



Agenda

Council Meeting

Monday 23 September 2024, 7:00 pm

Dandenong Civic Centre, 225 Lonsdale Street,
Dandenong, Victoria 3175

greaterdandenong.vic.gov.au



Council Meeting Details

At the time of printing this Agenda, the Council Meeting to be held on Monday 23 September 2024, will be open to the public to attend in person but will be subject to venue seating capacity. This will be a hybrid meeting consisting of Councillors attending in person and remotely.

If we are unable to accommodate you indoors, you will still be able to watch the webcast live on the Urban Screen in Harmony Square. To view the webcast and stay informed about the status of Council Meetings please visit Council's [website](#).

The Civic Centre basement carpark will be opened to all members of the public during library opening hours. Any parking in this area will be subject to availability and time limits as notified by any signage posted.

Your Councillors

[Mayor Lana Formoso](#)

[Cr Bob Milkovic](#)

[Deputy Mayor Richard Lim OAM](#)

[Cr Sean O'Reilly](#)

[Cr Phillip Danh](#)

[Cr Sophaneth \(Sophie\) Tan](#)

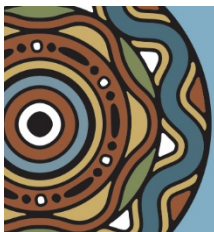
[Cr Tim Dark](#)

[Cr Loi Truong](#)

[Cr Rhonda Garad](#)

[Cr Angela Long](#)

[Cr Jim Memeti](#)



We acknowledge the Traditional Owners and Custodians of this land, the Bunurong People, and pay respect to their Elders past and present.

We recognise and respect their continuing connections to climate, Culture, Country and waters.



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council@cgd.vic.gov.au



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COUNCIL OBLIGATIONS AND AGENDA REPORTS

Council has several obligations in relation to its Community Vision, Council Plan, Instruments of Legislation and Council policy. These are summarily considered in each Agenda report and further details are added as required. The obligations are as follows:

Community Vision 2040 (Community Vision | Greater Dandenong Council)

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

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

Reports in this Agenda will identify when any of the above principles are relevant.

The Council Plan 2021-25 (Council Plan 2021-25 | Greater Dandenong Council)

The Council Plan describes the kind of future the Council is working for, and how Council will do this over four years. The Council Plan has the following key strategic objectives:

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

Reports in this Agenda will identify when any of the above principles are relevant.

The Overarching Governance Principles of the Local Government Act 2020

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

- a) Council decisions are to be made and actions taken in accordance with the relevant law;
- b) priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- c) the economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- d) the municipal community is to be engaged in strategic planning and strategic decision making;
- e) innovation and continuous improvement are to be pursued;
- f) collaboration with other Councils and Governments and statutory bodies is to be sought;
- g) the ongoing financial viability of the Council is to be ensured;
- h) regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- i) the transparency of Council decisions, actions and information is to be ensured.

Also, in giving effect to the overarching governance principles above, a Council must take into account the following supporting principles:

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

Reports in this Agenda will identify when any of the above principles are relevant.



The Gender Equality Act 2020

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

- a) to promote, encourage and facilitate the achievement of gender equality and improvement in the status of women; and
- b) to support the identification and elimination of systemic causes of gender inequality in policy, programs and delivery of services in workplaces and communities; and
- c) to recognise that gender inequality may be compounded by other forms of disadvantage or discrimination that a person may experience on the basis of Aboriginality, age, disability, ethnicity, gender identity, race, religion, sexual orientation and other attributes; and
- d) to redress disadvantage, address stigma, stereotyping, prejudice and violence, and accommodate persons of different genders by way of structural change; and
- e) to enhance economic and social participation by persons of different genders; and
- f) to further promote the right to equality set out in the Victorian Charter of Human Rights and Responsibilities and the Convention on the Elimination of All Forms of Discrimination against Women.

Council is obligated to think about how its programs and services affect different people and different communities and how we can avoid reinforcing unintentional inequalities. Reports authors must consider the requirements of the *Gender Equality Act 2020* and Council's Diversity, Access and Equity Policy when asking Council to consider or review any issues which have a direct or significant impact on members of the Greater Dandenong community.

Victorian Charter of Human Rights and Responsibilities

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

- human rights are essential in a democratic and inclusive society that respects the rule of law, human dignity, equality and freedom;
- human rights belong to all people without discrimination, and the diversity of the people of Victoria enhances our community;
- human rights come with responsibilities and must be exercised in a way that respects the human rights of others;
- human rights have a special importance for the Aboriginal people of Victoria, as descendants of Australia's first people, with their diverse spiritual, social, cultural and economic relationship with their traditional lands and waters.

