
4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)

POLICY AND STRATEGY

Q3 2022-23 COUNCIL QUARTERLY PERFORMANCE REPORT

ATTACHMENT 2

**FINANCIAL REPORT
1 JULY 2022 – 31 MARCH 2023**

PAGES 49 (including cover)

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

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)

Financial Report

1 July 2022 to 31 March 2023



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Financial Report for the period 1 July 2022 – 31 March 2023

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Key financial highlights

Period ending 31 March 2023

	31-Mar-23 Year to Date					Full Year					Original Budget \$'000
	Actual \$'000	Budget \$'000	Variance \$'000	Var. %	Status Var.	Mid Year Budget \$'000	Current Forecast \$'000	Variance \$'000	Var. %	Status Var.	
Operating Income	171,560	165,819	5,741	3%	✓	246,422	249,310	2,888	1%	✓	237,365
Operating Expenses	152,779	159,451	6,672	4%	✓	222,825	222,486	339	0%	✓	210,801
Surplus/Deficit	18,781	6,368	12,413	195%	✓	23,597	26,824	3,227	14%	✓	26,564
Capital expenditure	32,385	47,457	15,072	32%	✓	86,425	86,425	0	0%	✓	55,590
Cash and investments	192,456	<i>Not applicable</i>				145,985	143,447	<i>Not applicable</i>			126,900

Status legend:

- ✓ Above budgeted revenue or under budgeted expenditure.
- Below budgeted revenue or over budgeted expenditure by less than 10%
- ✗ Below budgeted revenue or over budgeted expenditure by 10% or greater

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. The 2022-23 full year forecast is the subject of an extensive review undertaken with departments during the March quarter.

Overview

Operating Result

At 31 March 2023 Council achieved a year-to-date operating surplus of \$18.78 million which is \$12.41 million better than the year-to-date budget. The main factors contributing to this result comprise favourable variances in:

- **Income** (\$5.74 million) due to better than anticipated interest returns on investments as a result of higher interest rates (Non-Directorate \$2.13 million) combined with rates income (\$1.18 million) mainly as a result of supplementary rates (\$701,000) and interest on rates (\$443,000). The \$2.50 million favourable variance to Mid-Year Budget for these items has been reflected in the 2022-23 Forecast and transferred to the Major Projects reserve.
- **Operating expenditure** (\$6.67 million) due to a number of offsetting variances:
 - Employee costs (\$10.60 million) mainly due to the 2022-23 pay rise not yet processed, vacant positions, delay while staff are recruited and commencement of grant funded projects. Of the \$10.60 million favourable employee costs variance, \$4.37 million relates to fully funded grant programs (mainly in Community Services). The remaining \$6.26 million favourable variance is attributable partly to the delay in Council staff receiving their pay increase for 2022-23 due to negotiations in relation to the new Enterprise Agreement (EA). This has now been finalised and the EA is awaiting approval by the Fair Work Commission. The pay increase will occur in April. Additionally, a delay in the recruitment of vacant positions caused by a variety of reasons is contributing to the favourable variance such as:
 - Skilled staff shortages (Maternal and Child Health and Planning).

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Financial Report for the period 1 July 2022 – 31 March 2023

- Ageing workforce on limited duties or Workcover in Community Care (wholly offset by reduction in income).
- Staff taking parental leave, extended leave or leave without pay particularly in a post-COVID environment.
- The decision to hold off recruitment of a number of key positions until the incoming CEO commenced requiring internal staff to act in higher positions.

\$2.46 million of the year to date favourable salaries variance has been estimated to be permanent and is reflected in the 2022-23 Forecast. Refer to the following 'Forecast Review' section for details regarding these savings identified across the directorates.

- A \$1.72 million favourable variance in Materials and Services due to the timing of works schedules and lower than anticipated contract costs across a number of areas, particularly in Waste Management, partly offset by higher than anticipated educator costs in Family Day Care (FDC) due to expanded service provision (offset by higher FDC grant income).
- This favourable operating expenditure variance is partly offset by fixed asset accounting entries which have a nil cash impact - 'Prior year expenditure unable to be capitalised' (\$4.01 million unfavourable), and 'Asset write-offs' (\$2.19 million unfavourable).

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

Capital Result

Capital expenditure to 31 March 2023 is \$32.38 million, which is \$15.07 million favourable to budget. This is due to favourable variances across a number of projects, the most material being the Road Resurfacing, Reconstruction and Rehabilitation programs (\$5.46 million) along with a further \$3.28 million in related commitments which are currently awaiting delivery by contractors. Total commitments (open purchase orders) at 31 March are \$18.81 million. This means that \$35.24 million of the capital program is not yet spent or committed. This outstanding amount comprises some large projects that await formal contract commencement or purchase orders raised, examples include the Keysborough South Community Hub, Perry Road, Abbotts Road, the Leonard Street streetscape project and the Mason Robinson streetscape project.

A detailed review as to the progress of projects occurs monthly by the City Improvement department. To date 72% of projects are now in the construction or completed phases. Eleven projects equating to an estimated amount of \$8.29 million in likely carry overs to 2023-24 have been assessed and identified. Most of these projects have been delayed due to third party approvals or grant related, combined with a project affected by market supply issues and another in contractual dispute. City Improvement will continue to monitor all projects closely and will continue to provide reporting on progression of the 2022-23 CIP program and projects at risk of carry over.

Forecast Review

The full year forecast result is an extensive review undertaken with departments during the March quarter to estimate Council's financial performance for 2022-23. This report includes financial details of the 2022-23 Forecast review which overall represents an estimated cash surplus of \$948,000.

Highlighted below are some of the emerging trends (favourable/unfavourable) in the 2022-23 forecast surplus (please note that fully grant funded programs/projects have been excluded from these variance explanations):

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Financial Report for the period 1 July 2022 – 31 March 2023

Favourable

- The year-to-date employee cost variance is a significant favourable variance due to a number of factors including grant funded programs that require an acquittal, the Enterprise Agreement negotiations resulting in the 2022-23 pay increase not being paid to staff yet (expected to occur in April) and savings due to vacant positions and leave taken of \$2.46 million across all directorates.
 - City Planning, Design and Amenity (\$698,000) – predominantly due to difficulty in recruiting skilled staff in Statutory Planning and delay in recruitment of vacant positions in Strategic Design and Sustainability Planning.
 - Engineering Services (\$655,000) – mainly due to changeover and vacant periods of the Manager Infrastructure Services and Planning, Service Unit Leader Works and Service Unit Leader Parks positions combined with a number of other positions in Parks Services and Roads and Drains.
 - Corporate Services (\$632,000) – due to higher than anticipated vacancies in Call and Service Centres, changes in the Urban Screen team, delays and difficulty in recruitment of vacant positions in IT, Civic Facilities and Governance.
 - Community Strengthening (\$621,000) – due to difficulty in recruiting skilled staff in Maternal and Child Health, recruitment of positions in Library Services and extended leave taken by the former Director Community Services (excludes Community Care which is discussed in the unfavourable section below).
- Savings in the Community Grants and Partnerships programs due to the two-year grant allocation (year 1: 2022-23, year 2: 2023-24) not being fully subscribed (\$384,000).
- Utility costs savings (\$364,000) primarily in street lighting and electricity costs.

Unfavourable

- Security and cleaning costs in Building Maintenance (\$865,000). The higher security costs are due to a series of one-off events at Balmoral Avenue car park and several pocket parks which are not expected to be ongoing. Cleaning costs have increased due to greater use of community facilities, even higher than pre-COVID levels. Building Maintenance is working with Civic Facilities to explore options to reduce the current costs by reviewing hiring conditions, delaying cleaning to business hours and making greater use of internal staff.
- Community Care department (\$359,000) – This unfavourable variance is due to a favourable salaries variance of around \$1.1 million more than offset by a loss in grant income as a result of the hours of care performed. Whilst Home and Community Care activity levels have picked up in the post-COVID recovery period, significant staffing issues are being experienced and are impacting the hours and types of services that Council can provide. There is an ageing workforce in this department who are on limited duties or Workcover which impacts the ability to provide care, in particular, the more physically demanding care services. Council is required to engage temporary staff to backfill the staff on Workcover resulting in greater cost per hour of service provided. The uncertainty regarding this service area due to a 12-month funding contract extension to 30 June 2024 also impacts the ability to attract staff. The result of the above means that grant income is lower than anticipated due to a reduction in service hours provided, which more than offsets the favourable salaries variance.
- A forecast reduction in statutory fees and fines income of \$285,000 mainly lower infringement income in the litter and local law areas combined with lower planning application fee income.

The strong interest rate climate has resulted in better than anticipated interest returns on investments (\$1.4 million), supplementary rates (\$787,000) and interest on rates (\$313,000) for 2022-23. The favourable variances above the 2022-23 Mid-Year Budget have been transferred to Major Project Reserve. These favourable variances are offset by the transfer to reserves which has a nil impact on the cash result.

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Financial Report for the period 1 July 2022 – 31 March 2023

Income Statement

For the period 1 July 2022 - 31 March 2023

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	MYB to FORECAST VARIANCE	ANNUAL ORIGINAL BUDGET
Note	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
B1							
Rates and charges	123,495	122,270	1,225	162,173	163,185	1,012	162,081
Statutory fees and fines	6,678	7,157	(479)	9,569	9,283	(286)	9,696
User fees	6,220	6,404	(184)	8,589	8,393	(196)	9,389
Grants - operating	20,497	19,345	1,152	27,423	27,812	389	33,940
Grants - capital	4,145	3,513	632	16,182	16,182	-	3,518
Contributions - monetary	1,988	1,688	300	4,546	4,563	17	3,447
Contributions - non-monetary	-	-	-	10,000	10,000	-	10,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	530	346	184	445	445	-	445
Other income	8,007	5,096	2,911	7,495	9,447	1,952	4,849
Total income	171,560	165,819	5,741	246,422	249,310	2,888	237,365
Expenses							
B2							
Employee costs	60,110	70,714	10,604	98,579	94,792	3,787	91,636
Materials and services	54,853	56,570	1,717	80,887	84,642	(3,755)	75,427
Prior year capital expenditure unable to be capitalised (non-cash)	4,005	-	(4,005)	-	-	-	-
Bad and doubtful debts	795	1,097	302	1,953	1,954	(1)	1,953
Depreciation	25,047	25,047	-	32,943	32,943	-	33,943
Amortisation - intangible assets	45	45	-	60	60	-	60
Amortisation - right of use assets	448	448	-	604	604	-	604
Borrowing costs	2,014	2,014	-	2,665	2,665	-	2,667
Finance costs - leases	-	-	-	22	22	-	22
Asset write offs	2,191	-	(2,191)	-	-	-	-
Other expenses	3,271	3,516	245	5,112	4,804	308	4,489
Total expenses	152,779	159,451	6,672	222,825	222,486	339	210,801
Net surplus (deficit)	18,781	6,368	12,413	23,597	26,824	3,227	26,564

NOTE

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

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Financial Report for the period 1 July 2022 – 31 March 2023

Balance Sheet As at 31 March 2023

	Note	2022-23 ACTUAL 31 Mar 2023 \$'000	2021-22 ACTUAL 30 Jun 2022 \$'000	2022-23 MID YEAR BUDGET \$'000	2022-23 ORIGINAL BUDGET \$'000
ASSETS					
Current assets	C1				
Cash and cash equivalents		25,181	30,212	143,447	126,900
Financial assets		167,276	150,504	-	-
Trade and other receivables		62,303	29,840	26,937	28,088
Other assets		1,884	9,077	5,773	4,085
Total current assets		256,644	219,633	176,157	159,073
Non-current assets	C2				
Property, infrastructure, plant and equipment		2,432,635	2,431,571	2,494,792	2,549,552
Investment property		6,347	6,336	6,336	10,860
Right-of-use assets		1,398	1,846	1,942	1,191
Intangible assets		71	116	56	102
Trade and other receivables		281	281	281	295
Total non-current assets		2,440,732	2,440,150	2,503,407	2,562,000
Total assets		2,697,376	2,659,783	2,679,564	2,721,073
LIABILITIES					
Current liabilities	C3				
Trade and other payables		4,132	23,749	25,933	23,714
Prepaid rates		39,732	-	-	-
Trust funds and deposits		4,652	4,521	4,870	4,870
Unearned income		57,372	55,791	52,693	52,293
Provisions		21,059	21,730	22,083	22,986
Interest-bearing liabilities		887	3,484	3,597	4,196
Lease liabilities		103	524	520	570
Total current liabilities		127,937	109,799	109,696	108,629
Non-current liabilities	C4				
Provisions		669	1,113	1,003	1,289
Trust funds and deposits		3,644	2,409	2,409	2,035
Interest-bearing liabilities		49,779	49,779	46,182	51,704
Lease liabilities		1,207	1,324	1,318	442
Total non-current liabilities		55,299	54,625	50,912	55,470
Total liabilities		183,236	164,424	160,608	164,099
NET ASSETS		2,514,140	2,495,359	2,518,956	2,556,974
EQUITY					
EQUITY	C5				
Accumulated surplus		964,323	954,375	978,263	992,642
Asset revaluation reserve		1,472,584	1,472,584	1,472,583	1,511,604
Reserves		77,233	68,400	68,110	52,728
TOTAL EQUITY		2,514,140	2,495,359	2,518,956	2,556,974

