lease liabilities (\$1.32 million)** – represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months. Increase in lease liabilities from prior year is due to new and renewed leases.

#### C5. Net assets and equity

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

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



#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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

### D. Cash Flow Statement

Cash and investment holdings total \$109.66 million as at 31 December 2022, an increase of \$79.45 million since 30 June 2022. Total cash and investment holdings are made up of operating cash and restricted cash. \$147.01 million of Council's cash and investment (financial asset) holdings are restricted. 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 \$48.62 million.

The major inflows are rates (\$96.64 million), grants (\$20.12 million), trust funds and deposits taken (\$22.33 million), contributions (\$2.20 million), statutory fees and fines (\$3.18 million) and user fees (\$4.21 million).

The major outflows are materials and services (\$45.27 million), employee costs (\$41.64 million) and trust funds and deposits repaid (\$21.55 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 inflow of \$34.29 million, including:

- \$63.80 million relates to proceeds from funds held at 30 June 2022 in term deposits with a maturity of greater than three months.
- \$419,000 proceeds on asset sales mainly relating to the fleet replacement program.
- Less \$29.93 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.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

**Cash flows from financing activities** – outflow of \$3.46 million.

Council incurred \$1.36 million in finance costs on its borrowings and repaid \$1.72 million of existing borrowings. In addition, Council repaid \$377,000 of its lease liabilities as at 31 December 2022.

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

Type	31 December 2022	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	19,699	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	3,801	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	4,011	To fund acquisitions of new open space land.
Major projects reserve	32,808	Funds realised from the sale of Council's property assets or surplus Council funds that will be utilised for investing in other properties or funding future major projects.
Keysborough South Maintenance Levy	3,532	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	2,904	Rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	256	To meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	325	To meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	236	To fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	2,310	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	4,517	Contribution funds for future works to address level crossing removal authority defects.
<b>Total reserve funds</b>	<b>75,502</b>	

Type	31 December 2022	Notes
<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	12,542	Funds set aside to meet long service leave commitments.
Annual leave and other	9,160	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Employee provisions</b>	<b>21,702</b>	

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

<b>Trust funds and deposits</b>	<b>\$'000</b>	
Fire services property levy (FSPL) collected and due	1,133	Payable to State Revenue Office – legislative requirement.
Open space contributions	712	Pending completion of works.
Landscape deposits	1,425	Pending completion of works.
Road deposits	249	Pending completion of works.
Other trust funds and deposits	4,634	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>8,153</b>	
<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	41,657	Pending completion of works by developers.
<b>Other restricted funds</b>	<b>41,657</b>	
<b>Total restricted cash</b>	<b>147,014</b>	

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### E. Statement of Capital Works

Total capital expenditure as at 31 December 2022 was \$20.29 million. A further \$20.33 million was committed at the end of December. The following **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

- **3753 Road Resurfacing Program (\$1.86 million favourable)** – Resurfacing and associated works on four roads have been completed, 38 road sections are marked and procurement works completed. Another twelve roads are planned to be completed end of January 2023.
- **4031 Ross Reserve Soccer Pitch (\$1.05 million favourable)** – Construction works are underway.
- **3754 Road Rehabilitation Program (\$850,000 favourable)** – Planning procurement works in progress.
- **3080 Local Roads Community Infrastructure Program (Phase 2) – DCP Abbotts Road (\$501,000 favourable)** – Construction of Stage 1 and 2 is on target for completion by the end of January 2023. Commissioning of Taylors Road traffic signals may be delayed due to point of supply installation and United Energy auditing and approvals. Stage 3 is complete.
- **3490 Springvale Road Boulevard (\$785,000 unfavourable)** – The project required major drainage re-design due to Department of Transport requirements triggering significant variations to the overall construction cost of the project.
- **3942 Black Spot Works Program (\$587,000 favourable)** – Procurement works in progress.
- **4010 LRC12 Callander Reserve (\$573,000 favourable)** – Construction is making very good progress, despite early weather delays, with the pipeline having reached Jenkins St. The focus now is on progressing the Jenkins St portion of works in time for the (partial) asphalt reinstatement works in mid-December. The new year will see the connections at Vincent Crescent and Jenkins Street, renewal/repair of existing drainage in the area and remainder of the asphalt works.
- **3949 NPAC Redevelopment (\$380,000 favourable)** – Procurement works completed for all nominated roads. Construction works will start mid-January 2023.
- **3752 Road to Recovery Program (\$346,000 favourable)** – Procurement works completed for all nominated roads. Construction works will start mid-January 2023.
- **3019 Drainage Renewal Program (\$386,000 favourable)** – Renewal program not yet commenced.

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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##### Property

- **3219 Thomas Carroll Reserve (\$1.26 million favourable)** – Roofing works and wall framing externally and internally completed. Brickwork has commenced.
- **3902 Ross Reserve Pavilion (\$795,000 favourable)** – Internal fit-out is 80% complete. Carpark construction and landscaping works are progressing slowly due to wet weather.
- **3906 Dandenong Gallery of Art (\$404,000 favourable)** – Rectification works currently being undertaken.
- **4004 8 Balmoral Avenue (\$314,000 unfavourable)** – Southern side ramps are now complete. Northern side ramps are being finalised. The signage, line marking and temporary handrails will be completed in December.

##### Plant and equipment

- **1445 Fleet Purchases (\$406,000 unfavourable)** – All fleet capital purchases for passenger vehicles, light commercial vehicles, buses, trailers and heavy plant have now been finalised and ordered. Approximately \$1.9 million of plant and equipment is currently awaiting delivery, however, due to supply chain issues, a significant portion remains delayed and will not be delivered until late 2022 or early 2023.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### APPENDIX 1 - Capital Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>PROPERTY</b>						
<b>Buildings</b>						
1631 2434-22/23 Art Gallery PEP Bldg	16,378	153,152	136,775	17,180	598,345	250,000
1796 2029-20/21 Wai Turner Reserve	-	51,882	51,882	-	129,705	-
1818 1622-19/20 Walker St Carpark	122,707	67,194	(55,513)	2,030	167,986	-
1869 2234-22/23 D'rong Community Hub	35,875	57,404	21,529	8,439	280,685	400,000
3044 2056-21/22 Roof Safety Program	158,747	62,800	(95,947)	245,252	157,000	-
3179 2108-21/22 Shepley Oval	206,705	-	(206,705)	2,250	-	-
3219 1943-20/21 Thomas Carroll Pavilion	864,862	2,128,574	1,263,712	2,125,476	4,220,005	-
3543 2165-21/22 Public Toilet Program	236,479	161,656	(74,823)	56,146	404,139	-
3547 1504-19/20 George Andrews Reserve	95,922	128,958	33,036	313,919	322,395	-
3548 2313-22/23 Keysb Sth Community Hub	257,732	296,357	38,626	200,206	2,850,000	10,679,000
3793 1583-19/20 Dandenong Market Square	-	36,629	36,629	-	91,573	-
3804 1934-20/21 CCTV / Security Program	10,803	-	(10,803)	-	-	-
3817 2356-22/23 Civic Archive Building	3,600	12,800	9,200	5,400	40,000	40,000
3820 2367-22/23 N'Park Aquatic Ctr NPAC	-	11,680	11,680	-	36,500	36,500
3873 1541-19/20 Bldg Renewal DDA	8,020	57,600	49,580	1,200	180,000	180,000
3876 2264-22/23 Bldg Renewal Bathroom	4,030	32,250	28,220	1,350	75,000	75,000
3877 2270-22/23 Bldg Renewal Flooring	-	27,950	27,950	31,258	65,000	65,000
3879 2275-22/23 Bldg Renewal Minor Wrks	96,630	76,110	(20,520)	180,020	177,000	177,000
3880 2278-22/23 Bldg Renewal Roof	-	73,100	73,100	-	170,000	170,000
3883 2321-22/23 Bldg Renewal Kitchen/eq	86,701	94,600	7,899	224,262	220,000	220,000
3902 1928-20/21 Ross Reserve Pavilion	2,378,793	3,155,750	776,957	43,371	3,707,996	-
3904 2280-22/23 Bldg Renewal Theatre	88,110	155,000	66,890	1,885	500,000	500,000
3906 1916-20/21 Dandenong Gallery of Art	117,250	521,083	403,833	448,163	1,944,331	-
3946 2260-22/23 Bldg Renewal Aquat/Leis	27,770	128,140	100,370	58,768	298,000	298,000
3948 D'rong Mkt (Fruit & Veg) Floor&Roof	-	-	-	9,206	-	-
3949 1785-20/21 NPAC Redevelopment	1,692,358	2,072,390	380,033	136,791	2,484,781	-
3952 1927-20/21 Springvale Lib/Civic Ctr	600	24,886	24,286	-	62,215	-
3974 2235-22/23 D'rong Wellbeing Centre	423,349	374,050	(49,300)	1,448,098	1,126,430	1,830,000
4000 2046-21/22 MCH Centres (x6)	400	-	(400)	-	-	-
4002 2145-21/22 Springvale Reserve	14,325	-	(14,325)	-	-	-
4003 2054-21/22 Springvale Reserve	650,842	517,500	(133,342)	459,661	1,010,000	-
4004 1764-19/20 8 Balmoral Avenue	643,912	330,327	(313,584)	206,166	825,818	-
4026 Springvale Town Hall Works	-	-	-	1,111	-	-
4042 NPR NPark Comm Ctr Bldg Upgrade	121,661	172,251	50,590	4,795	172,251	-
4067 2467-22/23 Lyndale Sec Coll Kitchen	-	-	-	-	75,000	-
4069 2434-22/23 PEP Redevelopment	-	-	-	-	800,000	-
4070 2572-22/23 Lyndale SC Veranda Design	-	-	-	-	75,000	-
4100 2239-22/23 D'rong Sports Event Ctr	-	-	-	-	-	500,000
4101 2236-22/23 Heritage Kinder Fort	-	6,400	6,400	-	20,000	20,000
4102 2237-22/23 Heritage Kinder Outdoor	-	6,400	6,400	-	20,000	20,000
4103 2238-22/23 D'rong Sth Kindergarten	-	6,400	6,400	-	20,000	20,000
4104 2328-22/23 Security Program	-	9,600	9,600	-	30,000	30,000
4105 2311-22/23 Police Padck Water Main	-	48,000	48,000	-	150,000	150,000
4106 2330-22/23 D'rong Civic Hot Water	-	32,000	32,000	-	100,000	100,000
4107 2327-22/23 Springvale Town Hall	-	12,800	12,800	-	40,000	40,000
4108 2109-21/22 Table Tennis Centre	-	-	-	-	-	440,000
4109 2167-22/23 Bains Pavilion	-	112,000	112,000	-	350,000	350,000
4139 2436-22/23 Dandenong Market HVAC	176,205	-	(176,205)	-	170,000	-
<b>Leasehold Improvements</b>						
3941 1767-19/20 Police Padck Grandstand	1,200	103,074	101,874	-	434,860	-
4005 2067-21/22 Keysborough PS Kinder	382	-	(382)	-	-	-
4006 1671-19/20 Police Padck Function Rm	6,760	58,947	52,187	8,000	280,700	-
4028 2131-21/22 Police Padck Bat Cage	47,750	34,130	(13,620)	43,967	85,326	-
4029 1878-20/21 Police Paddocks	84	-	(84)	10,236	-	-
4110 2233-22/23 Rosewd Downs PS Kinder	-	32,000	32,000	-	100,000	100,000
4111 2247-22/23 Rosewd Downs PS MCH	-	185,040	185,040	-	771,000	771,000
<b>Land</b>						
4055 2 Stuart St, Dandenong	(500)	-	500	-	-	-
<b>Total property</b>	<b>8,596,441</b>	<b>11,628,865</b>	<b>3,032,424</b>	<b>6,294,607</b>	<b>25,839,041</b>	<b>17,461,500</b>