Given this municipality's diversity and inclusiveness, when developing or preparing a report for Council consideration, report authors are required to ensure their report is consistent with the standards set by the Charter.



Consideration of Climate Change and Sustainability

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

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

When developing or preparing a report for Council consideration, report authors are required to consider what impacts their issue has on Council's Declaration on a Climate and Ecological Emergency, Council's Climate Change Emergency Strategy and the requirements of the *Local Government Act 2020* in relation to the overarching principle on climate change and sustainability.

Related Council Policies, Strategies or Frameworks

Report authors will consider how their report aligns with existing Council policies, strategies, frameworks or other documents, how they may affect the decision of this report or are relevant to this process.



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1 MEETING OPENING

1.1 OPENING OF MEETING BY MAYOR

1.2 ATTENDANCE



1.3 ACKNOWLEDGEMENT OF TRADITIONAL CUSTODIANS OF LAND

We acknowledge the Traditional Custodians of this land, the Bunurong People, and pay respect to their Elders past and present.

We recognise and respect their continuing connections to climate, Culture, Country and waters and we also pay our respect and acknowledge all Aboriginal and Torres Strait Islander peoples and their Elders present here today, in acknowledging their journey.

1.4 OFFERING OF PRAYER, REFLECTION OR AFFIRMATION

As part of Council's commitment to recognising the cultural and spiritual diversity of our community, the prayer, reflection or affirmation this evening will be offered by Venerable Thammannagama ShanthaWimala, from Dhamma Sarana Buddhist Temple, Keysborough.



1.5 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Meeting of Council held 9 September 2024.

Recommendation

That the Minutes of the Meeting of Council held 9 September 2024 be confirmed.

1.6 DISCLOSURES OF INTEREST

Any interest that a Councillor or staff member has deemed to be significant and has disclosed as either a material or general interest is now considered to be a conflict of interest. Conflict of Interest legislation is detailed in Division 2 – Conflicts of Interest: sections 126, 127, 128, 129 & 130 of the *Local Government Act 2020*. This legislation can be obtained by contacting the Greater Dandenong Governance Unit on 8571 5216 or by accessing the Victorian Legislation and Parliamentary Documents website at www.legislation.vic.gov.au.

If a Councillor discloses any interest in an item discussed at any Council Meeting (whether they attend or not) they must:

1. complete a disclosure of interest form prior to the meeting;
2. advise the chairperson of the interest immediately before the particular item is considered (if attending the meeting); and
3. leave the chamber while the item is being discussed and during any vote taken (if attending the meeting).

The Councillor will be advised to return to the chamber or meeting room immediately after the item has been considered and the vote is complete.



2 OFFICERS REPORTS - PART 1

2.1 DOCUMENTS FOR SEALING

2.1.1 Documents for Sealing

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Manager Governance, Legal & Risk
Attachments: Nil

Officer Recommendation

That the listed documents be signed and sealed.

Executive Summary

1. Under the *Local Government Act 2020*, each Council is a body corporate and a legal entity in its own right. Each Council must therefore have a common seal (like any corporate entity) that is an official sanction of that Council. Sealing a document makes it an official document of Council as a corporate body. Documents that require sealing include agreements, contracts, leases or any other contractual or legally binding document that binds Council to another party.

Item Summary

2. There are five (5) items being presented to Council's meeting of 23 September 2024 for signing and sealing as follows:
 - a) A letter of recognition to Jen Johanson for 3 years of service on the Audit & Risk Committee for the Greater Dandenong City Council;
 - b) A letter of recognition to Peter Smith for 3 years of service on the Audit & Risk Committee for the Greater Dandenong City Council;
 - c) A letter of acknowledgement and appreciation to Lana Formoso, the outgoing Mayor, for the 2023-2024 mayoral term;
 - d) A letter of acknowledgement and appreciation to Richard Lim OAM for his time as Councillor from 2020-2024; and
 - e) A letter of acknowledgement and appreciation to Tim Dark for his time as Councillor from 2016-2024.