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

NOTES TO THE STATEMENTS

Balance Sheet *(previous page)*

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

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

Cash Flow Statement *(next page)*

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

Cash inflows and outflows are inclusive of GST where applicable.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Cash Flow Statement

	2022-23 ACTUAL as at 31 Mar 2023 Inflows/ (Outflows) \$'000	2022-23 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2022-23 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges	130,791	162,605	161,639
Statutory fees and fines	5,322	8,031	7,203
User fees	6,266	8,950	9,996
Grants - operating	24,846	28,868	36,122
Grants - capital	4,445	16,504	3,518
Contributions - monetary	2,860	3,546	3,447
Interest received	2,989	2,171	499
Trust funds and deposits taken	29,247	30,549	28,102
Other receipts	4,601	9,036	4,855
Net GST refund	7,553	13,409	9,997
Employee costs	(63,632)	(98,151)	(90,698)
Materials and services	(66,409)	(94,364)	(88,018)
Short-term, low value and variable lease payments	(512)	(569)	(569)
Trust funds and deposits repaid	(28,073)	(30,200)	(28,102)
Other payments	(3,001)	(5,054)	(4,369)
Net cash provided by operating activities	57,293	55,331	53,622
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	(40,985)	(86,425)	(55,590)
(Payments) proceeds for investments	(16,772)	150,504	-
Proceeds from sale of property, infrastructure, plant and equipment	597	706	706
Net cash provided by investing activities	(57,160)	64,785	(54,884)
Cash flows from financing activities			
Finance costs	(2,029)	(2,665)	(2,667)
Proceeds from borrowings	-	-	6,120
Repayment of borrowings	(2,597)	(3,484)	(3,484)
Interest paid - lease liability	-	(22)	(22)
Repayment of lease liabilities	(538)	(710)	(710)
Net cash used in financing activities	(5,164)	(6,881)	(763)
Net increase (decrease) in cash and cash equivalents	(5,031)	113,235	(2,025)
Cash and cash equivalents at the beginning of the year	30,212	30,212	128,925
Cash and cash equivalents at the end of the period	25,181	143,447	126,900
Represented by:			
Operating cash	(122,857)	17,276	43,593
Restricted cash	148,038	126,171	83,307
Total	25,181	143,447	126,900

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)

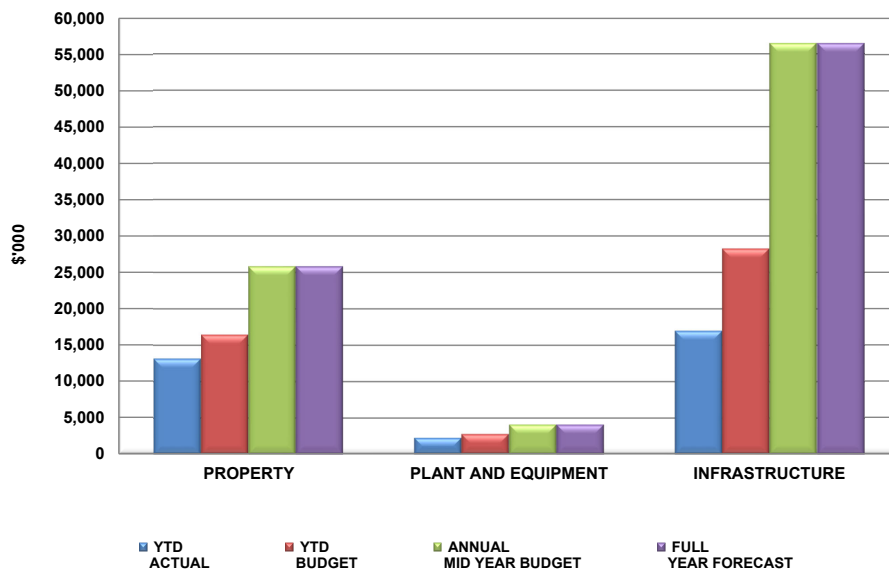


Financial Report for the period 1 July 2022 – 31 March 2023

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	FULL YEAR FORECAST \$'000	ANNUAL ORIGINAL BUDGET \$'000
PROPERTY	13,150	16,430	3,280	5,551	25,839	25,839	17,461
PLANT AND EQUIPMENT	2,275	2,779	504	816	4,114	4,114	1,047
INFRASTRUCTURE	16,960	28,248	11,288	12,440	56,472	56,472	37,084
TOTAL EXPENDITURE	32,385	47,457	15,072	18,807	86,425	86,425	55,590



4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

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.
- 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.

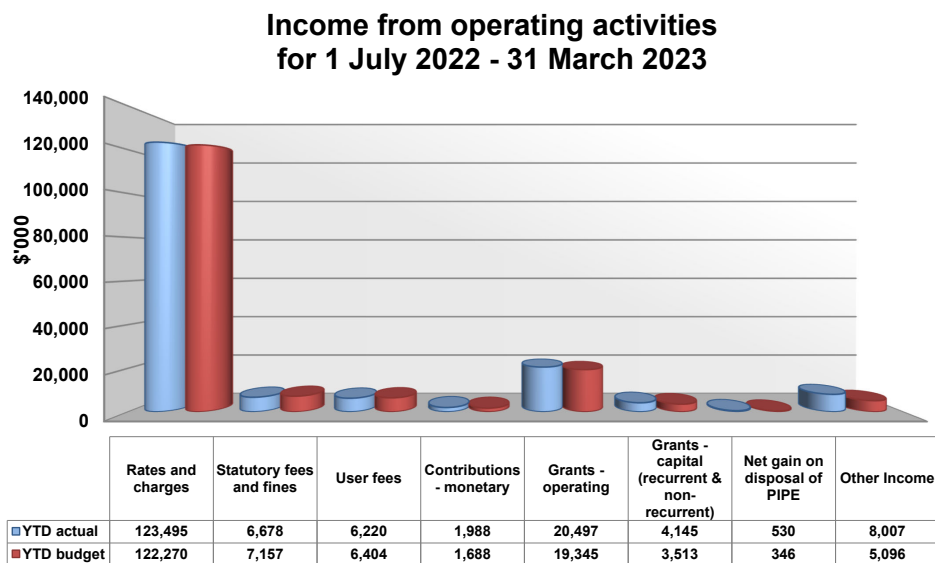
4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

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 March 2023 is \$5.74 million favourable against budget. This is primarily due to the following:

Other income (\$2.91 million favourable) – Mainly due to better than anticipated interest income as a result of higher than anticipated interest rates (Non-Directorate \$2.13 million). This favourable variance has been reflected in the 2022-23 Forecast and transferred to reserves.

Rates and charges (\$1.23 million favourable) - Better than anticipated income from supplementary rates (Non-Directorate \$1.18 million). This favourable variance has been reflected in the 2022-23 Forecast and transferred to reserves.

Grants – operating (\$1.15 million favourable) – Receipt of unbudgeted grant funding for Waste Management Kerbside Reform support (\$369,000), Market St Occasional Child Care Centre (\$180,000), Parks Services (\$170,000), Major Projects (\$100,000), School Crossings (\$69,000), Festivals and Events (\$61,000) and Emergency Management (\$22,000), combined with earlier than anticipated funding received for Family Day Care (\$1.57 million), Community Revitalisation (\$190,000), Maternal and Child Health (\$131,000), HACC Co-ordination (\$84,000), Pre-School Field Officer (\$64,000), Immunisation (\$39,000), Childrens Support Services (\$31,000), Playgroup Initiative (\$27,000), Child First (\$26,000) and Y-Space (\$25,000). Grant funding is offset by associated expenditure.

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Financial Report for the period 1 July 2022 – 31 March 2023

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Home and Community Care (\$1.00 million) and Planned Activity Group (\$136,000), combined with a delay in recognition of grant funding for HACC – Assessment & Team Leaders (\$395,000), HACC – Home Maintenance (\$216,000), Sleep and Settling Initiative (\$192,000), and delay in receipt of grant funding for Empowering Communities (\$180,000) and LG Capacity Building (\$53,000).

Grants – capital (\$632,000 favourable) – Receipt of unbudgeted grant funding for Thomas Carroll Oval lighting (\$116,000) and grants recognised earlier than anticipated Ross Reserve Soccer Pitch (\$530,000) and Frederick Wachter Tennis Lights (\$32,000).

This favourable variance is partly offset by the delay in recognition of grant funding for Walker Street Carpark (\$109,000).

Contributions – monetary (\$300,000 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.

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

Statutory fees and fines (\$479,000 unfavourable) – Mainly due to lower than anticipated income from parking, littering, health and food infringements and planning applications (City Planning, Design and Amenity \$560,000). Around half of this variance is expected to be permanent with an adjustment of \$285,000 in the 2022-23 Forecast.

User fees (\$184,000 unfavourable) – Mainly due to lower than anticipated income for inspection fees, building permits and parking permits (City Planning, Design and Amenity \$138,000). An unfavourable variance of \$196,000 has been reflected in the 2022-23 Forecast.

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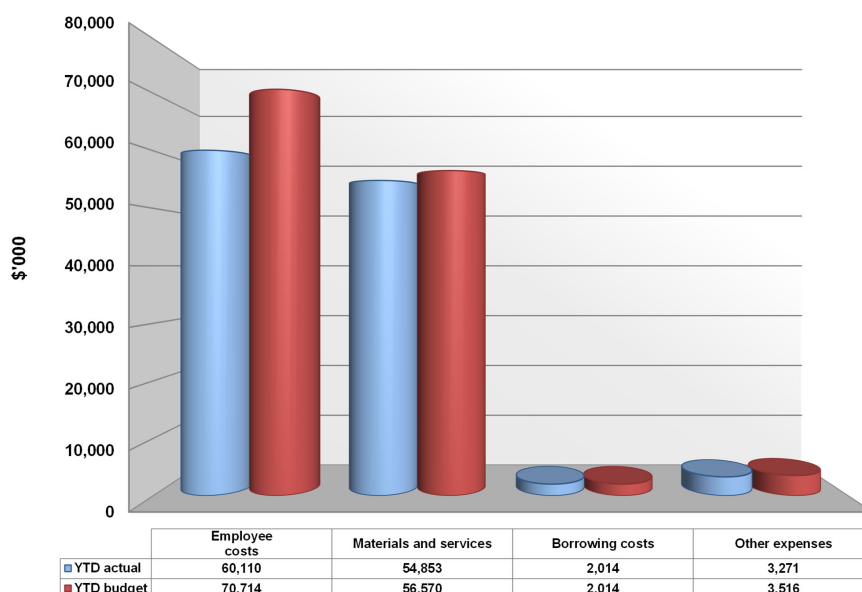


Financial Report for the period 1 July 2022 – 31 March 2023

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 March 2023**



Operating expenditure for the quarter ended 31 March 2023 is favourable by \$6.67 million against the year to date budget. The major variances are in employee costs and materials and services.

Employee costs (\$10.60 million favourable) – mainly due to the 2022-23 pay rise not yet processed, vacant positions, delay while staff are recruited and commencement of grant funded projects. Of the \$10.60 million favourable employee costs variance, \$4.37 million relates to fully funded grant programs (mainly in Community Services). The remaining \$6.26 million favourable variance is attributable partly to the delay in Council staff receiving their pay increase for 2022-23 due to negotiations in relation to the new Enterprise Agreement (EA). This has now been finalised and the EA is awaiting approval by the Fair Work Commission. The pay increase will occur in April. Additionally, a delay in the recruitment of vacant positions caused by a variety of reasons is contributing to the favourable variance such as:

- Skilled staff shortages (Maternal and Child Health and Planning).
- Ageing workforce on limited duties or Workcover in Community Care (wholly offset by reduction in income).