4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>PROPERTY</b>						
<b>Buildings</b>						
1631. 2434-22/23 Art Gallery PEP Bldg	16,378	153,152	136,775	17,180	598,345	250,000
1796. 2029-20/21 Wal Turner Reserve	-	51,882	51,882	-	129,705	-
1818. 1622-19/20 Walker St Carpark	122,707	67,194	(55,513)	2,030	167,986	-
1869. 2234-22/23 D'rong Community Hub	35,875	57,404	21,529	8,439	280,685	400,000
3044. 2056-21/22 Roof Safety Program	158,747	62,800	(95,947)	245,252	157,000	-
3179. 2108-21/22 Shepley Oval	206,705	-	(206,705)	2,250	-	-
3219. 1943-20/21 Thomas Carroll Pavilion	864,862	2,128,574	1,263,712	2,125,476	4,220,005	-
3543. 2165-21/22 Public Toilet Program	236,479	161,656	(74,823)	56,146	404,139	-
3547. 1504-19/20 George Andrews Reserve	95,922	128,958	33,036	313,919	322,395	-
3548. 2313-22/23 Keysb Sth Community Hub	257,732	296,357	38,626	200,206	2,850,000	10,679,000
3793. 1583-19/20 Dandenong Market Square	-	36,629	36,629	-	91,573	-
3804. 1934-20/21 CCTV / Security Program	10,803	-	(10,803)	-	-	-
3817. 2356-22/23 Civic Archive Building	3,600	12,800	9,200	5,400	40,000	40,000
3820. 2367-22/23 N'Park Aquatic Ctr NPAC	-	11,680	11,680	-	36,500	36,500
3873. 1541-19/20 Bldg Renewal DDA	8,020	57,600	49,580	1,200	180,000	180,000
3876. 2264-22/23 Bldg Renewal Bathroom	4,030	32,250	28,220	1,350	75,000	75,000
3877. 2270-22/23 Bldg Renewal Flooring	-	27,950	27,950	31,258	65,000	65,000
3879. 2275-22/23 Bldg Renewal Minor Wrks	96,630	76,110	(20,520)	180,020	177,000	177,000
3880. 2278-22/23 Bldg Renewal Roof	-	73,100	73,100	-	170,000	170,000
3883. 2321-22/23 Bldg Renewal Kitchen/Eq	86,701	94,600	7,899	224,262	220,000	220,000
3902. 1928-20/21 Ross Reserve Pavilion	2,378,793	3,155,750	776,957	43,371	3,707,996	-
3904. 2280-22/23 Bldg Renewal Theatre	88,110	155,000	66,890	1,885	500,000	500,000
3906. 1916-20/21 Dandenong Gallery of Art	117,250	521,083	403,833	448,163	1,944,331	-
3946. 2260-22/23 Bldg Renewal Aquat/Leis	27,770	128,140	100,370	58,768	298,000	298,000
3948. D'rong Mkt (Fruit & Veg) Floor&Roof	-	-	-	9,206	-	-
3949. 1785-20/21 NPAC Redevelopment	1,692,358	2,072,390	380,033	136,791	2,484,781	-
3952. 1927-20/21 Springvale Lib/Civic Ctr	600	24,886	24,286	-	62,215	-
3974. 2235-22/23 D'rong Wellbeing Centre	423,349	374,050	(49,300)	1,448,098	1,126,430	1,830,000
4000. 2046-21/22 MCH Centres (x6)	400	-	(400)	-	-	-
4002. 2145-21/22 Springvale Reserve	14,325	-	(14,325)	-	-	-
4003. 2054-21/22 Springvale Reserve	650,842	517,500	(133,342)	459,661	1,010,000	-
4004. 1764-19/20 8 Balmoral Avenue	643,912	330,327	(313,584)	206,166	825,818	-
4026. Springvale Town Hall Works	-	-	-	1,111	-	-
4042. NPR N'Park Comm Ctr Bldg Upgrade	121,661	172,251	50,590	4,795	172,251	-
4067. 2467-22/23 Lyndale Sec Coll Kitchen	-	-	-	-	75,000	-
4069. 2434-22/23 PEP Redevelopment	-	-	-	-	800,000	-
4070. 2572-22/23 LyndaleSC Veranda Design	-	-	-	-	75,000	-
4100. 2239-22/23 D'rong Sports Event Ctr	-	-	-	-	-	500,000
4101. 2236-22/23 Heritage Kinder Fort	-	6,400	6,400	-	20,000	20,000
4102. 2237-22/23 Heritage Kinder Outdoor	-	6,400	6,400	-	20,000	20,000
4103. 2238-22/23 D'rong Sth Kindergarten	-	6,400	6,400	-	20,000	20,000
4104. 2328-22/23 Security Program	-	9,600	9,600	-	30,000	30,000
4105. 2311-22/23 Police Padck Water Main	-	48,000	48,000	-	150,000	150,000
4106. 2330-22/23 D'rong Civic Hot Water	-	32,000	32,000	-	100,000	100,000
4107. 2327-22/23 Springvale Town Hall	-	12,800	12,800	-	40,000	40,000
4108. 2109-21/22 Table Tennis Centre	-	-	-	-	-	440,000
4109. 2167-22/23 Bains Pavilion	-	112,000	112,000	-	350,000	350,000
4139. 2436-22/23 Dandenong Market HVAC	176,205	-	(176,205)	-	170,000	-
<b>Leasehold Improvements</b>						
3941. 1767-19/20 Police Padck Grandstand	1,200	103,074	101,874	-	434,860	-
4005. 2067-21/22 Keysborough PS Kinder	382	-	(382)	-	-	-
4006. 1671-19/20 Police Padck Function Rm	6,760	58,947	52,187	8,000	280,700	-
4028. 2131-21/22 Police Padck Bat Cage	47,750	34,130	(13,620)	43,967	85,326	-
4029. 1878-20/21 Police Paddocks	84	-	(84)	10,236	-	-
4110. 2233-22/23 Rosewd Downs PS Kinder	-	32,000	32,000	-	100,000	100,000
4111. 2247-22/23 Rosewd Downs PS MCH	-	185,040	185,040	-	771,000	771,000
<b>Land</b>						
4055. 2 Stuart St, Dandenong	(500)	-	500	-	-	-
<b>Total property</b>	<b>8,596,441</b>	<b>11,628,865</b>	<b>3,032,424</b>	<b>6,294,607</b>	<b>25,839,041</b>	<b>17,461,500</b>