2.2 STATUTORY PLANNING APPLICATIONS

2.2.1 Town Planning Application - No. 37-47 Vision Street, Dandenong South (Planning Application No. PLN24/0167)

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director City Futures
Attachments: 1. Assessed Plans [2.2.1.1 - 2 pages]

Application Summary

Applicant: Vinomofu Pty Ltd
Proposal: Use part of the land to sell liquor (remote seller's packaged liquor licence)
Zone: Industrial 1 Zone
Overlay: Development Plan Overlay – Schedule 6
Development Contributions Plan Overlay – Schedule 3
Ward: Dandenong

1. The application has been brought before Council because Council's Instrument of Delegation requires all applications for a liquor licence (where not associated with a food and drink premise) to be determined by Council at a Council meeting.
2. A remote seller's packaged liquor licence is defined by the Liquor Control Victoria (LCV), as a licence which allows:
3. *People or businesses to sell alcohol to people not currently on the licenced premise. This includes sales over the phone, via the internet or through an app, and delivered to customers to consume off-premises.*
4. The remote seller's licenced premise is where the liquor is supplied from, such as the warehouse where alcohol products are shipped from.
5. A planning permit is required under the Greater Dandenong Planning Scheme, pursuant to:
 - Clause 52.27 (Licensed premises) to use the land to sell or consume liquor, if a licence is required under the Liquor Control Reform Act 1998. A remote seller's packaged liquor licence is a licence required under the Liquor Control Reform Act 1998.



Advertising Summary

6. The application is not required to be advertised as the subject site is within a Development Plan Overlay – Schedule 6 and is exempt from notification.

Recommendation Summary

7. As assessed, the proposal is consistent with and appropriately responds to the provisions of the Greater Dandenong Planning Scheme. The proposal is a suitable outcome noting the strategic policy for Clause 52.27 Licensed Premises, by responding to the purposes of the particular provision, as well as the policy objectives within the Municipal Strategic Statement and Planning Policy Framework. Therefore, this report is recommending that the application be supported, and that a Permit be granted subject to conditions as set out in the recommendation.
8. If the application were to be appealed to the Victorian Civil and Administrative Tribunal (VCAT), it is the officer's view that it is highly likely that VCAT would also issue a planning permit for this proposal.



Subject Site and Surrounds

Subject Site

9. The subject site is legally known as Lot 26 on Plan of Subdivision 643738G Vol 11416 Fol 296, located along the eastern side of Vision Street in Dandenong South. The site is currently used for the purpose of a warehouse which specialise in the distribution of food products to households, retail outlets and storage facilities.
10. The subject site is rectangular in shape. The site has a total of one hundred and thirty (130) car spaces.
11. The existing building on site has an area of 8841sqm and the overall site area is 16,935sqm.
12. Access to the subject site is provided via two (2) crossovers located along the frontage, which connects to Vision Street.
13. The site has a three (3) metre wide landscape strip along the frontage to Vision Street.

Surrounding Area

14. The surrounding sites are also zoned Industrial 1 Zone.
15. The closest residential zone is located 2.7km to the east, which is in Casey City Council.
16. Willow Lodge which is located within a Green Wedge Zone – Schedule 1 is located over 400 metres to the west.
17. The existing development within the immediate area consists of similar industrial/warehouse style buildings, used for a variety of industrial and warehouse uses.

Locality Plan

18. A zoning map of the subject site and the surrounding area is provided below.





19. An aerial photograph of the subject site and the surrounding area, highlighted in red below (Nearmap May 2024).



Background

Previous Applications

20. A search of Council records revealed that Council has previously considered the following planning applications for the site:

- Planning permit PLN13/0713 was issued on 29/12/2023 to No. 25-35 and 37-47 Vision Street, Dandenong South for buildings and works and reduction in parking requirement. The subject building on the subject site is one (1) of the two (2) buildings constructed under this permit.
- Planning permit PLN23/0140 was issued on 28/8/2023 to No. 37-47 Vision Street, Dandenong South for the development of the land for two (2) fuel tanks in association with an existing industrial building.

Proposal

21. The application proposes to use part of the land to sell liquor (remote sellers packaged liquor licence). An area of 285sqm of the building would be used for the storage of liquor together with a 10sqm packing area. The remaining 8546sqm of the existing building would continue to be used for warehousing and distribution of food products to households, retail outlets and other storage facilities.
22. The use of the land for a licensed premises will be utilised in conjunction with the existing use of the land for a warehouse.
23. No buildings and works are proposed with the application. Any internal rearrangement of the warehouse for the use of the land for a licensed premises will be an internal fit out and not increase the floor area.



24. The operation of the site for a licensed premises will consist of the selling of packaged liquor to customers via online retail stores. The product will be delivered to customers off-premises. The packaged liquor will be stored within the existing warehouse and distributed to customers by delivery drivers. Collection will not be available on-site.
25. The proposed trading hours for orders to be packed for delivery and collected (by delivery drivers) are the following:
 - Monday – Saturday: 9am – 11pm.
 - Sunday: 10am – 11pm.
 - ANZAC DAY: 12noon – 11pm.
 - Good Friday or Christmas Day: closed.
26. No signage is proposed within this application and no additional car parking is required.
27. A copy of the submitted plans is provided in Attachment 1 to this report.