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

- Staff taking parental leave, extended leave or leave without pay particularly in a post-COVID environment.
- The decision to hold off recruitment of a number of key positions until the incoming CEO commenced requiring internal staff to act in higher positions.

\$2.46 million of the year to date favourable salaries variance has been estimated to be permanent and is reflected in the 2022-23 Forecast. Refer to the 'Forecast Review' section on page three of this report for details regarding these savings identified across the directorates.

Materials and services (\$1.72 million favourable) – Mainly relates to:

- Consultants, professional services (\$1.17 million) – due to delay in commencement of building disposal projects, grant funded projects (LG Capacity Building and Indian Cultural Precinct), lower than anticipated use of consultants in Strategic Design and Sustainability Planning and Business Networks, no recovery actions of outstanding rate debtors combined with a delay in the receipt of invoices (Engineering Services \$478,000, Greater Dandenong Business \$414,000, City Planning, Design and Amenity \$194,000 and Corporate Services \$119,000).
- Materials, maintenance and service delivery (\$965,000) – mainly due to lower than anticipated expenditure for materials, delay in receipt of invoices and commencement of projects particularly in Home and Community Care (including Food Services), Building Maintenance and Parking Management (Community Strengthening \$516,000, City Planning, Design and Amenity \$233,000 and Engineering Services \$218,000).
- Administration costs (\$780,000) – 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 Strengthening \$348,000, Corporate Services \$141,000, Engineering Services \$121,000 and Greater Dandenong Business \$102,000). A minor favourable variance of \$29,000 has been reflected in the 2022-23 Forecast.
- Utilities (\$573,000) – mainly due to lower than anticipated electricity and water costs to date (Engineering Services \$500,000 and Corporate Services \$82,000). \$364,000 has been reflected as a favourable permanent variance in the 2022-23 Forecast.

Other than about 60% of the utilities favourable variance, the remaining variances are not anticipated to be permanent.

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

Prior year capital expenditure unable to be capitalised (non-cash) (\$4.01 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. The main contributors to the \$4.01 million year to date result include amounts unable to be capitalised to the asset register because they are:

- Repairs and maintenance costs (\$1.31 million).
- Less than the capitalisation threshold in the Fixed Asset Accounting Policy (\$1.07 million).
- Not capital in nature relating to studies, surveys and concept plans (\$706,000).
- Contribution costs on non-Council assets (\$572,000).

Asset write offs (\$2.19 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).

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

C. Balance Sheet

Council's net assets are valued at \$2.51 billion at 31 March 2023.

C1. Current assets

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

Cash and cash equivalents (\$25.18 million) – Represent the net amount held by Council in cash or term deposits with a term of less than 90 days.

\$167.28 million of Council's cash is currently invested in terms deposits with maturities of greater than 90 days to maximise interest returns to Council. When considering both cash and financial assets together, Council holds over \$192 million in cash and investments. \$148.04 million of cash and investment funds are 'restricted' for various purposes.

The reduction in operating funds as at 31 March 2023 is due to this classification of \$167.28 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 \$44.42 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 (\$167.28 million) – Increase in financial assets from 30 June 2022 is due to investments placed in Term Deposits with a term of greater than three months as of 31 March 2023. These investments were placed for these extended maturity periods to maximise the interest return to Council.

Trade and other receivables (\$62.30 million) – This balance includes:

- Rate debtors \$44.34 million
- Infringement debtors of \$9.81 million (net of provision for doubtful debts).
- General debtors \$8.15 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. Rate debtors should be considered in conjunction with the Prepaid Rates liability.

Other assets (\$1.88 million) – This balance includes:

- Accrued income \$1.18 million – income earned but cash not yet received as at 31 March 2023.
- Prepayments \$137,000 - expenses prepaid at 31 March 2023.
- 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.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

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 (\$1.40 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 (\$71,000) – 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 (\$4.13 million) – This balance includes trade creditors arising from operations and capital works.

Trust funds and deposits (\$4.65 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 (\$1.03 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 (\$1.41 million).
- Landscape deposits (\$1.17 million).
- Road deposits (\$576,000).
- Open space contributions (\$462,000).

Prepaid rates (\$39.73 million) - 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. Prepaid rates item should be considered in conjunction with rate debtors.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Unearned income (\$57.37 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 31 March 2023 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$41.65 million).
- Operating grants (\$12.22 million).
- Capital grants (\$3.18 million).
- Other (\$318,000).

Provisions (\$21.06 million) – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
 - Long service leave entitlements - \$12.42 million.
 - Annual leave entitlements - \$7.90 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 (\$887,000) – Represents the repayment of long-term borrowings during 2022-23.

Lease liabilities (\$103,000) - 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 (\$669,000) – Represents the provisions estimated to be paid beyond the 2022-23 financial year. This balance is mainly attributable to the landfill provision for restoration of Spring Valley landfill site (\$686,000 – Council's share is 19.88% of the total future estimated costs).

This is offset by the balance in long service leave entitlements for employees (\$17,000), representing a decrease in this provision by \$444,000 since June 2022 due to pay outs to long serving employees. A new provision will be recognised at 30 June 2023.

Trust funds and deposits (\$3.64 million) – Represents deposits that are payable beyond the 2022-23 financial year and comprises asset protection bonds of \$3.25 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 (\$1.21 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.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

C5. Net assets and equity

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

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

The discretionary reserves are:

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

The statutory reserves are:

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

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

D. Cash Flow Statement

Cash and investment holdings total \$25.18 million as at 31 March 2023, a decrease of \$5.03 million since 30 June 2022. This decrease is mainly due to investment strategy decisions to devote cash to term deposits with maturities over 90 days to maximise investment returns for Council. These term deposits are required to be classified as 'Other financial assets' in the Balance Sheet so are not included in 'Cash and cash equivalents' for the purposes of the Cash Flow Statement. When considering both cash and these term deposits, Council holds over \$192 million in cash and investments at 31 March 2023.

Total cash and investment holdings are made up of operating cash and restricted cash. \$148.04 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 \$57.29 million.

The major inflows are rates (\$130.79 million), grants (\$29.29 million), trust funds and deposits taken (\$29.25 million), statutory fees and fines (\$5.32 million), user fees (\$6.27 million) and contributions (\$2.86 million).

The major outflows are employee costs (\$66.41 million), materials and services (\$63.63 million) and trust funds and deposits repaid (\$28.07 million).

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

Cash flows from investing activities – net outflow of \$57.16 million, including:

- \$40.99 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.
- \$16.77 million relates to payment for term deposits with a maturity of greater than three months.
- \$597,000 proceeds on asset sales mainly relating to the fleet replacement program.

Cash flows from financing activities – outflow of \$5.16 million.

Council incurred \$2.03 million in finance costs on its borrowings and repaid \$2.60 million of existing borrowings. In addition, Council repaid \$538,000 of its lease liabilities as at 31 March 2023.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

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

Type	31-Mar-23	Notes
Reserve funds	\$'000	
Council funded Development Contribution Plans (DCP) reserve	19,601	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	4,413	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	4,021	To fund acquisitions of new open space land.
Major projects reserve	34,229	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	3,213	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	2,872	Rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	251	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	2,497	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	4,472	Contribution funds for future works to address level crossing removal authority defects.
Total reserve funds	77,233	
Employee provisions	\$'000	
Long service leave	12,409	Funds to meet long service leave commitments.
Annual leave and other	8,448	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
Employee provisions	20,857	
Trust funds and deposits	\$'000	
Fire services property levy (FSPL) collected and due	1,033	Payable to State Revenue Office – legislative requirement.
Open space contributions	462	Pending completion of works.
Landscape deposits	1,469	Pending completion of works.
Road deposits	576	Pending completion of works.
Other trust funds and deposits	4,756	Refundable upon finalisation of programs.
Total trust funds and deposits	8,296	
Other restricted funds	\$'000	
DCP unearned income	41,652	Pending completion of works by developers.
Other restricted funds	41,652	
Total restricted cash	148,038	

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

E. Statement of Capital Works

Total capital expenditure at 31 March 2023 was \$32.39 million. A further \$18.81 million was committed at the end of March. The above **CIP Expenditure Report** contains the expenditure status of each of the approved capital projects.

To date, 72% of projects are now in the construction or completed phases.

However, \$35.24 million or 41% of the capital program is currently not yet spent or committed. A detailed review as to the progress of projects occurs on a monthly basis by the City Improvement department.

Eleven projects equating to an estimated amount of \$8.29 million in likely carry overs to 2023-24 have been assessed and identified. Most of these projects have been delayed due to third party approvals or grant related, combined with a project affected by market supply issues and another in contractual dispute.

This outstanding amount also comprises some large projects that await formal contract commencement or purchase orders raised, examples include the Keysborough South Community Hub, Perry Road, Abbotts Road, the Leonard Street streetscape project and the Mason Robinson streetscape project.

City Improvement will continue to monitor all projects closely and will continue to provide reporting on progression of the 2022-23 CIP program and projects at risk of carry over.

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.

Property

- **3548 Keysborough South Community Hub (\$987,000 favourable)** – The contract has been awarded. Awaiting building permit. Construction is anticipated to commence early June.
- **3219 Thomas Carroll Reserve (\$671,000 favourable)** – Brick work is 85% complete. Window and door measure complete. Next two weeks internal wiring and wall fit out.
- **3906 Dandenong Gallery of Art (\$645,000 favourable)** – Council is currently carrying out the rectification works awaiting return of refurbished steel structure to site.
- **3949 NPAC Redevelopment (\$504,000 unfavourable)** – Construction complete. Defect rectification underway. Variance will resolve next month.
- **4111 Rosewood Downs Primary School MCH (\$378,000 favourable)** – Reviewing and confirming scope with stakeholders

Infrastructure

- **3753 Road Resurfacing Program (\$2.68 million favourable)** – Resurfacing and associated works on 19 roads are completed. Kerb and channel work on 36 roads are completed. 46 road sections in total are marked out and procurement works completed. Financial progress is 60%.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

- **3754 Road Rehabilitation Program (\$1.65 million favourable)** – Ordish Road was nominated for rehabilitation. Tender evaluation completed and contract has been awarded. Planning in process.
- **3231 Road Reconstruction Program (\$871,000 favourable)** – Planning to reconstruct 6 roads this financial year. Kerb and channel reconstruction works of 3 streets were completed. Contract has been awarded for Ordish Road reconstruction. Planning in progress.
- **1629 Vanity Lane 275 Lonsdale Street (\$865,000 favourable)** - Awaiting demolition of the fire damaged building facing Lonsdale Street and backing into Vanity Lane. Refinements are required to the detailed design package informed by additional feature survey work and confirmation of engineering advice informed by conditions on site. A construction program target will be set as soon as design direction is confirmed. The Project Working Group has agreed on an EOI (Expression of Interest) tender to identify potential tenderers who wish to bid for the project once the detailed design package is finalised. Preparation of EOI tender documents has commenced. A building permit for the portal structures has been submitted to commence the permit process.
- **3942 Black Spot Works Program (\$552,000 favourable)** – Guard rail upgrade works for Worsley Road is underway. Expected practical completion by April 2023. Corrigan and Harold Roads traffic signal installation have commenced on site and expected to be completed by June 2023.
- **4031 Ross Reserve Soccer Pitch (\$474,000 favourable)** – Construction works are underway and expected to be completed by May 2023.
- **3080 Abbotts Road (\$456,000 favourable)** – Construction (Stage 1 and 2) is on target for completion by end of May 2023. Commissioning of Taylors Road traffic signals underway. Issues with authorities are being resolved.
- **3849 Frederick Wachter Playground (\$366,000 favourable)** – Play equipment is in fabrication. Some of the main items are not scheduled to be ready until June 2023. Site works are scheduled to commence in May 2023.
- **3418 LATM New Program (\$309,000 favourable)** – Construction contract awarded for Gray/Kemp Intersection realignment. Construction contract awarded for raised platforms in Joy Parade. Design consultant appointed for raised platforms and intersections along Sunnyvale Crescent and Templewood Avenue.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