4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

	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. 1702-19/20 Fleet Purchases	1,010,918	605,000	(405,918)	173,362	1,750,000	-
1447. 1957-20/21 Fleet New Program	92,620	213,570	120,950	-	249,970	-
4044. NPR Pedestrian Counters S/City	12,509	25,000	12,491	2,817	25,000	-
<b>Library books</b>						
3104. 2314-22/23 Library Strategy	397,177	430,220	33,043	548,560	878,000	878,000
<b>Computers and telecommunications</b>						
3902. 1928-20/21 Ross Reserve Pavilion	-	18,000	18,000	-	45,000	-
3914. Asset Management System	-	-	-	32,154	-	-
3957. 2291-22/23 Audio Visual Renewal	-	30,720	30,720	71,817	96,000	96,000
4007. 1713-19/20 Merit CRM Replacement	399,728	424,911	25,183	37,643	499,578	-
4052. LRCI3 Optical Fibre Various	5,200	109,580	104,380	369,425	498,000	-
4112. 2371-22/23 Keysborough Food Svcs	-	3,200	3,200	-	10,000	10,000
4113. 2343-22/23 D'hong Civic Microphones	-	5,600	5,600	16,040	17,500	17,500
<b>Fixtures, fittings and furniture</b>						
3314. 2289-22/23 Furniture Renewal Prg	15,920	14,400	(1,520)	9,091	45,000	45,000
<b>Total plant and equipment</b>	<b>1,934,072</b>	<b>1,880,201</b>	<b>(53,870)</b>	<b>1,260,908</b>	<b>4,114,048</b>	<b>1,046,500</b>
<b>INFRASTRUCTURE</b>						
<b>Parks, open space and streetscapes</b>						
1629. 2231-22/23 Vanity Lane 275 Lonsdale	4,560	192,000	187,440	-	1,995,331	800,000
1747. 2170-22/23 Barry Powell Reserve	-	38,379	38,379	-	95,947	-
1796. 2029-20/21 Wal Turner Reserve	129,441	-	(129,441)	-	-	-
1818. 1622-19/20 Walker St Carpark	2,079	-	(2,079)	14,935	-	-
2126. 1740-19/20 Herbert St Pocket Park	74,475	62,082	(12,393)	68,900	155,204	-
3065. 1760-19/20 Public Recycling Bin Prg	47,591	22,000	(25,591)	970	55,000	-
3192. 1443-19/20 NPR Douglas St St-scape	16,929	-	(16,929)	213	-	-
3442. 2426-22/23 NPR Noble Park Revital'n	-	-	-	-	342,418	300,000
3490. 1912-20/21 Springvale Road Blvd	784,819	-	(784,819)	86,203	900,000	-
3631. 1949-20/21 Dandenong Park	30,338	27,093	(3,245)	103	67,734	-
3849. 2201-22/23 Fred Wachter Playground	100,000	172,231	72,231	690	430,578	-
3853. 2186-22/23 Parkfield Rsrve Cricket	-	53,810	53,810	-	134,524	-
3854. 1795-20/21 Burden Park Reserve	-	12,800	12,800	-	40,000	40,000
3900. 1542-19/20 Ross Reserve Landscape	1,091	126,682	125,591	-	316,705	-
3931. 2248-22/23 Guardrail Program	-	77,364	77,364	68,727	213,411	100,000
3932. 2296-22/23 Passive O/Space Renewal	88,515	109,440	20,925	194,332	342,000	342,000
3934. 1763-19/20 Parking Sensor Implement	-	119,359	119,359	-	298,397	-
3936. 2124-21/22 Glendale Reserve	-	-	-	118	-	-
3966. 2111-21/22 Tirhatuan Park	4,836	48,000	43,164	88,336	150,000	150,000
3970. Alan Corrigan Exercise Equipment	-	-	-	11,969	-	-
3977. 1996-20/21 LXRA Rectification Works	-	16,258	16,258	-	40,644	-
4012. 1800-20/21 Alex Wilkie Wetlands	-	20,000	20,000	-	50,000	-
4014. 1366-19/20 NPR Frank Street	443,219	236,166	(207,053)	-	457,932	-
4016. 1554-19/20 Neighbourhood Act Centre	640	-	(640)	-	-	-
4018. 2101-21/22 Tirhatuan Park Wetland	-	14,282	14,282	6,296	35,705	-
4020. 2225-22/23 LRCI3 Railway Parade SC	9,357	131,765	122,409	-	615,596	83,000
4027. 1920-20/21 NPR Ian St Street Scape	505,868	337,048	(168,820)	36,831	842,620	-
4030. 1529-19/20 Tatterson Park Oval 1	163,827	159,329	(4,498)	27,718	159,329	-
4032. 1138-18/19 Hemmings St Precinct	12,457	125,349	112,892	-	313,372	-
4036. NPR Interpretive Signage	-	-	-	3,463	-	-
4037. NPR Display Crates	48	-	(48)	-	-	-