Financial Implications

28. There are no financial implications associated with this report.

Planning Scheme and Policy Frameworks

29. A planning permit is required, under the Greater Dandenong Planning Scheme, pursuant to:
 - Clause 52.27 Licensed Premises, to use the land sell or consume liquor if a license is required under the *Liquor Control Reform Act 1998*.
30. Pursuant to the *Liquor Control Reform Act 1998*, a remote sellers packaged liquor licence is a licence included under *the Liquor Control Reform Act 1998*.

Zoning Controls

31. The subject site is located in an Industrial 1 Zone (IN1Z), as is the surrounding area.
32. The purpose of the Industrial 1 Zone, outlined at Clause 33.01, is:
 - To implement the Municipal Planning Strategy and the Planning Policy Framework.
 - To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.
33. It is noted that a planning permit is not required for the use of the land for a licensed premises under the Industrial 1 Zone. Furthermore, the existing use of the land for a warehouse is not proposed to be changed.

Overlay Controls

34. The site is affected by the Development Plan Overlay – Schedule 6 and the Development Contribution Overlay – Schedule 3.
35. The Development Plan Overlay – Schedule 6 applies to land in Keysborough and Lyndhurst which is to be developed for industrial purposes. The existing building on the land was developed in accordance with Planning permit No. PLN13/0713 which was issued on 29/11/2013 for buildings and works and reduction in the parking requirements.
36. The purpose of the Development Contributions Plan Overlay, outlined at Clause 45.06 are:
 - To implement the Municipal Planning Strategy and the Planning Policy Framework.



37. To identify areas which require the preparation of a development contributions plan for the purpose of levying contributions for the provision of works, services and facilities before development can commence.

State Planning Policy Framework

38. The Operation of the State Planning Policy Framework outlined at Clause 10 seeks to ensure that the objectives of planning in Victoria are fostered through appropriate land use and development planning policies and practices which integrate relevant environmental, social and economic factors in the interests of net community benefit and sustainable development. The objectives of Planning in Victoria are noted as:

- a) *To provide for the fair, orderly, economic and sustainable use, and development of land.*
- b) *To provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity.*
- c) *To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.*
- d) *To conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.*
- e) *To protect public utilities and other facilities for the benefit of the community.*
- f) *To facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e).*
- g) *To balance the present and future interests of all Victorians.*

39. In order to achieve those objectives, there are a number of more specific objectives contained within the State Planning Policy Framework that need to be considered under this application.

40. **Clause 17 (Economic Development)** contains two (2) key objectives and can be summarised in emphasising the need for planning to provide for a strong and innovative economy, and to contribute to the economic wellbeing of the state to allow for municipalities to build upon regional strengths and economic potential.

41. These objectives are further explored within the following subclauses under Clause 17 Economic Development. **Clause 17.01-1S Diversified Economy** seeks to strengthen and diversity the economy, by facilitating growth in a range of employment sectors and to improve access to jobs closer to where people live.

Local Planning Policy Framework

42. The Local Planning Policy Framework (LPPF) includes the Municipal Strategic Statement (MSS) and Local Policies.

43. The MSS is contained within Clause 21 of the Scheme. The MSS at Clause 21.02 focuses on the Municipal Profile, within which the following is noted:

- *Greater Dandenong is a net provider of jobs, with a resident workforce of 53,000, and local businesses providing approximately 74,000 jobs. Greater Dandenong businesses provide the third highest number of jobs in metropolitan Melbourne, with the employment sector largely orientated towards manufacturing occupations. Within the metropolitan Melbourne area, Greater Dandenong is ranked – in terms of job stock – first in manufacturing, second in storage, third in road transport and fourth in wholesale trade. The extension of the Urban Growth Boundary by the State Government will facilitate further industrial development in Dandenong and some 25,000 new jobs, to maintain Greater Dandenong's pivotal role in the State economy.*



44. A Vision for Greater Dandenong is outlined at Clause 21.03, within which the following is noted:

- *A nationally and internationally competitive city; a pre-eminent industrial centre for Melbourne's south-east with a significant high-tech/knowledge industrial component; a centre for government, multi-national investment and employment; vibrant commercial and retail sector and a state of the art inter-modal transport interchange for south eastern Victoria.*

Particular Provisions

45. The purpose of **Clause 52.27 Licensed Premises** needs to be considered to determine the appropriateness of the proposal to use the land for a licensed premises.