APPENDIX 1 - Capital Expenditure Report

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
PROPERTY							
Buildings							
1631. 2434-22/23 Art Gallery PEP Bldg	30,518	288,805	258,287	3,040	598,345	598,345	250,000
1796. 2029-20/21 Wal Turner Reserve	129,441	79,120	(50,321)	-	129,705	129,705	-
1818. 1622-19/20 Walker St Carpark	122,707	102,471	(20,236)	2,030	167,986	167,986	-
1869. 2234-22/23 D'ong Community Hub	35,875	101,808	65,933	8,439	280,685	280,685	400,000
3044. 2056-21/22 Roof Safety Program	159,531	95,770	(63,761)	244,468	157,000	157,000	-
3179. 2108-21/22 Shepley Oval	206,705	-	(206,705)	2,250	-	-	-
3219. 1943-20/21 Thomas Carroll Pavilion	2,060,064	2,731,431	671,368	1,061,800	4,220,005	4,220,005	-
3543. 2165-21/22 Public Toilet Program	309,813	246,525	(63,288)	23,664	404,139	404,139	-
3547. 1504-19/20 George Andrews Reserve	102,698	196,661	93,963	253,869	322,395	322,395	-
3548. 2313-22/23 Keysb Sth Community Hub	359,183	1,346,357	987,175	102,246	2,850,000	2,850,000	10,679,000
3793. 1583-19/20 Dandenong Market Square	-	55,860	55,860	-	91,573	91,573	-
3817. 2356-22/23 Civic Archive Building	4,500	22,800	18,300	43,425	40,000	40,000	40,000
3820. 2367-22/23 N'Park Aquatic Ctr NPAC	-	20,805	20,805	-	36,500	36,500	-
3873. 1541-19/20 Bldg Renewal DDA	8,020	102,600	94,580	1,200	180,000	180,000	180,000
3876. 2264-22/23 Bldg Renewal Bathroom	5,380	47,250	41,870	1,763	75,000	75,000	75,000
3877. 2270-22/23 Bldg Renewal Flooring	32,759	40,950	8,192	32,112	65,000	65,000	65,000
3879. 2275-22/23 Bldg Renewal Minor Wrks	220,375	111,510	(108,865)	94,801	177,000	177,000	177,000
3880. 2278-22/23 Bldg Renewal Roof	-	107,100	107,100	87,967	170,000	170,000	170,000
3883. 2321-22/23 Bldg Renewal Kitchen/eq	132,805	138,600	5,795	189,947	220,000	220,000	220,000
3902. 1928-20/21 Ross Reserve Pavilion	3,078,526	3,155,750	77,224	41,378	3,707,996	3,707,996	-
3904. 2280-22/23 Bldg Renewal Theatre	90,752	255,000	164,248	307,291	500,000	500,000	500,000
3906. 1916-20/21 Dandenong Gallery of Art	361,982	1,007,166	645,183	453,076	1,944,331	1,944,331	-
3946. 2260-22/23 Bldg Renewal Aquat/Leis	233,318	187,740	(45,578)	104,208	298,000	298,000	298,000
3948. D'ong Mkt (Fruit & Veg) Floor&Roof	-	-	-	9,206	-	-	-
3949. 1785-20/21 NPAC Redevelopment	2,577,015	2,072,390	(504,625)	125,976	2,484,781	2,484,781	-
3952. 1927-20/21 Springvale Lib/Civic Ctr	600	37,951	37,351	-	62,215	62,215	-
3974. 2235-22/23 D'ong Wellbeing Centre	748,715	724,157	(24,558)	1,237,852	1,126,430	1,126,430	1,830,000
4000. 2046-21/22 MCH Centres (6d)	400	-	(400)	-	-	-	-
4002. 2145-21/22 Springvale Reserve	14,325	-	(14,325)	-	-	-	-
4003. 2054-21/22 Springvale Reserve	688,779	770,000	81,221	442,640	1,010,000	1,010,000	-
4004. 1764-19/20 8 Balmoral Avenue	937,600	825,818	(111,782)	375,837	825,818	825,818	-
4026. Springvale Town Hall Works	-	-	-	1,111	-	-	-
4042. NPR N'Park Comm Ctr Bldg Upgrade	123,426	172,251	48,825	3,795	172,251	172,251	-
4067. 2467-22/23 Lyndale Sec Coll Kitchen	1,200	-	(1,200)	-	75,000	75,000	-
4069. 2434-22/23 Pep Redevelopment	-	-	-	-	800,000	800,000	-
4070. 2572-22/23 LyndaleSC Veranda Design	-	-	-	-	75,000	75,000	-
4100. 2239-22/23 D'ong Sports Event Ctr	-	-	-	-	-	-	500,000
4101. 2236-22/23 Heritage Kinder Fort	3,213	11,400	8,187	-	20,000	20,000	20,000
4102. 2237-22/23 Heritage Kinder Outdoor	-	11,400	11,400	-	20,000	20,000	20,000
4103. 2238-22/23 D'ong Sth Kindergarten	-	11,400	11,400	-	20,000	20,000	20,000
4104. 2328-22/23 Security Program	-	17,100	17,100	26,505	30,000	30,000	30,000
4105. 2311-22/23 Police Padck Water Main	-	85,500	85,500	-	150,000	150,000	150,000
4106. 2330-22/23 D'ong Civic Hot Water	-	57,000	57,000	6,720	100,000	100,000	100,000
4107. 2327-22/23 Springvale Town Hall	-	22,800	22,800	-	40,000	40,000	40,000
4108. 2109-21/22 Table Tennis Centre	-	-	-	-	-	-	440,000
4109. 2167-22/23 Bains Pavilion	-	199,500	199,500	-	350,000	350,000	350,000
4139. 2436-22/23 Dandenong Market HVAC	176,205	170,000	(6,205)	-	170,000	170,000	-
Leasehold Improvements							
3941. 1767-19/20 Police Padck Grandstand	1,200	194,395	193,195	-	434,860	434,860	-
4005. 2067-21/22 Keysborough PS Kinder	382	-	(382)	-	-	-	-
4006. 1671-19/20 Police Padck Function Rm	11,558	117,894	106,336	249,598	280,700	280,700	-
4028. 2131-21/22 Police Padck Bat Cage	91,718	52,049	(39,669)	-	85,326	85,326	-
4029. 1878-20/21 Police Paddocks	84	-	(84)	-	-	-	-
4110. 2233-22/23 Rosewd Downs PS Kinder	88,822	57,000	(31,822)	12,650	100,000	100,000	100,000
4111. 2247-22/23 Rosewd Downs PS MCH	-	377,790	377,790	-	771,000	771,000	771,000
Land							
4055. 2 Stuart St, Dandenong	(500)	-	500	-	-	-	-
Total property	13,149,693	16,429,874	3,280,181	5,550,862	25,839,041	25,839,041	17,461,500

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
PLANT AND EQUIPMENT							
Plant, machinery and equipment							
1445. 1702-19/20 Fleet Purchases	1,118,624	972,500	(146,124)	1,134	1,750,000	1,750,000	-
1447. 1957-20/21 Fleet New Program	92,620	247,170	154,550	-	249,970	249,970	-
4044. NPR Pedestrian Counters S/Cricket	12,509	25,000	12,491	-	25,000	25,000	-
Library books							
3104. 2314-22/23 Library Strategy	589,416	667,280	77,864	374,580	878,000	878,000	878,000
Computers and telecommunications							
3902. 1928-20/21 Ross Reserve Pavilion	-	27,450	27,450	-	45,000	45,000	-
3914. Asset Management System	-	-	-	32,154	-	-	-
3957. 2291-22/23 Audio Visual Renewal	2,046	54,720	52,674	72,833	96,000	96,000	96,000
4007. 1713-19/20 Merit CRM Replacement	399,728	529,823	130,095	37,643	499,578	499,578	-
4052. LRCI3 Optical Fibre Various	23,970	214,160	190,190	282,582	498,000	498,000	-
4112. 2371-22/23 Keysborough Food Svcs	10,803	5,700	(5,103)	-	10,000	10,000	10,000
4113. 2343-22/23 D'hong Civic Microphones	540	9,975	9,435	15,479	17,500	17,500	17,500
Fixtures, fittings and furniture							
3314. 2289-22/23 Furniture Renewal Prg	25,011	25,650	639	-	45,000	45,000	45,000
Total plant and equipment	2,275,266	2,779,428	504,162	816,405	4,114,048	4,114,048	1,046,500
INFRASTRUCTURE							
Parks, open space and streetscapes							
1629. 2231-22/23 Vanity Lane 275 Lonsdale	4,745	870,132	865,388	-	1,995,331	1,995,331	800,000
1747. 2170-22/23 Barry Powell Reserve	-	58,528	58,528	-	95,947	95,947	-
1818. 1622-19/20 Walker St Carpark	2,079	-	(2,079)	32,711	-	-	-
2126. 1740-19/20 Herbert St Pocket Park	117,222	94,674	(22,548)	32,226	155,204	155,204	-
3065. 1760-19/20 Public Recycling Bin Prg	48,331	33,550	(14,781)	230	55,000	55,000	-
3192. 1443-19/20 NPR Douglas St St-scape	16,929	-	(16,929)	213	-	-	-
3442. 2426-22/23 NPR Noble Park Revitaln	-	78,890	78,890	-	342,418	342,418	300,000
3490. 1912-20/21 Springvale Road Blvd	799,029	770,000	(29,029)	73,363	900,000	900,000	-
3631. 1949-20/21 Dandenong Park	57,796	41,318	(16,479)	-	67,734	67,734	-
3849. 2201-22/23 Fred Wachter Playground	100,000	262,653	162,653	-	430,578	430,578	-
3853. 2186-22/23 Parkfield Rsrve Cricket	-	82,060	82,060	-	134,524	134,524	-
3854. 1795-20/21 Burden Park Reserve	-	22,800	22,800	8,997	40,000	40,000	40,000
3900. 1542-19/20 Ross Reserve Landscape	1,891	193,190	191,299	-	316,705	316,705	-
3931. 2248-22/23 Guardrail Program	50,400	126,181	75,781	32,727	213,411	213,411	100,000
3932. 2296-22/23 Passive O/Space Renewal	150,164	194,940	44,776	174,440	342,000	342,000	342,000
3934. 1763-19/20 Parking Sensor Implement	35,586	182,022	146,436	21,701	298,397	298,397	-
3966. 2111-21/22 Tirhatuan Park	4,890	85,500	80,610	88,336	150,000	150,000	150,000
3977. 1996-20/21 LXRA Rectification Works	-	24,793	24,793	-	40,644	40,644	-
4012. 1800-20/21 Alex Wilkie Wetlands	-	30,500	30,500	-	50,000	50,000	-
4014. 1366-19/20 NPR Frank Street	443,219	457,932	14,713	-	457,932	457,932	-
4016. 1554-19/20 Neighbourhood Act Centre	640	-	(640)	-	-	-	-
4018. 2101-21/22 Tirhatuan Park Wetland	-	21,780	21,780	6,296	35,705	35,705	-
4020. 2225-22/23 LRCI3 Railway Parade SC	11,287	264,360	253,074	27,795	615,596	615,596	83,000
4027. 1920-20/21 NPR Ian St Street Scape	513,202	513,998	796	52,164	842,620	842,620	-
4030. 1529-19/20 Tatterson Park Oval 1	163,827	159,329	(4,498)	261	159,329	159,329	-
4032. 1138-18/19 Hemmings St Precinct	16,157	191,157	175,000	93,376	313,372	313,372	-
4036. NPR Interpretive Signage	963	-	(963)	2,500	-	-	-
4037. NPR Display Crates	48	-	(48)	-	-	-	-
4038. NPR Transformed Public Art	23,544	26,087	2,543	-	26,087	26,087	-
4043. NPR Leonard/Buckley Streetscape	76,726	108,126	31,400	-	108,126	108,126	-
4062. 2561-22/23 NPR Muderra Artwork	-	-	-	336	80,000	80,000	-
4063. 2562-22/23 NPR Ukrainian Mural	-	20,000	3,800	1,950	20,000	20,000	-
4065. 2564-22/23 NPR Leonard Av St-Scape	-	-	-	-	575,000	575,000	-
4134. 2305-22/23 Lighting Renewal Prg	124,659	162,450	37,791	172,186	285,000	285,000	285,000
4135. 2433-22/23 Arkwright Drive Wetlands	-	114,000	114,000	-	200,000	200,000	200,000
4136. 1519-19/20 Norine Cox Reserve	14,950	28,500	13,550	39,650	50,000	50,000	50,000
4137. 2001-20/21 Kenneth Reserve	13,177	22,800	9,623	6,270	40,000	40,000	40,000
4141. 2560-22/23 Keshava Mural Thunder FC	-	-	-	-	30,000	30,000	-
Recreational, leisure and community facilities							
1747. 2170-22/23 Barry Powell Reserve	266,302	141,419	(124,883)	104,019	233,146	233,146	20,000
1859. 2114-21/22 Rowley Allan Reserve	450	17,790	17,340	-	29,165	29,165	-
3209. 2428-22/23 Active Reserves Renewal	221,046	159,600	(61,446)	62,209	280,000	280,000	280,000
3518. 1987-20/21 Harmony Square	-	12,200	12,200	-	20,000	20,000	-
3794. 1872-20/21 Tatterson Park	223,223	285,000	61,777	222,489	500,000	500,000	500,000
3849. 2201-22/23 Fred Wachter Playground	419,205	622,728	203,523	926,269	1,133,876	1,133,876	750,000
3853. 2186-22/23 Parkfield Rsrve Cricket	294,382	208,047	(86,335)	9,393	229,547	229,547	50,000
3854. 1795-20/21 Burden Park Reserve	649,765	535,730	(114,035)	-	608,881	608,881	-