4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
4038. NPR Transformed Public Art	23,544	26,087	2,543	200	26,087	-
4043. NPR Leonard/Buckley Streetscape	73,089	108,126	35,037	-	108,126	-
4062. 2561-22/23 NPR MUDERRA ARTWORK	-	-	-	-	80,000	-
4063. 2562-22/23 NPR UKRANIAN MURAL	16,200	-	(16,200)	-	20,000	-
4065. 2564-22/23 NPR LEONARD AV ST-SCAPE	-	-	-	-	575,000	-
4134. 2305-22/23 Lighting Renewal Prg	49,732	91,200	41,468	104,818	285,000	285,000
4135. 2433-22/23 Arkwright Drive Wetlands	-	64,000	64,000	-	200,000	200,000
4136. 1519-19/20 Norine Cox Reserve	-	16,000	16,000	-	50,000	50,000
4137. 2001-20/21 Kenneth Reserve	-	12,800	12,800	-	40,000	40,000
4141. 2560-22/23 Keshava Mural Thunder FC	-	-	-	-	30,000	-
<b>Recreational, leisure and community facilities</b>						
1747. 2170-22/23 Barry Powell Reserve	3,821	91,658	87,837	366,392	233,146	20,000
1859. 2114-21/22 Rowley Allan Reserve	450	11,666	11,216	31,089	29,165	-
3209. 2428-22/23 Active Reserves Renewal	142,852	89,600	(53,252)	140,393	280,000	280,000
3518. 1987-20/21 Harmony Square	-	8,000	8,000	-	20,000	-
3794. 1872-20/21 Tatterson Park	14,076	160,000	145,924	431,528	500,000	500,000
3849. 2201-22/23 Fred Wachter Playground	376,953	417,614	40,661	959,778	1,133,876	750,000
3853. 2186-22/23 Parkfield Rsrve Cricket	294,020	195,547	(98,473)	50,743	229,547	50,000
3854. 1795-20/21 Burden Park Reserve	499,137	407,865	(91,272)	149,292	608,881	-
3900. 1542-19/20 Ross Reserve Landscape	-	17,154	17,154	-	42,886	-
3925. Active Fencing Program	-	-	-	21,354	-	-
3933. 1710-19/20 Sports Lighting Program	13,233	-	(13,233)	-	-	-
3936. 2124-21/22 Glendale Reserve	37,495	105,600	68,105	179,722	330,000	330,000
3969. 1641-19/20 Thomas Carroll P'ground	1,131	100,000	98,869	197,586	250,000	-
4024. 2129-21/22 Noble Park Reserve	-	32,000	32,000	17,500	80,000	-
4031. 1499-19/20 Ross Reserve SoccerPitch	215,726	1,265,603	1,049,877	1,334,345	1,550,603	-
4066. 2411-22/23 George Andrews Rsv Light	-	-	-	21,677	500,000	-
4117. 2191-22/23 Ross Reserve Scoreboards	92,536	78,720	(13,816)	85,364	246,000	246,000
4118. 2432-22/23 Thomas Carroll Cricket	-	12,800	12,800	25,215	40,000	40,000
4119. 1843-20/21 Fred Wachter Tennis Light	5,535	117,667	112,132	376,477	367,710	367,710
4120. 1589-19/20 Ross Reserve Ath Track	38,808	-	(38,808)	3,683	2,500,000	2,500,000
4121. 2339-22/23 Children Services Prg	-	25,600	25,600	58,828	80,000	80,000
4122. 2176-22/23 Fred Wachter North Light	15,200	3,200	(12,000)	9,000	10,000	10,000
4123. 2192-22/23 Ross Reserve Lighting	15,286	144,000	128,714	413,467	450,000	450,000
4124. 2194-22/23 Thomas Carroll Oval1 Lgt	6,634	99,540	92,906	273,851	311,064	311,064
4125. 2181-22/23 Greaves Reserve	29,000	6,400	(22,600)	-	20,000	20,000
4126. 2332-22/23 D'ong Day Nursery	-	14,400	14,400	-	45,000	45,000
4127. 2404-22/23 Ross Reserve Bball Light	2,800	51,200	48,400	87,345	160,000	160,000
4128. 1314-18/19 Tyers Lane Reserve	15,901	12,800	(3,101)	-	40,000	40,000
4129. 2406-22/23 Parkfield Rsrve Scoreb'd	38,708	22,400	(16,308)	31,292	70,000	70,000
4130. 2146-21/22 Drinking Fountain Prg	-	12,800	12,800	9,692	40,000	40,000
4131. 2431-22/23 Parkland Reserve	-	12,800	12,800	-	40,000	40,000
4140. 2401-22/23 Coolavlin Rsv Fitnes Eqpt	-	-	-	-	30,000	-
<b>Roads</b>						
3080. 2232-22/23 LRCI2 DCP-L102 AbbottsRd	233,524	734,497	500,972	48,601	4,128,155	2,500,000
3231. 2256-22/23 Road Reconstruction Prg	1,148,128	1,020,000	(128,128)	2,145,028	3,000,000	3,000,000
3373. 2249-22/23 Kerb & Channel Renewal	206,747	211,000	4,253	8,905	500,000	500,000
3418. 2345-22/23 LATM New Program	40,770	237,067	196,297	411,646	928,889	500,000
3752. 2254-22/23 Roads to Recovery Prg	-	346,054	346,054	501,814	1,017,807	1,017,807
3753. 2253-22/23 Road Resurfacing Prg	294,790	2,150,000	1,855,210	1,151,548	6,000,000	6,000,000
3754. 2255-22/23 Road Rehabilitation Prg	-	850,000	850,000	-	2,500,000	2,500,000
3828. 1685-19/20 Mason Street	8,145	104,292	96,147	17,159	422,852	-
3938. 2250-22/23 Kerb & Channel Resurf	1,113,239	965,000	(148,239)	392,812	1,500,000	1,500,000
3942. 1784-20/21 Black Spot Works Program	90,745	677,681	586,936	412,967	1,619,203	-
3944. 2006-20/21 Keysborough Sth Comm Hub	500	-	(500)	-	-	-
3961. 1978-20/21 Road Reconstruction Pgm	67,712	-	(67,712)	48,005	-	-
3962. 1478-19/20 Bakers Road Service Road	31,247	60,766	29,520	3,746	151,916	-
3962. 1399-19/20 Perry Road DCP-KR01a	2,400	-	(2,400)	-	4,267,983	4,267,983
4009. 2105-21/22 LRCI2 Colemans Rd	-	127,985	127,985	1,400	609,453	-
4059. 2557-22/23 OUTLOOK DVE BLACKSPOT PG	-	-	-	-	152,000	-
4060. 2558-22/23 RAILWAY PDE BLACKSPOT PG	-	-	-	-	484,000	-
4061. 2559-22/23 BROWNS RD BLACKSPOT PG	-	-	-	-	433,000	-
4064. 2563-22/23 NPR LANEWAY ACTIVATION P	-	-	-	-	100,000	-
4138. 2257-22/23 LATM Renewal Program	151,333	48,000	(103,333)	-	150,000	150,000

4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>Bridges</b>						
3185. 2240-22/23 Bridge Renewal Program	-	86,400	86,400	-	270,000	270,000
4034. 2243-22/23 LRCI3 Hammond Rd Bridge	-	88,200	88,200	-	420,000	-
4045. 2242-22/23 LRCI3 D'hong Creek Bridge	-	40,000	40,000	-	100,000	-
4046. 2244-22/23 LRCI3 Abbotts Rd Bridge	-	40,000	40,000	-	100,000	-
4047. LRCI3 Swift Way Bridge	-	-	-	-	-	-
<b>Footpath and cycleways</b>						
3174. 2103-21/22 Active Transport ATIPP	144,980	284,320	139,340	138,167	592,000	500,000
3355. 2251-22/23 Footpath Renewal Prg	328,189	448,000	119,812	174,005	1,400,000	1,400,000
3589. 1546-19/20 Dandenong Creek Trail	26,973	7,475	(19,498)	-	18,688	-
4114. 2304-22/23 Pram Ramp Renewal Prg	-	32,000	32,000	-	100,000	100,000
<b>Off street car parks</b>						
1747. 2170-22/23 Barry Powell Reserve	9,000	9,539	539	-	23,847	-
4033. 1914-20/21 LRCI3 The Crescent	-	54,000	54,000	-	135,000	-
4048. 2287-22/23 LRCI3 Fred. Wachtler Rsv	-	40,000	40,000	-	100,000	-
4049. 2288-22/23 LRCI3 Robert Booth-Bess	185,757	80,000	(105,757)	5,152	200,000	-
<b>Drainage</b>						
3019. 2246-22/23 Drainage Renewal Prg	90,300	476,470	386,170	15,710	1,537,000	1,537,000
3558. 1970-20/21 Pit Renewal Program	24,442	32,000	7,558	2,695	100,000	100,000
3939. 2245-22/23 Drainage Reactive Prg	556,094	260,000	(296,094)	1,361	500,000	500,000
4010. 1380-19/20 LRCI2 Callander Rd	511,989	1,085,332	573,343	718,298	1,205,924	-
4115. 2424-22/23 Pit Renewal Rd Resurf	52,060	192,000	139,940	581,446	800,000	800,000
4116. 1998-20/21 Drainage Catchment 38A	-	-	-	-	1,200,000	1,200,000
<b>Total infrastructure</b>	<b>9,761,015</b>	<b>16,724,363</b>	<b>6,963,347</b>	<b>12,770,901</b>	<b>56,472,253</b>	<b>37,082,564</b>
<b>GRAND TOTAL</b>	<b>20,291,528</b>	<b>30,233,429</b>	<b>9,941,901</b>	<b>20,326,417</b>	<b>86,425,342</b>	<b>55,590,564</b>

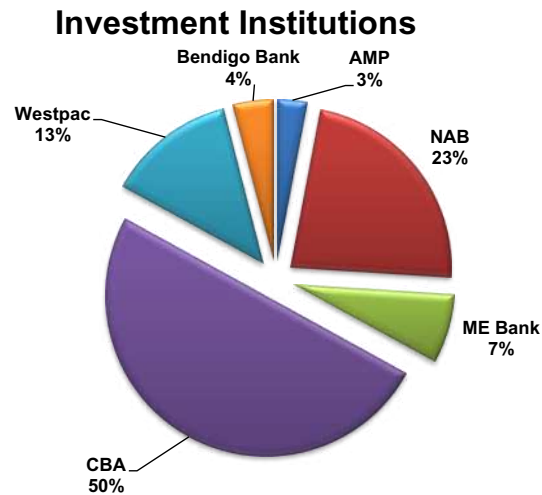
#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

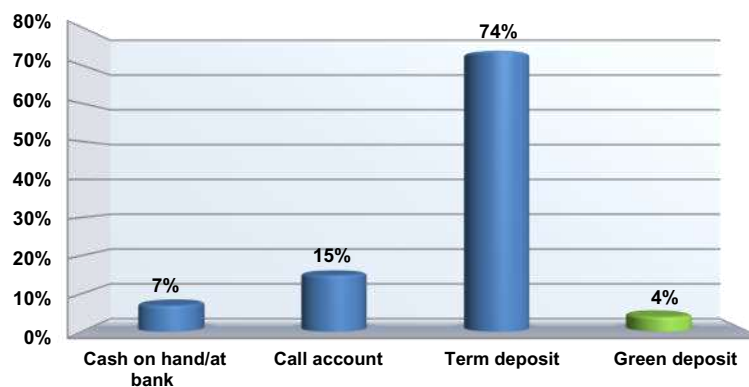
## APPENDIX 2 – Investment Analysis

### 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).

### Portfolio Products



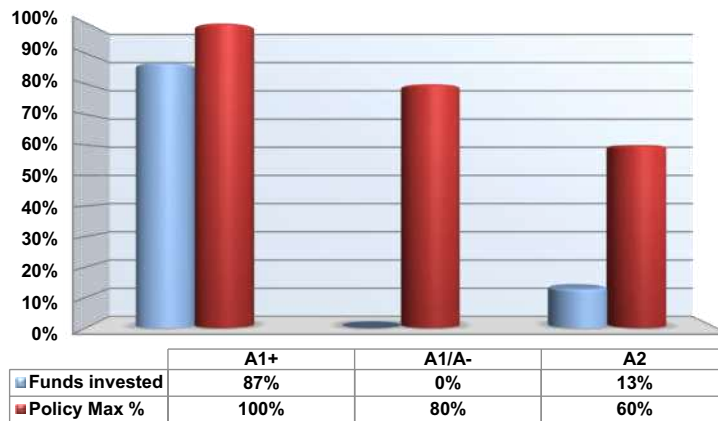
**Note: Green deposit:** 4% (or \$8.1826 million) was invested at 31 December 2022. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)