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
3900. 1542-19/20 Ross Reserve Landscape	-	26,160	26,160	-	42,886	42,886	-
3933. 1710-19/20 Sports Lighting Program	5,700	-	(5,700)	-	-	-	-
3936. 2124-21/22 Glendale Reserve	40,685	188,100	147,415	194,200	330,000	330,000	330,000
3969. 1641-19/20 Thomas Carroll Pground	72,875	152,500	79,625	125,598	250,000	250,000	-
4024. 2129-21/22 Noble Park Reserve	80,000	80,000	-	-	80,000	80,000	-
4031. 1499-19/20 Ross Reserve Soccer Pitch	791,602	1,265,603	474,001	758,470	1,550,603	1,550,603	-
4066. 2411-22/23 George Andrews Rsv Light	3,993	-	(3,993)	11,381	500,000	500,000	-
4117. 2191-22/23 Ross Reserve Scoreboards	95,965	140,220	44,255	129,282	246,000	246,000	246,000
4118. 2432-22/23 Thomas Carroll Cricket	40,975	22,800	(18,175)	4,960	40,000	40,000	40,000
4119. 1843-20/21 Fred Wachter Tennis Light	63,640	209,595	145,954	323,814	367,710	367,710	367,710
4120. 1589-19/20 Ross Reserve Ath Track	49,240	-	(49,240)	2,347,700	2,500,000	2,500,000	2,500,000
4121. 2339-22/23 Children Services Prg	1,007	45,600	44,593	58,828	80,000	80,000	80,000
4122. 2176-22/23 Fred Wachter North Light	16,200	5,700	(10,500)	-	10,000	10,000	10,000
4123. 2192-22/23 Road Reserve Lighting	15,326	256,500	241,174	413,467	450,000	450,000	450,000
4124. 2194-22/23 Thomas Carroll Oval1 Lgt	244,706	177,306	(67,399)	35,821	311,064	311,064	311,064
4125. 2181-22/23 Greaves Reserve	29,000	20,000	(9,000)	-	20,000	20,000	20,000
4126. 2332-22/23 D'hong Day Nursery	-	25,650	25,650	-	45,000	45,000	45,000
4127. 2404-22/23 Ross Reserve Bball Light	10,200	91,200	81,000	97,822	160,000	160,000	160,000
4128. 1314-18/19 Tyers Lane Reserve	15,901	22,800	6,899	-	40,000	40,000	40,000
4129. 2406-22/23 Parkfield Rsv Scoreb'd	38,796	39,900	1,104	31,292	70,000	70,000	70,000
4130. 2146-21/22 Drinking Fountain Prg	10,543	22,800	12,257	9,692	40,000	40,000	40,000
4131. 2431-22/23 Parkland Reserve	-	22,800	22,800	4,194	40,000	40,000	40,000
4140. 2401-22/23 Coolavin Rsv Fitnes Eqpt	-	-	-	30,340	30,000	30,000	-
Roads							
3080. 2232-22/23 LRCI2 DCP-L102 AbbottsRd	1,397,525	1,853,993	456,468	48,601	4,128,155	4,128,155	2,500,000
3231. 2256-22/23 Road Reconstruction Prg	1,108,990	1,980,000	871,010	1,823,367	3,000,000	3,000,000	3,000,000
3373. 2249-22/23 Kerb & Channel Renewal	299,847	331,000	31,153	18,954	500,000	500,000	500,000
3418. 2345-22/23 LATM New Program	143,620	452,133	308,513	357,816	928,889	928,889	500,000
3752. 2254-22/23 Roads to Recovery Prg	413,427	671,753	258,326	582,452	1,017,807	1,017,807	1,017,807
3753. 2253-22/23 Road Resurfacing Prg	1,387,204	4,070,000	2,682,796	872,101	6,000,000	6,000,000	6,000,000
3754. 2255-22/23 Road Rehabilitation Prg	-	1,650,000	1,650,000	-	2,500,000	2,500,000	2,500,000
3828. 1685-19/20 Mason Street	36,346	193,091	156,745	1,358	422,852	422,852	-
3938. 2250-22/23 Kerb & Channel Resurf	1,283,093	1,325,000	41,907	250,087	1,500,000	1,500,000	1,500,000
3942. 1784-20/21 Black Spot Works Program	144,616	696,338	551,722	803,558	1,619,203	1,619,203	-
3944. 2006-20/21 Keysborough Sth Comm Hub	500	-	(500)	-	-	-	-
3961. 1978-20/21 Road Reconstruction Pgm	115,657	-	(115,657)	60	-	-	-
3962. 1478-19/20 Bakers Road Service Road	77,508	92,669	15,161	3,641	151,916	151,916	-
3992. 1399-19/20 Perry Road DCP-KR01a	24,408	-	(24,408)	-	4,267,983	4,267,983	4,267,983
4009. 2105-21/22 LRCI2 Colemans Rd	-	255,970	255,970	1,400	609,453	609,453	-
4059. 2557-22/23 OUTLOOK DVE BLACKSPOT PG	1,764	-	(1,764)	-	152,000	152,000	-
4060. 2558-22/23 RAILWAY PDE BLACKSPOT PG	-	-	-	-	484,000	484,000	-
4061. 2559-22/23 Browns Rd Blackspot PG	3,636	-	(3,636)	-	433,000	433,000	-
4064. 2563-22/23 NPR Laneway Activation P	-	-	-	-	100,000	100,000	-
4138. 2257-22/23 LATM Renewal Program	151,333	85,500	(65,833)	-	150,000	150,000	150,000
Bridges							
3185. 2240-22/23 Bridge Renewal Program	-	153,900	153,900	-	270,000	270,000	270,000
4034. 2243-22/23 LRCI3 Hammond Rd Bridge	-	176,400	176,400	-	420,000	420,000	-
4045. 2242-22/23 LRCI3 D'hong Creek Bridge	-	61,000	61,000	-	100,000	100,000	-
4046. 2244-22/23 LRCI3 Abbotts Rd Bridge	-	61,000	61,000	-	100,000	100,000	-
4047. LRCI3 Swift Way Bridge	-	-	-	-	-	-	-
Footpath and cycleways							
3174. 2103-21/22 Active Transport ATIPP	191,620	428,640	237,020	155,332	592,000	592,000	500,000
3355. 2251-22/23 Footpath Renewal Prg	732,008	728,000	(4,008)	326,501	1,400,000	1,400,000	1,400,000
3589. 1546-19/20 Dandenong Creek Trail	26,973	11,400	(15,573)	-	18,688	18,688	-
4114. 2304-22/23 Pram Ramp Renewal Prg	-	57,000	57,000	-	100,000	100,000	100,000
Off street car parks							
1747. 2170-22/23 Barry Powell Reserve	9,000	14,546	5,546	-	23,847	23,847	-
4033. 1914-20/21 LRCI3 The Crescent	215,384	82,350	(133,034)	30	135,000	135,000	-
4048. 2287-22/23 LRCI3 Fred. Wachter Rsv	-	61,000	61,000	-	100,000	100,000	-
4049. 2288-22/23 LRCI3 Robert Booth-Bess	185,757	122,000	(63,757)	-	200,000	200,000	-
Drainage							
3019. 2246-22/23 Drainage Renewal Prg	350,548	553,320	202,772	145,151	1,537,000	1,537,000	1,537,000
3558. 1970-20/21 Pit Renewal Program	29,067	57,000	27,933	7,296	100,000	100,000	100,000
3939. 2245-22/23 Drainage Reactive Prg	556,094	385,000	(171,094)	1,361	500,000	500,000	500,000
4010. 1380-19/20 LRCI2 Callander Rd	1,192,708	1,205,924	13,216	37,579	1,205,924	1,205,924	-
4115. 2424-22/23 Pit Renewal Rd Resurf	373,037	392,000	18,963	234,216	800,000	800,000	800,000
4116. 1998-20/21 Drainage Catchment 38A	-	-	-	-	1,200,000	1,200,000	1,200,000
Total Infrastructure	16,960,058	28,247,927	11,287,869	12,439,829	56,472,253	56,472,253	37,082,564
GRAND TOTAL	32,385,017	47,457,228	15,072,212	18,807,096	86,425,342	86,425,342	55,590,564

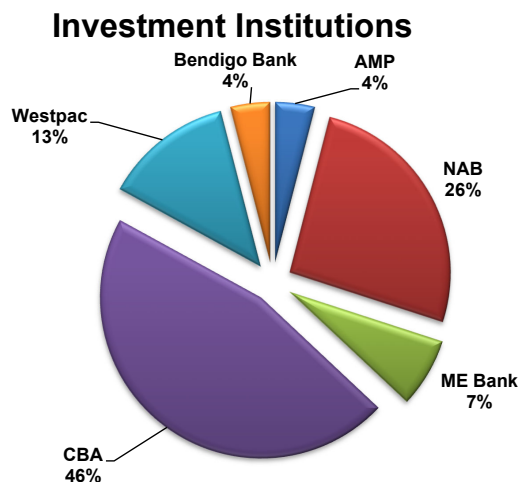
4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

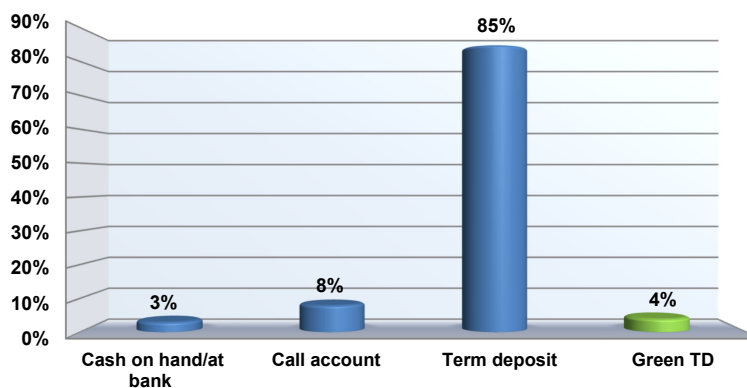
APPENDIX 2 – Investment Analysis

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



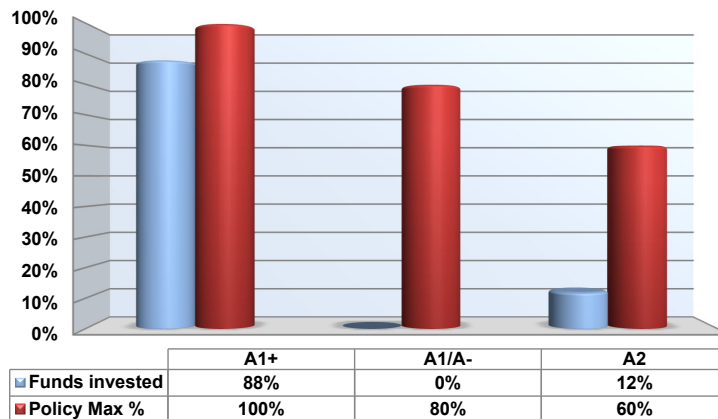
Note: Green deposit: 4% (or \$8.34 million) was invested at 31 March 2023. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)

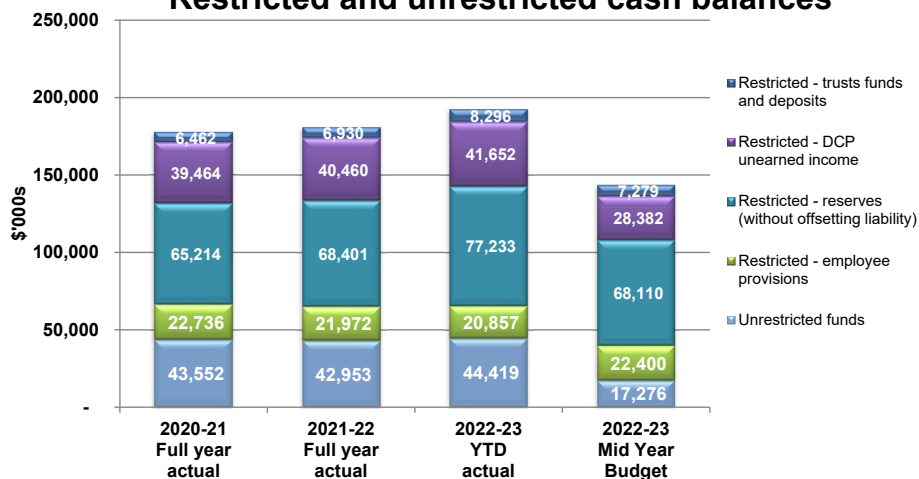


Financial Report for the period 1 July 2022 – 31 March 2023

Investment Credit Rating



Restricted and unrestricted cash balances



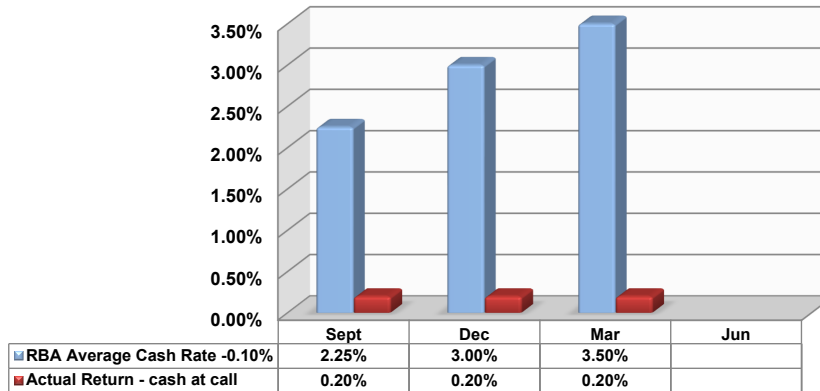
Note – the unrestricted cash balance portrayed here does not reconcile to the Statement of Cash Flows. For the purposes of the above graph the \$167.28 million of term deposits over 90 days classified as 'financial assets' has been included as cash here.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)

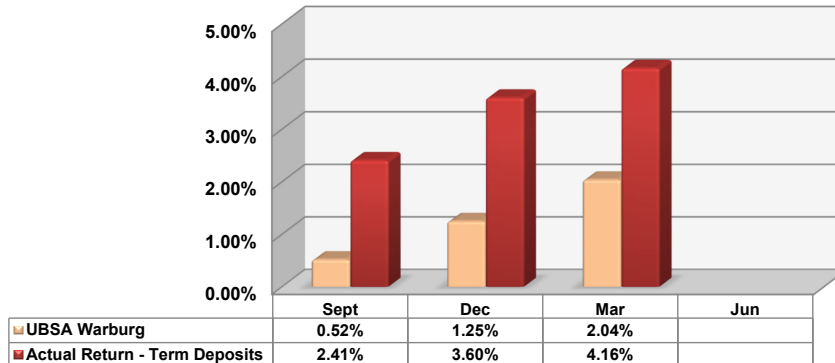


Financial Report for the period 1 July 2022 – 31 March 2023

Benchmark Indicator - Cash at Call



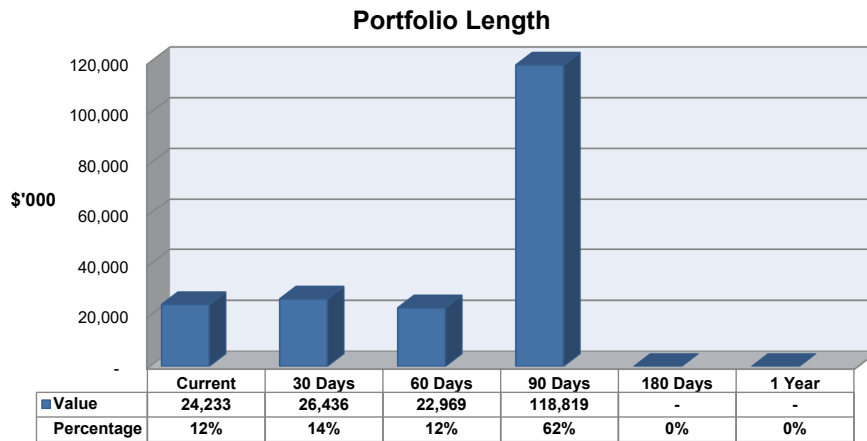
Benchmark Indicator - Term/Green Deposits



4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023



The above graph depicts the liquidity of Council's cash and investments. That is, when Council can access this cash. The days above refer to the number of days remaining until maturity of the term deposit and includes both cash and investments.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

APPENDIX 3 – Directorate Analysis

Total Operating Results

CGD BY DIRECTORATE							
	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Chief Executive Office	-	-	-	-	-	-	-
Greater Dandenong Business	445	165	280	496	584	88	363
Corporate Services	2,167	1,790	377	2,402	2,426	24	2,442
Engineering Services	21,611	20,561	1,050	28,318	28,648	330	27,510
City Planning Design and Amenity	10,907	11,573	(666)	15,200	15,087	(113)	15,985
Community Services	18,985	18,623	362	26,490	26,637	147	24,613
Non-Directorate ^(a)	113,169	109,588	3,581	155,048	157,461	2,413	161,746
Capital Works Program	4,342	3,701	641	18,728	18,728	-	4,965
Total income	171,626	166,001	5,625	246,682	249,571	2,889	237,624
Expenses							
Chief Executive Office	623	507	(116)	668	795	(127)	668
Greater Dandenong Business	2,570	3,537	967	4,906	4,889	17	4,056
Corporate Services	17,625	18,628	1,003	24,587	24,442	145	24,346
Engineering Services	45,914	49,054	3,140	71,792	72,399	(607)	69,103
City Planning Design and Amenity	12,803	14,445	1,642	20,003	19,542	461	19,773
Community Services	38,778	45,123	6,345	61,902	61,334	568	53,038
Non-Directorate ^(a)	34,532	28,339	(6,193)	39,227	39,346	(119)	40,076
Capital Works Program	-	-	-	-	-	-	-
Total expenses	152,845	159,633	6,788	223,085	222,747	338	211,060
Net surplus (deficit)	18,781	6,368	12,413	23,597	26,824	3,227	26,564

^(a) 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.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

CEO DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Other income		-	-	-	-	-	-	-
Total income		-	-	-	-	-	-	-
Expenses								
Employee costs	1	540	426	(114)	585	696	(111)	585
Materials and services		82	77	(5)	78	96	(18)	78
Other expenses		1	4	3	5	3	2	5
Total expenses		623	507	(116)	668	795	(127)	668
Net surplus (deficit)		(623)	(507)	(116)	(668)	(795)	(127)	(668)

BUSINESS UNITS

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
CEO		-	-	-	-	-	-	-
Total income		-	-	-	-	-	-	-
Expenses								
CEO		623	507	(116)	668	795	(127)	668
Total expenses		623	507	(116)	668	795	(127)	668
Net surplus (deficit)		(623)	(507)	(116)	(668)	(795)	(127)	(668)

Expenditure

Note 1 **Employee costs (\$114,000 unfavourable)** – Unfavourable variance due to settlement of entitlements on termination of the outgoing CEO.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

GREATER DANDENONG BUSINESS GROUP

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
User fees		-	6	(6)	6	6	-	6
Grants - operating	2	417	125	292	433	533	100	300
Other income		28	34	(6)	57	45	(12)	57
Total income		445	165	280	496	584	88	363
Expenses								
Employee costs	3	1,772	2,173	401	2,965	2,858	107	2,687
Materials and services	4	753	1,313	560	1,801	1,897	(96)	1,239
Other expenses		45	51	6	140	134	6	130
Total expenses		2,570	3,537	967	4,906	4,889	17	4,056
Net surplus (deficit)		(2,125)	(3,372)	1,247	(4,410)	(4,305)	105	(3,693)

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Greater Dandenong Business Executive		-	-	-	-	-	-	-
Business Networks		265	84	181	401	391	(10)	351
Activity Centres Revitalisation		77	81	(4)	89	89	-	6
Major Projects		100	-	100	-	100	100	-
Economic Development		3	-	3	6	4	(2)	6
Total income		445	165	280	496	584	88	363
Expenses								
Greater Dandenong Business Executive		278	298	20	409	399	10	409
Business Networks		537	1,004	467	1,363	1,341	22	1,007
Activity Centres Revitalisation		928	1,128	200	1,543	1,556	(13)	1,103
Major Projects		110	124	14	196	295	(99)	196
Economic Development		717	983	266	1,395	1,298	97	1,341
Total expenses		2,570	3,537	967	4,906	4,889	17	4,056
Net surplus (deficit)		(2,125)	(3,372)	1,247	(4,410)	(4,305)	105	(3,693)

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Greater Dandenong Business

Income

Note 2 Grants – operating (\$292,000 favourable) – Receipt of grant earlier than anticipated (Community Revitalisation \$190,000) and unbudgeted grant for Feasibility Study Afghan Community (Major Projects \$100,000). The latter grant will be offset by associated expenditure and has been reflected in the 2022-23 Forecast.

Expenditure

Note 3 Employee costs (\$401,000 favourable) – Favourable variance due to delay in recruitment and lower than anticipated temporary agency staff costs to date (Community Revitalisation \$188,000, Economic Development \$127,000 and Business Networks \$62,000).

Savings of \$107,000 have been reflected in the 2022-23 Forecast.

Note 4 Materials and services (\$560,000 favourable) – Favourable variance mainly due to lower than anticipated professional services and contractor costs as programs are delayed or yet to commence (Economic Development \$138,000, Indian Cultural Precinct \$107,000, Business Networks \$121,000, Community Revitalisation \$88,000 and Placemaking and Revitalisation \$83,000). This favourable variance is not expected to be permanent.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

CORPORATE SERVICES DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Statutory fees and fines		84	76	8	102	102	-	102
User fees		21	17	4	22	22	-	22
Grants - operating		65	42	23	54	46	(8)	94
Other income	5	1,997	1,655	342	2,224	2,256	32	2,224
Total income		2,167	1,790	377	2,402	2,426	24	2,442
Expenses								
Employee costs	6	10,053	10,997	944	15,086	14,454	632	14,945
Materials and services	7	6,414	6,610	196	8,131	8,523	(392)	8,031
Other expenses	8	1,158	1,021	(137)	1,370	1,465	(95)	1,370
Total expenses		17,625	18,628	1,003	24,587	24,442	145	24,346
Net surplus (deficit)		(15,458)	(16,838)	1,380	(22,185)	(22,016)	169	(21,904)

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Corporate Services Executive		-	-	-	-	-	-	-
Communications and Customer Service		599	492	107	656	701	45	656
Governance		1,063	1,005	58	1,340	1,227	(113)	1,340
Information Technology		10	-	10	-	9	9	-
Financial Services		144	228	(84)	322	189	(133)	322
People and Procurement Services		351	65	286	84	300	216	124
Total income		2,167	1,790	377	2,402	2,426	24	2,442
Expenses								
Corporate Services Executive		94	79	(15)	279	216	63	279
Communications and Customer Service		3,642	4,269	627	5,850	5,441	409	5,850
Governance		2,258	2,394	136	3,207	3,198	9	3,207
Information Technology		4,337	4,756	419	5,877	5,871	6	5,777
Financial Services		2,120	2,299	179	3,183	3,061	122	3,183
People and Procurement Services		5,174	4,831	(343)	6,191	6,655	(464)	6,050
Total expenses		17,625	18,628	1,003	24,587	24,442	145	24,346
Net surplus (deficit)		(15,458)	(16,838)	1,380	(22,185)	(22,016)	169	(21,904)

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Corporate Services Directorate

Income

Note 5 Other income (\$342,000 favourable) – Favourable variance due to higher than anticipated rental and recovery income to date (Emergency Management \$179,000, Risk Management \$68,000, Property Management Administration \$57,000, Senior Citizen Facilities \$51,000, Civic Facilities \$46,000 and Jan Wilson Community Centre \$23,000).