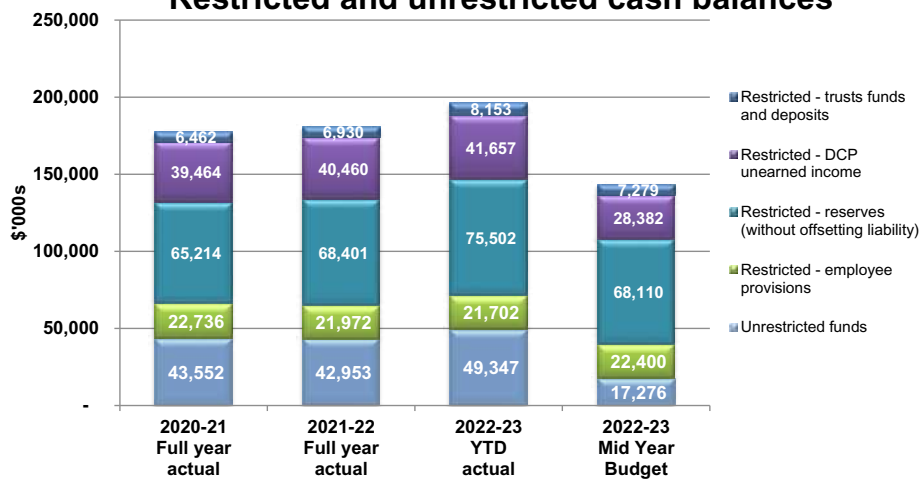


Financial Report for the period 1 July 2022 – 31 December 2022

#### Investment Credit Rating



#### Restricted and unrestricted cash balances



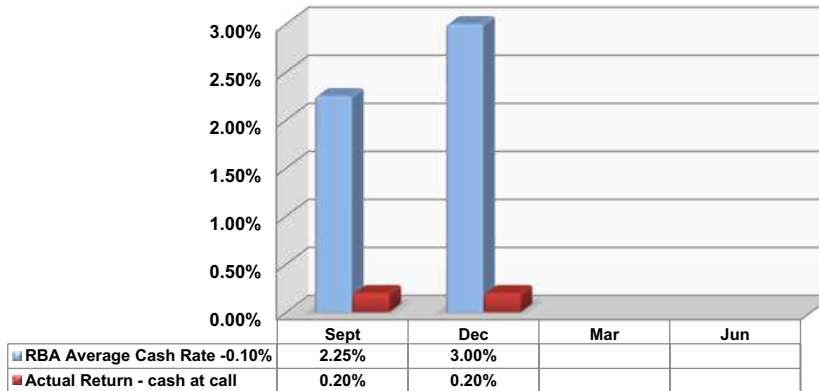
Note – the unrestricted cash balance portrayed here does not reconcile to the Statement of Cash Flows. For the purposes of the above graph as the \$86.70 million of term deposits over 90 days classified as 'financial assets' has been included as cash here.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)

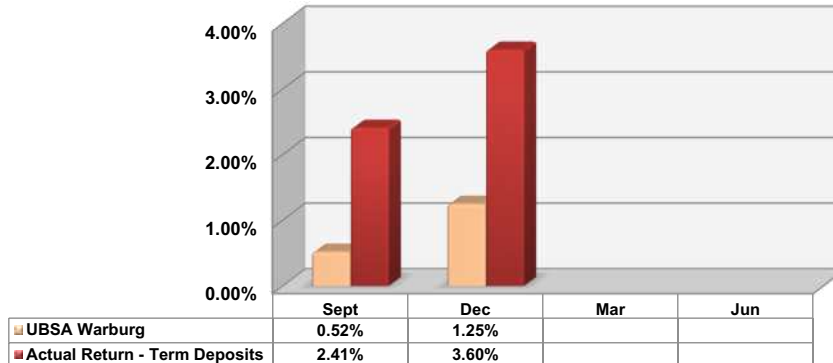


Financial Report for the period 1 July 2022 – 31 December 2022

##### Benchmark Indicator - Cash at Call



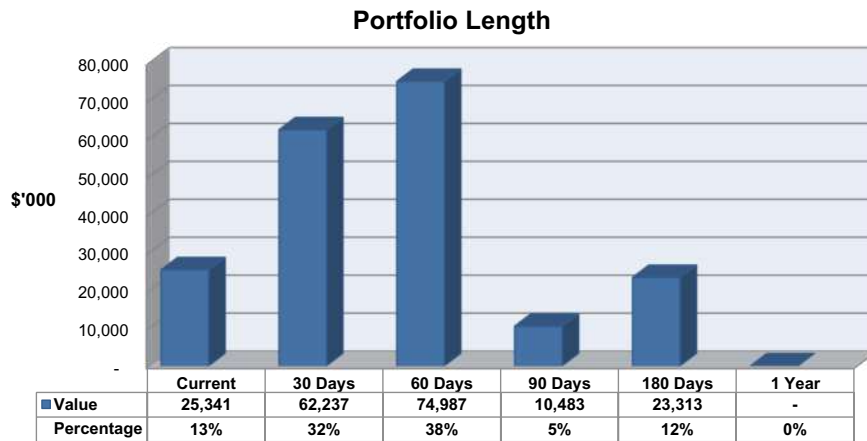
##### Benchmark Indicator - Term/Green Deposits



#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022



The above graph includes both cash and investments.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### APPENDIX 3 – Directorate Analysis

#### 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	87	98	(11)	496	363
Corporate Services	1,532	1,132	400	2,402	2,442
Engineering Services	14,561	13,702	859	28,318	27,510
City Planning Design and Amenity	7,794	8,102	(308)	15,200	15,985
Community Services	13,008	12,627	381	26,490	24,613
Non-Directorate <sup>(a)</sup>	75,604	74,332	1,272	155,048	161,746
Capital Works Program	3,657	3,532	125	18,728	4,965
<b>Total income</b>	<b>116,243</b>	<b>113,525</b>	<b>2,718</b>	<b>246,682</b>	<b>237,624</b>
<b>Expenses</b>					
Chief Executive Office	434	328	(106)	668	668
Greater Dandenong Business	1,649	2,350	701	4,906	4,056
Corporate Services	12,333	13,034	701	24,587	24,346
Engineering Services	28,451	31,999	3,548	71,792	69,103
City Planning Design and Amenity	8,689	9,734	1,045	20,003	19,773
Community Services	24,922	29,236	4,314	61,902	53,038
Non-Directorate <sup>(a)</sup>	24,152	19,056	(5,096)	39,227	40,076
Capital Works Program	-	-	-	-	-
<b>Total expenses</b>	<b>100,630</b>	<b>105,737</b>	<b>5,107</b>	<b>223,085</b>	<b>211,060</b>
<b>Net surplus (deficit)</b>	<b>15,613</b>	<b>7,788</b>	<b>7,825</b>	<b>23,597</b>	<b>26,564</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 presented earlier in this report due to the treatment of proceeds from asset sales and associated written down value.

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### CEO DIRECTORATE

#### OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Other income		-	-	-	-	-
<b>Total income</b>		-	-	-	-	-
<b>Expenses</b>						
Employee costs	1	380	270	(110)	585	585
Materials and services		54	55	1	78	78
Other expenses		-	3	3	5	5
<b>Total expenses</b>		<b>434</b>	<b>328</b>	<b>(106)</b>	<b>668</b>	<b>668</b>
<b>Net surplus (deficit)</b>		<b>(434)</b>	<b>(328)</b>	<b>(106)</b>	<b>(668)</b>	<b>(668)</b>

#### BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
CEO	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-
<b>Expenses</b>					
CEO	434	328	(106)	668	668
<b>Total expenses</b>	<b>434</b>	<b>328</b>	<b>(106)</b>	<b>668</b>	<b>668</b>
<b>Net surplus (deficit)</b>	<b>(434)</b>	<b>(328)</b>	<b>(106)</b>	<b>(668)</b>	<b>(668)</b>

Notes:

#### Expenditure

**Note 1 Employee costs (\$110,000 unfavourable)** – Unfavourable variance due mainly to cumulative planned time out (PTO) entitlements paid on termination of the outgoing CEO's employment contract.