This favourable variance is offset by lower than anticipated rate debtor recovery income (and associated legal expenditure) due to delay in recommencing debt recovery (Property Revenue \$92,000). A reduction in this income and legal expenditure has been reflected in the 2022-23 Forecast (overall nil impact).

Expenditure

Note 6 Employee costs (\$944,000 favourable) – Favourable variance due to delay in recruitment and lower than anticipated casual salaries, temporary agency staff costs and training costs (Call and Services Centres \$266,000, Information Technology Executive \$195,000, Organisational Development Executive \$122,000, Urban Screen \$119,000, Civic Facilities \$107,000, Communications and Customer Services Executive \$77,000 and Governance \$68,000).

This favourable variance is partly offset by an unbudgeted staffing matter (Records \$51,000).

Salary savings of \$632,000 have been reflected in the 2022-23 Forecast.

Note 7 Materials and services (\$196,000 favourable) - Favourable variance due to lower legal costs as per comment in Note 5 above (Property Revenue \$134,000) combined with a delay in receipt of invoices and commencement of projects, as well as lower than anticipated printing and stationery, postage and storage, professional services, occupancy costs, software application maintenance and utilities (Business Systems \$233,000, Technical Services \$136,000, Records Management \$59,000, Urban Screen \$30,000, Property Management Administration \$29,000, Organisational Development Executive \$28,000, Jan Wilson Community Centre \$27,000, Governance \$22,000 and Members of Council \$14,000).

The favourable variance is partly offset by higher than anticipated expenditure for professional services, insurance claims, software maintenance, administration costs and subscriptions (Risk Management \$439,000, Contracts \$41,000, Communications and Customer Service Executive \$41,000 and Call and Service Centres \$22,000).

This favourable variance is not expected to be permanent.

Note 8 Other expenses (\$137,000 unfavourable) – Unfavourable variance mainly due to higher operating lease/rental costs for IT equipment (Technical Services \$143,000). This is a permanent variance and has been reflected in the full year forecast.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

ENGINEERING SERVICES DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Rates and charges		18,788	18,743	45	24,958	24,958	-	24,958
Statutory fees and fines	9	255	181	74	259	245	(14)	396
User fees		399	424	(25)	565	530	(35)	565
Grants - operating	10	654	100	554	107	292	185	-
Contributions - monetary		4	-	4	-	-	-	-
Asset sales	11	596	529	67	706	706	-	706
Other income	12	915	584	331	1,723	1,917	194	885
Total income		21,611	20,561	1,050	28,318	28,648	330	27,510
Expenses								
Employee costs	13	13,208	14,275	1,067	19,614	18,959	655	19,545
Materials and services	14	32,588	34,487	1,899	51,782	53,043	(1,261)	49,162
Bad and doubtful debts		-	-	-	-	1	(1)	-
Carrying amount of assets sold	15	67	183	116	261	261	-	261
Other expenses	16	51	109	58	135	135	-	135
Total expenses		45,914	49,054	3,140	71,792	72,399	(607)	69,103
Net surplus (deficit)		(24,303)	(28,493)	4,190	(43,474)	(43,751)	(277)	(41,593)

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Engineering Services Executive		-	-	-	-	-	-	-
Infrastructure Services		20,708	19,721	987	27,133	27,526	393	26,189
City Projects and Asset Improvement		21	10	11	19	21	2	19
Infrastructure Planning		882	830	52	1,166	1,101	(65)	1,302
Total income		21,611	20,561	1,050	28,318	28,648	330	27,510
Expenses								
Engineering Services Executive		-	-	-	-	-	-	-
Infrastructure Services		35,849	38,655	2,806	57,501	57,271	230	55,899
City Projects and Asset Improvement		8,379	8,718	339	11,951	12,841	(890)	10,865
Infrastructure Planning		1,686	1,681	(5)	2,340	2,287	53	2,339
Total expenses		45,914	49,054	3,140	71,792	72,399	(607)	69,103
Net surplus (deficit)		(24,303)	(28,493)	4,190	(43,474)	(43,751)	(277)	(41,593)

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Engineering Services Directorate

Income

Note 9 Statutory fees and fines (\$74,000 favourable) – Favourable variance due to higher than anticipated income from sub-division and planning checking fees (Civil Development and Design \$44,000 and Park Services \$31,000). This favourable variance is not expected to be permanent.

Note 10 Grants - operating (\$554,000 favourable) – Favourable variance due to unbudgeted grant funding for Food Organics Garden Organics (FOGO) (Waste Management \$369,000) and Peri Urban Weed Management (Parks Services \$85,000) which will both be matched by expenditure. The latter grant has been reflected in the 2022-23 Forecast.

Note 11 Asset sales (\$67,000 favourable) – Favourable variance mainly due to better than anticipated sale of plant and vehicle assets (Fleet Management \$67,000).

Note 12 Other income (\$331,000 favourable) – Favourable variance due to rebate from Victorian Energy Efficiency Certificate program for LED streetlight replacements (Strategic Asset Planning \$195,000) and funds received from developers following handover of open space assets (Parks Services \$113,000). \$195,000 of this variance is expected to be permanent and has been reflected in the 2022-23 Forecast.

Expenditure

Note 13 Employee costs (\$1.07 million favourable) – Favourable variance due to delay in recruitment and lower temporary agency staff costs (Parks Services \$268,000, Infrastructure Services and Planning Executive \$189,000, Roads and Drains \$161,000, Cleansing \$158,000, Asset Management \$153,000, AMS Implementation \$125,000 and Waste Management \$113,000).

This favourable variance is partly offset by higher than anticipated temporary agency staff and casual salary costs (CIP Implementation \$80,000, City Improvement Executive \$29,000, Civil Development and Design \$20,000 and Strategic Asset Planning \$12,000).

Salary savings of \$655,000 have been reflected in the 2022-23 Forecast.

Note 14 Materials and services (\$1.90 million favourable) – Favourable variance due to delay in receipt of invoices for waste-related expenditure, 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, fire and essential services (Waste Management \$1.11 million, Asset Management \$356,000, Cleansing \$228,000, Building Disposal Program \$201,000, Building Maintenance \$147,000, AMS Implementation \$76,000, Springvale Community Hub \$64,000, Strategic Asset Planning \$56,000, Fleet Management \$55,000 and CIP Implementation \$31,000).

This favourable variance is partly offset by higher than anticipated security and cleaning services, fuel costs, software maintenance, contract and professional services (Parks Services \$340,000, Spring Valley Landfill \$84,000, Roads and Drains \$25,000, Strategic Transport Planning \$22,000 and City Improvement Executive \$19,000).

Overall, this favourable variance is not expected to be permanent.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Note 15 Carrying amount of assets sold (\$116,000 favourable) - Lower than anticipated carrying amount of assets sold to date. This is a non-cash accounting entry (Fleet Management \$116,000).

Note 16 Other expenses (\$58,000 favourable) – Favourable variance mainly due to delay in contribution to Advanced Waste Processing scheme (Waste \$31,000).

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

CITY PLANNING, DESIGN & AMENITY

OPERATING RESULT

		YTD	YTD	YTD	ANNUAL	FULL	MYB to	ANNUAL
	Notes	ACTUAL	BUDGET	VARIANCE	MID YEAR	YEAR	FORECAST	ORIGINAL
		\$'000	\$'000	\$'000	BUDGET	FORECAST	VARIANCE	BUDGET
					\$'000	\$'000	\$'000	\$'000
Income								
Statutory fees and fines	17	6,328	6,889	(561)	9,198	8,927	(271)	9,198
User fees	18	3,697	3,837	(140)	5,057	4,972	(85)	5,857
Grants - operating		660	648	12	704	770	66	689
Other income		222	199	23	241	418	177	241
Total income		10,907	11,573	(666)	15,200	15,087	(113)	15,985
Expenses								
Employee costs	19	9,545	10,564	1,019	14,422	13,723	699	14,422
Materials and services	20	2,426	2,750	324	3,580	3,811	(231)	3,350
Bad and doubtful debts	21	795	1,090	295	1,943	1,945	(2)	1,943
Other expenses		37	41	4	58	63	(5)	58
Total expenses		12,803	14,445	1,642	20,003	19,542	461	19,773
Net surplus (deficit)		(1,896)	(2,872)	976	(4,803)	(4,455)	348	(3,788)

BUSINESS UNITS

		YTD	YTD	YTD	ANNUAL	FULL	MYB to	ANNUAL
		ACTUAL	BUDGET	VARIANCE	MID YEAR	YEAR	FORECAST	ORIGINAL
		\$'000	\$'000	\$'000	BUDGET	FORECAST	VARIANCE	BUDGET
					\$'000	\$'000	\$'000	\$'000
Income								
City Planning, Design and Amenity Exec		-	-	-	-	-	-	-
Building Services		2,392	2,304	88	2,656	2,911	255	2,656
Statutory Planning		1,143	1,484	(341)	1,980	1,835	(145)	1,980
Strategic & Environmental Planning		3	18	(15)	24	7	(17)	24
Regulatory Services		7,369	7,767	(398)	10,540	10,334	(206)	11,325
Total income		10,907	11,573	(666)	15,200	15,087	(113)	15,985
Expenses								
City Planning, Design and Amenity Exec		325	346	21	471	467	4	471
Building Services		3,241	3,376	135	4,491	4,696	(205)	4,276
Statutory Planning		2,077	2,391	314	3,189	2,973	216	3,059
Strategic & Environmental Planning		1,337	1,744	407	2,386	2,120	266	2,386
Regulatory Services		5,823	6,588	765	9,466	9,286	180	9,581
Total expenses		12,803	14,445	1,642	20,003	19,542	461	19,773
Net surplus (deficit)		(1,896)	(2,872)	976	(4,803)	(4,455)	348	(3,788)

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

City Planning, Design and Amenity Directorate

Income

Note 17 Statutory fees and fines (\$561,000 unfavourable) – Unfavourable variance mainly due to lower than anticipated planning application fee income (Statutory Planning \$291,000) and fine income to date (General Law Enforcement \$213,000, Animal Management \$64,000, Regulatory Services Administration \$40,000, Planning Compliance \$25,000 and Building \$40,000).

This unfavourable variance is partly offset by higher than anticipated fine income (Parking Management \$72,000 and Health \$49,000).

Approximately half of this unfavourable variance is expected to be permanent with a \$271,000 adjustment reflected in the 2022-23 Forecast.

Note 18 User fees (\$140,000 unfavourable) – Unfavourable variance due to lower than anticipated income from permit and planning applications, inspection fees and parking fees (Car Parks \$158,000, Building \$138,000, Statutory Planning \$50,000 and Animal Management \$18,000).

This unfavourable variance is partly offset by higher than anticipated income from Streetrader permits (Health \$238,000).

Approximately half of this unfavourable variance is expected to be permanent with an \$85,000 adjustment reflected in the 2022-23 Forecast.

Expenditure

Note 19 Employee costs (\$1.02 million favourable) – Favourable variance due to a delay in recruitment of vacant positions (Statutory Planning \$386,000, Strategic Design and Sustainability Planning \$286,000, Regulatory Services Administration \$125,000, General Law Enforcement \$124,000, Building \$96,000, Animal Management \$71,000, Parking Management \$64,000 and Public Safety and Security \$51,000).

This favourable variance is offset by higher than anticipated temporary staff costs (Health \$106,000) and casual salaries (School Crossing \$80,000).

Salary savings of \$698,000 have been reflected in the 2022-23 Forecast.

Note 20 Materials and services (\$324,000 favourable) – Favourable variance due to lower than anticipated statutory fine lodgement fees, contractor and professional services expenditure (Parking Management \$189,000, Local Government Capacity Building grant program \$145,000, Strategic Design and Sustainability Planning \$126,000, Health \$33,000 and Public Safety and Security \$38,000).

This favourable variance is partly offset by higher than anticipated expenditure for software maintenance, contract and professional services (Animal Management \$126,000, Statutory Planning \$74,000 and Building \$34,000).