#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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)	6	6
Grants - operating	75	75	-	433	300
Other income	12	17	(5)	57	57
<b>Total income</b>	<b>87</b>	<b>98</b>	<b>(11)</b>	<b>496</b>	<b>363</b>
<b>Expenses</b>					
Employee costs	2 1,135	1,378	243	2,965	2,687
Materials and services	3 485	937	452	1,801	1,239
Other expenses	29	35	6	140	130
<b>Total expenses</b>	<b>1,649</b>	<b>2,350</b>	<b>701</b>	<b>4,906</b>	<b>4,056</b>
<b>Net surplus (deficit)</b>	<b>(1,562)</b>	<b>(2,252)</b>	<b>690</b>	<b>(4,410)</b>	<b>(3,693)</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	10	17	(7)	401	351
Activity Centres Revitalisation	75	81	(6)	89	6
Major Projects	-	-	-	-	-
Economic Development	2	-	2	6	6
<b>Total income</b>	<b>87</b>	<b>98</b>	<b>(11)</b>	<b>496</b>	<b>363</b>
<b>Expenses</b>					
Greater Dandenong Business Executive	184	190	6	409	409
Business Networks	329	646	317	1,363	1,007
Activity Centres Revitalisation	684	799	115	1,543	1,103
Major Projects	76	83	7	196	196
Economic Development	376	632	256	1,395	1,341
<b>Total expenses</b>	<b>1,649</b>	<b>2,350</b>	<b>701</b>	<b>4,906</b>	<b>4,056</b>
<b>Net surplus (deficit)</b>	<b>(1,562)</b>	<b>(2,252)</b>	<b>690</b>	<b>(4,410)</b>	<b>(3,693)</b>

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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#### Greater Dandenong Business

##### Expenditure

**Note 2 Employee costs (\$243,000 favourable)** – Favourable variance due to delay in recruitment and lower than anticipated temporary agency staff costs to date (Community Revitalisation \$115,000, Economic Development \$83,000 and Business Networks \$48,000).

**Note 3 Materials and services (\$452,000 favourable)** – Favourable variance mainly due to lower than anticipated professional and contractor costs as programs are delayed or yet to commence (Economic Development \$174,000, Business Networks \$76,000, Community Revitalisation \$70,000, Placemaking and Revitalisation \$61,000 and Indian Cultural Precinct \$49,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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>					
Statutory fees and fines	59	51	8	102	102
User fees	14	12	2	22	22
Grants - operating	45	31	14	54	94
Other income	4	1,414	1,038	376	2,224
<b>Total income</b>	<b>1,532</b>	<b>1,132</b>	<b>400</b>	<b>2,402</b>	<b>2,442</b>
<b>Expenses</b>					
Employee costs	5	6,541	6,993	452	15,086
Materials and services	6	5,057	5,373	316	8,131
Other expenses	7	735	668	(67)	1,370
<b>Total expenses</b>	<b>12,333</b>	<b>13,034</b>	<b>701</b>	<b>24,587</b>	<b>24,346</b>
<b>Net surplus (deficit)</b>	<b>(10,801)</b>	<b>(11,902)</b>	<b>1,101</b>	<b>(22,185)</b>	<b>(21,904)</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	440	328	112	656	656
Governance	724	670	54	1,340	1,340
Information Technology	8	-	8	-	-
Financial Services	104	88	16	322	322
People and Procurement Services	256	46	210	84	124
<b>Total income</b>	<b>1,532</b>	<b>1,132</b>	<b>400</b>	<b>2,402</b>	<b>2,442</b>
<b>Expenses</b>					
Corporate Services Executive	57	50	(7)	279	279
Communications and Customer Service	2,383	2,744	361	5,850	5,850
Governance	1,435	1,575	140	3,207	3,207
Information Technology	3,495	3,597	102	5,877	5,777
Financial Services	1,381	1,420	39	3,183	3,183
People and Procurement Services	3,582	3,648	66	6,191	6,050
<b>Total expenses</b>	<b>12,333</b>	<b>13,034</b>	<b>701</b>	<b>24,587</b>	<b>24,346</b>
<b>Net surplus (deficit)</b>	<b>(10,801)</b>	<b>(11,902)</b>	<b>1,101</b>	<b>(22,185)</b>	<b>(21,904)</b>

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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### Corporate Services Directorate

#### Income

**Note 4 Other income (\$376,000 favourable)** – Favourable variance due to higher than anticipated rental and recovery income to date (Emergency Management \$179,000, Civic Facilities \$54,000, Property Management Administration \$53,000, Senior Citizen Facilities \$40,000 and Jan Wilson Community Centre \$22,000).

#### Expenditure

**Note 5 Employee costs (\$452,000 favourable)** – Favourable variance due to delay in recruitment, lower casual and temporary agency staff costs and training costs (Call and Services Centres \$164,000, Information Technology Executive \$91,000, Southern Screen \$73,000, Organisational Development Exec \$60,000, Civic Facilities \$59,000, Communication and Customer Services Executive \$50,000 and Governance \$36,000).

This favourable variance is partly offset by unbudgeted staffing matter (Records \$67,000) and parental leave payments (Finance \$18,000).

**Note 6 Materials and services (\$316,000 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, insurance, professional services, occupancy, software and application maintenance and utilities (Technical Services \$116,000, Records Management \$56,000, Property Revenue \$41,000, Contract \$33,000, Property Management Administration \$29,000, Governance \$26,000, Southern Screen \$17,000, Members of Council \$16,000 and Jan Wilson Community Centre \$15,000).

This favourable variance is partly offset by higher than anticipated expenditure in some departments for professional services, software maintenance, administration costs and subscriptions (Communications and Customer Service Executive \$31,000, Call and Service Centres \$26,000 and Risk Management \$23,000).

**Note 7 Other expenses (67,000 unfavourable)** – Higher than anticipated operating lease/rental costs (Technical Services \$109,000).

This unfavourable variance is partly offset by lower administration costs (Members of Council \$31,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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		12,555	12,539	16	24,958	24,958
Statutory fees and fines		147	115	32	259	396
User fees		278	282	(4)	565	565
Grants - operating	8	569	100	469	107	-
Contributions - monetary		3	-	3	-	-
Asset sales	9	419	353	66	706	706
Other income	10	590	313	277	1,723	885
<b>Total income</b>		<b>14,561</b>	<b>13,702</b>	<b>859</b>	<b>28,318</b>	<b>27,510</b>
<b>Expenses</b>						
Employee costs	11	8,396	9,069	673	19,614	19,545
Materials and services	12	19,947	22,736	2,789	51,782	49,162
Carrying amount of assets sold		67	105	38	261	261
Other expenses		41	89	48	135	135
<b>Total expenses</b>		<b>28,451</b>	<b>31,999</b>	<b>3,548</b>	<b>71,792</b>	<b>69,103</b>
<b>Net surplus (deficit)</b>		<b>(13,890)</b>	<b>(18,297)</b>	<b>4,407</b>	<b>(43,474)</b>	<b>(41,593)</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		13,963	13,144	819	27,133	26,189
City Projects and Asset Improvement		15	10	5	19	19
Infrastructure Planning		583	548	35	1,166	1,302
<b>Total income</b>		<b>14,561</b>	<b>13,702</b>	<b>859</b>	<b>28,318</b>	<b>27,510</b>
<b>Expenses</b>						
Engineering Services Executive		-	-	-	-	-
Infrastructure Services		22,135	25,063	2,928	57,501	55,899
City Projects and Asset Improvement		5,214	5,827	613	11,951	10,865
Infrastructure Planning		1,102	1,109	7	2,340	2,339
<b>Total expenses</b>		<b>28,451</b>	<b>31,999</b>	<b>3,548</b>	<b>71,792</b>	<b>69,103</b>
<b>Net surplus (deficit)</b>		<b>(13,890)</b>	<b>(18,297)</b>	<b>4,407</b>	<b>(43,474)</b>	<b>(41,593)</b>

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### Engineering Services Directorate

#### Income

**Note 8 Grants - operating (\$469,000 favourable)** – Favourable variance due to unbudgeted grant funding for Food Organics Garden Organics (FOGO) (Waste \$369,000) and Peri Urban Weed Management (Parks Services \$85,000) which will be matched by expenditure.

**Note 9 Asset sales (\$66,000 favourable)** – Favourable variance due to disposal of several major plant and vehicle assets delayed from last year (Fleet Management).

**Note 10 Other income (\$277,000 favourable)** – Favourable variance mainly due to rebate from Victorian Energy Efficiency Certificate program for replacement of streetlights with LED streetlights (Strategic Asset Planning \$195,000)

#### Expenditure

**Note 11 Employee costs (\$673,000 favourable)** – Favourable variance due to delay in recruitment and lower temporary agency staff costs (Parks Services \$187,000, Cleansing \$146,000, Infrastructure Services and Planning Executive \$117,000, Asset Management \$97,000, Roads \$88,000, AMS Implementation \$78,000, Waste Management \$67,000 and Strategic Transport Planning \$13,000).

This favourable variance is partly offset by higher than anticipated temporary agency staff and casual salary costs (CIP Implementation \$63,000, Building Maintenance \$21,000, Civil Development and Design \$20,000, City Improvement Executive \$16,000 and Strategic Asset Planning \$14,000).

**Note 12 Materials and services (\$2.79 million favourable)** - Favourable variance due to lower than anticipated contractor expenditure to date for sealed road maintenance, major road patching, graffiti removal, vandalism repairs, street lighting maintenance, equipment maintenance, reactionary maintenance, community education, tipping fees, fire and essential services (Waste Services \$1.12 million, Building Maintenance \$505,000, Parks Services \$455,000, Asset Management \$223,000, Cleansing \$194,000, Building Disposal Program \$142,000, Fleet Management \$56,000, Springvale Community Hub \$52,000, CIP Implementation \$43,000, Strategic Asset Planning \$39,000, AMS Implementation \$31,000 and Transport \$24,000).

This favourable variance is partly offset by higher than anticipated security and cleaning services, fuel costs, software maintenance, contract and professional services (City Improvement Executive \$34,000, Roads \$28,000 and Strategic Transport Planning \$22,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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>						
Statutory fees and fines	13	4,143	4,596	(453)	9,198	9,198
User fees	14	2,773	2,717	56	5,057	5,857
Grants - operating	15	660	594	66	704	689
Other income		218	195	23	241	241
<b>Total income</b>		<b>7,794</b>	<b>8,102</b>	<b>(308)</b>	<b>15,200</b>	<b>15,985</b>
<b>Expenses</b>						
Employee costs	16	6,190	6,708	518	14,422	14,422
Materials and services	17	1,687	1,916	229	3,580	3,350
Bad and doubtful debts	18	794	1,084	290	1,943	1,943
Other expenses		18	26	8	58	58
<b>Total expenses</b>		<b>8,689</b>	<b>9,734</b>	<b>1,045</b>	<b>20,003</b>	<b>19,773</b>
<b>Net surplus (deficit)</b>		<b>(895)</b>	<b>(1,632)</b>	<b>737</b>	<b>(4,803)</b>	<b>(3,788)</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	2,078	1,953	125	2,656	2,656
Statutory Planning	840	990	(150)	1,980	1,980
Strategic & Environmental Planning	3	12	(9)	24	24
Regulatory Services	4,873	5,147	(274)	10,540	11,325
<b>Total income</b>	<b>7,794</b>	<b>8,102</b>	<b>(308)</b>	<b>15,200</b>	<b>15,985</b>
<b>Expenses</b>					
City Planning, Design and Amenity Exec.	204	219	15	471	471
Building Services	2,116	2,192	76	4,491	4,276
Statutory Planning	1,373	1,569	196	3,189	3,059
Strategic & Environmental Planning	882	1,100	218	2,386	2,386
Regulatory Services	4,114	4,654	540	9,466	9,581
<b>Total expenses</b>	<b>8,689</b>	<b>9,734</b>	<b>1,045</b>	<b>20,003</b>	<b>19,773</b>
<b>Net surplus (deficit)</b>	<b>(895)</b>	<b>(1,632)</b>	<b>737</b>	<b>(4,803)</b>	<b>(3,788)</b>

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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### City Planning, Design and Amenity Directorate

#### Income

**Note 13 Statutory fees and fines (\$453,000 unfavourable)** – Unfavourable variance mainly due to lower than anticipated planning application fee income (Statutory Planning \$108,000) and fine income to date (General Law Enforcement \$146,000, Parking Management \$86,000, Health \$51,000, Regulatory Service Administration \$27,000 and Animal Management \$25,000).

**Note 14 User fees (\$56,000 favourable)** – Favourable variance mainly due to higher than anticipated income from Street-trader permits (Health \$218,000).

This favourable variance is partly offset by lower than anticipated income from permit and planning applications, inspection fees and parking fees (Building \$94,000, Statutory Planning \$42,000, Parking Management \$16,000 and Car Parks \$12,000).

**Note 15 Grants - operating (\$66,000 favourable)** – Favourable variance due receipt of unbudgeted grant funding (School Crossing \$69,000).

#### Expenditure

**Note 16 Employee costs (\$518,000 favourable)** – Favourable variance due to a delay in filling vacant positions (Statutory Planning \$247,000, Strategic Design and Sustainability Planning \$151,000, General Law Enforcement \$83,000, Regulatory Services Administration \$59,000, Building \$56,000, Public Safety and Security \$36,000, Animal Management \$26,000 and Parking Management \$42,000).

This favourable variance is offset by higher than anticipated temporary staff costs (Health \$92,000) and casual salaries (School Crossing \$103,000).

**Note 17 Materials and services (\$229,000 favourable)** – Favourable variance due to lower than anticipated statutory fee, contractor and professional services expenditure (Parking Management \$151,000, Health \$72,000, Strategic Design and Sustainability Planning \$67,000 and Local Government Capacity Building grant program \$70,000).

This favourable variance is partly offset by higher than anticipated expenditure for software maintenance, contract and professional services (Animal Management \$84,000, Statutory Planning \$53,000 and Building \$40,000).

**Note 18 Bad and doubtful debts (\$290,000 favourable)** – Favourable variance due to lower than anticipated bad debt expense to date (General Law Enforcement \$107,000, Parking Management \$99,000 and Animal Management \$79,000).



#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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	19	1,438	1,381	57	2,939	2,939
Grants - operating	20	10,897	10,750	147	22,610	20,733
Contributions - monetary		16	-	16	-	-
Other income	21	657	496	161	941	941
<b>Total income</b>		<b>13,008</b>	<b>12,627</b>	<b>381</b>	<b>26,490</b>	<b>24,613</b>
<b>Expenses</b>						
Employee costs	22	16,001	20,453	4,452	43,946	37,503
Materials and services	23	7,944	7,649	(295)	14,974	13,025
Bad and doubtful debts		-	4	4	8	8
Amortisation - right of use assets					6	6
Other expenses	24	977	1,130	153	2,968	2,496
<b>Total expenses</b>		<b>24,922</b>	<b>29,236</b>	<b>4,314</b>	<b>61,902</b>	<b>53,038</b>
<b>Net surplus (deficit)</b>		<b>(11,914)</b>	<b>(16,609)</b>	<b>4,695</b>	<b>(35,412)</b>	<b>(28,425)</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	7,746	6,227	1,519	12,960	11,454
Community Care	3,334	4,387	(1,053)	10,734	10,734
Community Arts, Culture and Libraries	1,628	1,624	4	2,088	1,757
Community Development, Sports and Recreation	300	389	(89)	708	668
<b>Total income</b>	<b>13,008</b>	<b>12,627</b>	<b>381</b>	<b>26,490</b>	<b>24,613</b>
<b>Expenses</b>					
Community Services Executive	257	341	84	729	729
Community Wellbeing	8,918	11,448	2,530	24,434	17,716
Community Care	5,744	6,874	1,130	14,892	14,555
Community Arts, Culture and Libraries	5,292	5,611	319	11,436	10,776
Community Development, Sports and Recreation	4,711	4,962	251	10,411	9,262
<b>Total expenses</b>	<b>24,922</b>	<b>29,236</b>	<b>4,314</b>	<b>61,902</b>	<b>53,038</b>
<b>Net surplus (deficit)</b>	<b>(11,914)</b>	<b>(16,609)</b>	<b>4,695</b>	<b>(35,412)</b>	<b>(28,425)</b>

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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### Community Services Directorate

#### Income

**Note 19 User fees (\$57,000 favourable)** – Favourable variance due to higher than anticipated parent levy income (Family Day Care \$106,000 which will be offset by matching expenditure).

This favourable variance is offset by lower than anticipated service provision fee income (Home and Community Care \$27,000 and Food Services \$21,000).

**Note 20 Grants – operating (\$147,000 favourable)** - comprising:

*Additional or grant funding received earlier than anticipated:*

- Family Day Care \$1.12 million
- Child First \$55,000
- Market Street Occasional Operational \$123,000
- Festival and Events \$61,000
- Pre-School Field Officer \$44,000
- Childrens Support Services \$44,000
- Immunisation \$38,000
- Healthy Children and Young People \$30,000
- Y-Space \$25,000
- Playgroup Initiative \$23,000
- PYP Linkages \$17,000

These favourable variances are partly offset by:

*Lower than anticipated grant funding recognised to date based on satisfied performance obligations for:*

- Home and Community Care \$559,000
- HACC – Assessments & Team Leaders \$247,000
- HACC – Home Maintenance \$134,000
- Sleep and Settling Initiative \$125,000
- Planned Activity Group \$85,000
- HACC Co-Ordination \$50,000
- Food Services \$45,000

*Funding yet to be received:*

- Empowering Communities \$180,000

**Note 21 Other income (\$161,000 favourable)** – Favourable variance due to unbudgeted traineeship recovery income (Home and Community Care \$97,000) and higher than anticipated rental and staff recovery income (Drum Theatre \$57,000).