This favourable variance is not expected to be permanent.

Note 21 Bad and doubtful debts (\$295,000 favourable) – Favourable variance due to lower than anticipated bad debt write offs to date (General Law Enforcement \$107,000, Parking Management \$99,000 and Animal Management \$79,000). This variance is not expected to be permanent.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

COMMUNITY SERVICES DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
User fees		2,102	2,121	(19)	2,939	2,862	(77)	2,939
Grants - operating	22	16,018	15,746	272	22,610	22,657	47	20,733
Contributions - monetary		17	-	17	-	17	17	-
Other income	23	848	756	92	941	1,101	160	941
Total income		18,985	18,623	362	26,490	26,637	147	24,613
Expenses								
Employee costs	24	24,912	32,229	7,317	43,946	41,995	1,951	37,503
Materials and services	25	12,238	10,946	(1,292)	14,974	16,758	(1,784)	13,025
Bad and doubtful debts		-	6	6	8	8	-	8
Amortisation - right of use assets		-	-	-	6	6	-	6
Other expenses	26	1,628	1,942	314	2,968	2,567	401	2,496
Total expenses		38,778	45,123	6,345	61,902	61,334	568	53,038
Net surplus (deficit)		(19,793)	(26,500)	6,707	(35,412)	(34,697)	715	(28,425)

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Community Services Executive		-	-	-	-	-	-	-
Community Wellbeing		11,320	9,169	2,151	12,960	14,871	1,911	11,454
Community Care		5,324	7,011	(1,687)	10,734	8,959	(1,775)	10,734
Community Arts, Culture and Libraries		1,740	1,866	(126)	2,088	2,034	(54)	1,757
Community Development, Sports and Recreation		601	577	24	708	773	65	668
Total income		18,985	18,623	362	26,490	26,637	147	24,613
Expenses								
Community Services Executive		469	533	64	729	717	12	729
Community Wellbeing		13,810	17,789	3,979	24,434	25,643	(1,209)	17,716
Community Care		8,919	10,732	1,813	14,892	13,476	1,416	14,555
Community Arts, Culture and Libraries		7,818	8,412	594	11,436	11,320	116	10,776
Community Development, Sports and Recreation		7,762	7,657	(105)	10,411	10,178	233	9,262
Total expenses		38,778	45,123	6,345	61,902	61,334	568	53,038
Net surplus (deficit)		(19,793)	(26,500)	6,707	(35,412)	(34,697)	715	(28,425)

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Community Services Directorate

Income

Note 22 Grants – operating (\$272,000 favourable) - comprising:

Additional grant funding received or earlier than anticipated:

- Family Day Care \$1.57 million
- Market Street Occasional Care Centre Operational \$180,000
- Maternal and Child Health \$131,000
- HACC Co-ordination \$84,000
- Pre-School Field Officer \$64,000
- Festival and Events \$61,000
- Immunisation \$39,000
- Children's Support Services \$31,000
- Playgroup Initiative \$27,000
- Child First \$26,000
- Y-Space \$25,000
- PYP Linkages \$18,000

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 \$1.00 million
- HACC – Assessments and Team Leaders \$395,000
- HACC – Home Maintenance \$216,000
- Sleep and Settling Initiative \$192,000
- Planned Activity Group \$136,000
- Food Services \$45,000
- Positive Ageing (Snr Citizens) \$22,000

Note 23 Other income (\$92,000 favourable) – Favourable variance due to higher than anticipated recovery income (Home and Community Care \$123,000, Children's Support Services \$27,000 and Community Hub Early Years \$11,000).

This favourable variance is partly offset by lower than anticipated income (Library Services \$49,000 and Festival and Events \$34,000).

A favourable adjustment of \$160,000 has been included in the 2022-23 Forecast.

Expenditure

Note 24 Employee costs (\$7.32 million favourable) – \$4.17 million of this favourable variance relates to grant funded programs which require an acquittal, caused mainly by a delay in recruitment of vacant positions (Child First \$1.26 million, Enhanced MCH Program \$1.23 million, Sleep and Settling Initiative \$623,000, Playgroups Initiative \$309,000, Pre-School Field Officer \$254,000, Drug Strategy \$160,000, Best Start \$155,000, Empowering Communities \$64,000, PYP Linkages \$39,000, Refugee Immunisation (PRIME) \$36,000 and COVID-Safe Outdoor Activation \$21,000).

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

The remaining favourable variance is due to a delay in recruitment of vacant positions (Home and Community Care \$629,000, Maternal and Child Health \$482,000, Library and Information Services \$314,000, Family Day Care \$279,000, Children's Support Services \$279,000, HACC Co-ordination \$167,000, Community Arts, Cultural and Library Executive \$121,000, HACC – Assessments and Team Leaders \$110,000, HACC – Home Maintenance \$106,000, Planned Activity Group \$106,000, Youth Development \$81,000, Community Transport \$72,000, Sports Planning \$68,000, Access and Quality Systems \$67,000, Youth Leadership \$61,000, Community Property \$47,000, Festivals and Events \$46,000, Food Services \$44,000, Youth and Family Support \$33,000, Community Care Executive \$30,000, Positive Ageing (Senior Citizens) \$23,000, Community Development \$21,000 and Community Development, Sports and Recreation Executive \$16,000), combined with extended leave taken (Community Strengthening Executive \$122,000).

The favourable variance is partly offset by higher than anticipated salaries and temporary agency staff costs (Drum Theatre \$105,000, Community Precinct Operations \$56,000 and Community Funding \$21,000).

Overall, salary savings of \$1.95 million have been reflected in the 2022-23 Forecast.

Note 25 Materials and services (\$1.29 million unfavourable) – Unfavourable variance is due to higher educator payments relating to additional service delivery requirements which is offset by higher grant income (Family Day Care \$1.48 million), professional services, software maintenance and materials (COVID-Safe Outdoor Activation \$24,000, Maternal and Child Health \$21,000, Community Funding \$20,000, New Directions – Mothers & Babies \$20,000, Community Transport \$12,000 and Community Development, Sports and Recreation Executive \$11,000), as well as transfer of management fee earlier than anticipated (South East Leisure \$575,000) and utilities (mainly electricity which is partly offset by recovery income in Sports Planning \$64,000).

This unfavourable variance is partly offset by lower than anticipated expenditure for materials, consultants, professional services, utilities and events (Food Services \$175,000, Cultural Development \$122,000, Empowering Communities \$71,000, Library and Information Services \$57,000, Festivals and Events \$55,000, HACC – Home Maintenance \$34,000, Market Street Occasional Child Care Centre \$32,000, Cultural Venues \$23,000, Drug Strategy \$23,000, Playgroup Initiative \$20,000, Community Development \$20,000 and The Drum Theatre \$19,000), service delivery (Home and Community Care \$69,000 and Planned Activity Group \$28,000) and delay in commencing projects (PYP Linkages \$65,000).

An unfavourable adjustment of \$1.78 million has been included in the 2022-23 Forecast.

Note 26 Other expenses (\$314,000 favourable) – Favourable variance is mainly due to lower than anticipated community support grant payments due to the two-year grant allocation (year 1: 2022-23, year 2: 2023-24) not being fully subscribed (Community Funding \$187,000) and delay in commencement of programs (Empowering Communities \$75,000).

A favourable adjustment of \$401,000 has been reflected in the 2022-23 Forecast.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

NON-DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Rates and charges	27	104,707	103,526	1,181	137,215	138,227	1,012	137,123
Statutory fees and fines		10	10	-	10	10	-	-
Grants - operating		2,684	2,684	-	3,514	3,514	-	12,122
Contributions - monetary	28	1,770	1,499	271	2,000	2,000	-	2,000
Contributions - non-monetary		-	-	-	10,000	10,000	-	10,000
Other income	29	3,998	1,869	2,129	2,309	3,710	1,401	501
Total income		113,169	109,588	3,581	155,048	157,461	2,413	161,746
Expenses								
Employee costs		81	49	(32)	1,962	2,107	(145)	1,951
Materials and services		350	387	37	542	515	27	542
Prior year capital expenditure unable to be capitalised (non- cash)	30	4,005	-	(4,005)	-	-	-	-
Depreciation		25,047	25,047	-	32,943	32,943	-	33,943
Amortisation - intangible assets		45	45	-	60	60	-	60
Amortisation - right of use assets		448	448	-	598	598	-	598
Borrowing costs		2,014	2,014	-	2,665	2,665	-	2,667
Finance costs - leases		-	-	-	22	22	-	22
Asset write offs	31	2,191	-	(2,191)	-	-	-	-
Other expenses		351	349	(2)	435	436	(1)	293
Total expenses		34,532	28,339	(6,193)	39,227	39,346	(119)	40,076
Net surplus (deficit)		78,637	81,249	(2,612)	115,821	118,115	2,294	121,670

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Governance		-	-	-	-	-	-	-
Corporate Accounting		111,403	108,089	3,314	153,048	155,461	2,413	159,746
Planning and Design		1,766	1,499	267	2,000	2,000	-	2,000
Total income		113,169	109,588	3,581	155,048	157,461	2,413	161,746
Expenses								
Governance		6	-	(6)	30	30	-	30
Corporate Accounting		34,515	28,323	(6,192)	39,179	39,298	(119)	40,028
Planning and Design		11	16	5	18	18	-	18
Total expenses		34,532	28,339	(6,193)	39,227	39,346	(119)	40,076
Net surplus (deficit)		78,637	81,249	(2,612)	115,821	118,115	2,294	121,670

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

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

Non-Directorate

Income

Note 27 Rates and charges (\$1.18 million favourable) – Favourable variance due mainly to better than anticipated income from supplementary rates and interest on rates (Corporate Accounting). The favourable variances have been reflected in the 2022-23 Forecast and have been transferred to the Major Projects reserve.

Note 28 Contributions – monetary (\$271,000 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 (Statutory Planning).

Note 29 Other income (\$2.13 million favourable) – Better than anticipated interest return on investments due to higher interest rates (Corporate Accounting). This favourable variance has been reflected in the 2022-23 Forecast and has been transferred to Major Projects reserve.

Expenditure

Note 30 Prior year capital expenditure unable to be capitalised (non-cash) (\$4.01 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 \$4.01 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.

The main contributors to the \$4.01 million year to date result include amounts unable to be capitalised to the asset register because they are:

- Repairs and maintenance costs (\$1.31 million).
- Less than the capitalisation threshold in the Fixed Asset Accounting Policy (\$1.07 million).
- Not capital in nature relating to studies, surveys and concept plans (\$706,000).
- Contribution costs on non-Council assets (\$572,000).

Note 31 Asset write offs (\$2.19 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).

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

CAPITAL WORKS PROGRAM

OPERATING RESULT

		YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	MYB to FORECAST VARIANCE	ANNUAL ORIGINAL BUDGET
	Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income								
Grants - capital	32	4,145	3,513	632	16,182	16,182	-	3,518
Contributions - monetary		197	188	9	2,546	2,546	-	1,447
Total income		4,342	3,701	641	18,728	18,728	-	4,965
Expenses								
Employee costs		-	-	-	-	-	-	-
Materials and services		-	-	-	-	-	-	-
Other expenses		-	-	-	-	-	-	-
Total expenses		-	-	-	-	-	-	-
Net surplus (deficit)		4,342	3,701	641	18,728	18,728	-	4,965

Income

Note 32 Grants - capital (\$632,000 favourable) – Favourable variance mainly due to recognition of grant funding earlier than anticipated for Ross Reserve Soccer Pitch \$530,000 and Thomas Carroll Oval 1 Lighting \$111,000.

4.1.2 Q3 2022-23 Council Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2022 – 31 March 2023

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 March 2023
Community Services						
Barry Powell Sports Pavilion - Concept design	103,922	80,000	(23,922)	-	80,000	The project is 100% complete.
Sub-total	103,922	80,000	(23,922)	-	80,000	
Business, Engineering and Major Projects						
Springvale Revitalisation Feasibility Study	7,500	-	(7,500)	70,000	70,000	Background research completed, community engagement commenced.
Landscaping - Robinson Street and Princes Highway Intersection	-	-	-	-	188,000	The Princes Highway Project contract has been awarded. Works yet to commence.
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. Community group utilising the facility.
Sub-total	96,676	231,443	134,767	70,000	579,443	
Total Operating Initiatives	200,598	311,443	110,845	70,000	659,443	

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