This favourable variance is partly offset by lower than anticipated income (Library Services \$32,000 and Festival and Events \$30,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

##### **Expenditure**

**Note 22 Employee costs (\$4.45 million favourable)** – \$2.73 million of this favourable variance relates to grant funded programs which require an acquittal, caused mainly by a delay in recruitment (Child First \$808,000, Enhanced MCH Program \$757,000, Sleep and Settling Initiative \$407,000, Playgroups Initiative \$199,000, Pre-School Field Officer \$158,000, Best Start \$116,000, Drug Strategy \$100,000, Refugee Immunisation (PRIME) \$60,000, Empowering Communities \$42,000, PYP Linkages \$39,000 and Covidsafe Outdoor Activation \$21,000).

The remaining favourable variance is due to a delay in recruitment of vacant positions (Home and Community Care \$339,000, Maternal and Child Health \$297,000, Library and Information Services \$172,000, Family Day Care \$171,000, Children's Support Services \$170,000, HACC Co-ordination \$97,000, HACC – Home Maintenance \$79,000, Community Arts, Cultural and Library Executive \$78,000, HACC – Assessments and Team Leaders \$66,000, Planned Activity Group \$58,000, Sports Planning \$47,000, Festival and Events \$47,000, Community Transport \$46,000, Access and Quality Systems \$43,000, Youth Development \$36,000, Food Services \$25,000, Community Property \$18,000 and Community Care Executive \$17,000) combined with extended leave taken (Community Services Executive \$109,000).

The favourable variance is partly offset by higher than anticipated salary and temporary agency staff costs (The Drum Theatre \$138,000, Community Precinct Operations \$35,000, Community Development \$18,000 and Cultural Development \$11,000).

**Note 23 Materials and services (\$295,000 unfavourable)** – Unfavourable variance is due to higher payments to educators relating to additional service delivery requirements which is offset by higher grant income (Family Day Care \$1.04 million), professional services and materials (Maternal and Child Health \$28,000, COVID-Safe Outdoor Activation \$24,000, Community Funding \$17,000, Community Development, Sports and Recreation Executive \$11,000 and Community Transport \$11,000) as well as utilities (mainly electricity which is partly offset by recovery income in Sports Planning \$23,000).

This unfavourable variance is partly offset by lower than anticipated expenditure for materials, consultants, professional services, utilities and events (Food Services \$122,000, Cultural Development \$106,000, Festivals and Events \$104,000, Empowering Communities \$68,000, The Drum Theatre \$53,000, Market Street Occasional Child Care Centre \$51,000, HACC – Home Maintenance \$32,000, Community Development \$29,000, Library and Information Services \$28,000), service delivery (Home and Community Care 61,000) and delay in commencing projects (PYP Linkages \$44,000).

**Note 24 Other expenses (\$153,000 favourable)** – Favourable variance is due to lower than anticipated expenditure for community support grants to date (Community Funding \$82,000) and delay in commencement of programs (Empowering Communities \$47,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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	25	70,376	70,020	356	137,215	137,123
Statutory fees and fines		10	10	-	10	-
Grants - operating		1,853	1,853	-	3,514	12,123
Contributions - monetary	26	1,109	1,000	109	2,000	2,000
Contributions - non-monetary		-	-	-	10,000	10,000
Other income	27	2,256	1,449	807	2,309	500
<b>Total income</b>		<b>75,604</b>	<b>74,332</b>	<b>1,272</b>	<b>155,048</b>	<b>161,746</b>
<b>Expenses</b>						
Employee costs		42	43	1	1,962	1,951
Materials and services		242	261	19	542	542
Prior year capital expenditure unable to be capitalised (non-cash)	28	3,074	-	(3,074)	-	-
Depreciation		16,864	16,864	-	32,943	33,943
Amortisation - intangible assets		30	30	-	60	60
Amortisation - right of use assets		299	150	(149)	598	598
Borrowing costs		1,361	1,361	-	2,665	2,667
Finance costs - leases		-	-	-	22	22
Asset write offs	29	1,898	-	(1,898)	-	-
Other expenses		342	347	5	435	293
<b>Total expenses</b>		<b>24,152</b>	<b>19,056</b>	<b>(5,096)</b>	<b>39,227</b>	<b>40,076</b>
<b>Net surplus (deficit)</b>		<b>51,452</b>	<b>55,276</b>	<b>(3,824)</b>	<b>115,821</b>	<b>121,670</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	74,495	73,332	1,163	153,048	159,746
Planning and Design	1,109	1,000	109	2,000	2,000
<b>Total income</b>	<b>75,604</b>	<b>74,332</b>	<b>1,272</b>	<b>155,048</b>	<b>161,746</b>
<b>Expenses</b>					
Governance	3	-	(3)	30	30
Corporate Accounting	24,138	19,042	(5,096)	39,179	40,028
Planning and Design	11	14	3	18	18
<b>Total expenses</b>	<b>24,152</b>	<b>19,056</b>	<b>(5,096)</b>	<b>39,227</b>	<b>40,076</b>
<b>Net surplus (deficit)</b>	<b>51,452</b>	<b>55,276</b>	<b>(3,824)</b>	<b>115,821</b>	<b>121,670</b>

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

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#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

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### Non-Directorate

#### Income

**Note 25 Rates and Charges (\$356,000 favourable)** – Favourable variance due mainly to better than anticipated income from supplementary rates to date (Corporate Accounting).

**Note 26 Contributions – monetary (\$109,000 favourable)** – Better than anticipated income from public open space contributions to date. The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves.

**Note 27 Other income (\$807,000 favourable)** – Better than anticipated interest income due to higher interest rates (Corporate Accounting).

#### Expenditure

**Note 28 Prior year capital expenditure unable to be capitalised (non-cash) (\$3.07 million unfavourable)** – This unfavourable variance is due to works in progress (prior year capital expenditure) that is not able to be capitalised to the asset register because it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets (Corporate Accounting \$3.07 million). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure includes asset relocation, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Note 29 Asset write offs (\$1.90 million unfavourable)** – Unfavourable variance arising from asset renewal and replacement as part of capital work projects and renewal programs. 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).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### 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	30	3,460	3,344	116	16,182	3,518
Contributions - monetary		197	188	9	2,546	1,447
<b>Total income</b>		<b>3,657</b>	<b>3,532</b>	<b>125</b>	<b>18,728</b>	<b>4,965</b>
<b>Expenses</b>						
Employee costs		-	-	-	-	-
Materials and services		-	-	-	-	-
Other expenses		-	-	-	-	-
<b>Total expenses</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus (deficit)</b>		<b>3,657</b>	<b>3,532</b>	<b>125</b>	<b>18,728</b>	<b>4,965</b>

#### Income

**Note 30 Grants – capital (\$116,000 favourable)** – Favourable variance due to receipt of grant funding earlier than anticipated (NPR Frank Street \$57,000, NPR Ian St Street Scape \$30,000, NPAC Redevelopment \$27,000, Herbert St Pocket Park \$18,000, Parkfield Reserve Cricket \$18,000 and Ross Reserve Lighting \$10,000).

This favourable variance is offset by grant not received (NPR Noble Park Community Centre Building Upgrade \$44,000 and NPR Leonard/Buckley Streetscape \$30,000).

#### 4.1.3 Q2 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 December 2022

### APPENDIX 4 - Operating Initiatives

Operating initiative project	2022-23 YTD Actuals \$	2022-23 YTD Budget \$	YTD Variance (Unfav) Fav	2022-23 Original Budget \$	2022-23 Mid Year Budget \$	Project update 31 December 2022
<b>Community Services</b>						
Barry Powell Sports Pavilion - Concept design	18,832	20,000	1,168	-	80,000	The project has commenced with the concept design 95% complete.
<b>Sub-total</b>	<b>18,832</b>	<b>20,000</b>	<b>1,168</b>	<b>-</b>	<b>80,000</b>	
<b>Business, Engineering and Major Projects</b>						
Springvale Revitalisation Feasibility Study	-	-	-	70,000	70,000	Background research completed, community engagement commenced.
Landscaping - Robinson Street and Princes Highway Intersection	-	188,000	188,000	-	188,000	The Princes Highway Project contract has been awarded with on ground works expected in mid February.
Building demolition - 280 Lonsdale Street, Dandenong	-	60,591	60,591	-	60,591	Project on hold.
Building demolition - 275 Lonsdale Street, Dandenong	-	92,115	92,115	-	92,115	Building permit application process still underway subject to negotiations with neighbours.
Building demolition - 49 View Road, Springvale	89,176	78,737	(10,439)	-	78,737	Demolition complete.
Building demolition - 61-63 Heyington Crescent, Noble Park North	-	-	-	-	90,000	Project deferred.
<b>Sub-total</b>	<b>89,176</b>	<b>419,443</b>	<b>330,267</b>	<b>70,000</b>	<b>579,443</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