46. The purpose of Clause 52.27 Licensed Premises is as follows:

- To ensure that licensed premises are situated in appropriate locations.
- To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.

47. Pursuant to Clause 52.27 Licensed Premises, the responsible authority must consider before deciding on an application (in addition to the decision guidelines in Clause 65), the following decision guidelines:

- The Municipal Planning Strategy and the Planning Policy Framework.
- The impact of the sale or consumption of liquor permitted by the liquor licence on the amenity of the surrounding area.
- The impact of the hours of operation on the amenity of the surrounding area.
- The impact of the number of patrons on the amenity of the surrounding area.
- The cumulative impact of any existing licensed premises and the proposed licensed premises on the amenity of the surrounding area.

General Provisions

48. Clause 65 – Decision Guidelines need to be considered, as is the case with all applications. For this application the requirements of Clause 65.01 for the approval of an application or plan are of relevance. This Clause outlines the requirements that the responsible authority must consider when determining the application.

Restrictive Covenants

49. Covenant AK925444V (created on 25/2/2014) is recorded on the Certificate of Title to the land. The covenant restricts the erection of any side and rear boundary fences other than in industrial chain mesh. The covenant also prohibits the use of the land for the purposes of motor vehicle wrecking, junk yard or containers storage depot. The proposed use of the land for the purpose of a remote seller's licence would not result in a breach of the covenant.

Diversity, Access and Equity

50. It is not considered that the planning assessment of this application raises any diversity issues. The application itself does not have a direct and significant impact on the wider Greater Dandenong community.



Community Safety

51. It is considered that there would be no adverse community safety implications in permitting the proposal subject to strict conditions on any planning permit issued.

Safe Design Guidelines

52. Consideration of the relevant requirements of these Guidelines has been undertaken within the Assessment of this application.

Referrals

53. The application was not required to be referred to any external referral authorities pursuant to section 55 of the *Planning and Environment Act 1987*, however Council referred the application for comment only (under Section 52 of the *Planning and Environment Act 1987*) to both Victoria Police and the Liquor Control Victoria (LCV).

54. The application was externally referred to the following for their consideration (summarised):

External Authority	Response
Victoria Police	No comment
Liquor Control Victoria	No comment

55. The application was internally referred the following Council departments:

Council Referrals	Response
Community Services	No objection

Advertising

56. Pursuant to Clause 43.04-3 (Development Plan Overlay), if a development plan has been prepared to the satisfaction of the responsible authority, an application under any provision of this planning scheme is exempt from the notice requirements of section 52(1)(a), (b) and (d), the decision requirements of section 64(1), (2) and (3) and the review rights of section 82(1) of the Act.

Assessment

Use

57. The proposal has been assessed against the relevant provisions of the Greater Dandenong Planning Scheme, including the Planning Policy Framework, Local Planning Policy Framework, the Particular Provision for Liquor Licencing at Clause 52.27 and Clause 65 – Decision Guidelines.

58. The subject site is located within an established Industrial 1 Zone with the immediately adjoining lots used for a variety of industrial and warehouse uses, with no adverse impacts to the surrounding area anticipated as a result of the proposal.



59. The subject site is considered an appropriate location for the use of the land for a licensed premises given the subject site contains an existing warehouse building. No changes to the existing use of the land for a warehouse are proposed, nor any changes to the existing structure of the built form.
60. The nearest residential zone is located 2.7 kilometres to the east, which is in Casey City Council. Willow Lodge which is located within a Green Wedge Zone – Schedule 1 is located over 400 metres to the west. Therefore, it is considered that the use of the land for a licensed premises will not adversely impact the existing amenity of the closest established residential area.
61. The current proposal to use part of the land for a licensed premises will have little impact on the existing traffic to the site or the surrounding area.
62. The packaged liquor for sale will be stored internally within the existing warehouse in an orderly manner (on pallets within the warehouse). The liquor will be loaded onto the delivery vehicles collecting the orders on-site, with little impact to the functionality of the existing car parking area. Conditions can be imposed on any permit issued to ensure vehicles related to this use do not impede the accessway.
63. The warehouse will maintain the following hours for the packing and delivering of liquor:
 - Monday – Saturday: 9am – 11pm.
 - Sunday: 10am – 11pm.
 - ANZAC DAY: 12noon – 11pm.
 - Good Friday or Christmas Day: closed.
64. It is noted that the hours proposed are within the hours that Liquor Control Victoria, detail that they allow under any remote sellers packaged liquor licences issued by them.
65. No sale of the packaged liquor will occur on-site, with all sales to be conducted and received online website. No collection of the packaged liquor by the customer will occur, with all sales of the packaged liquor to be delivered via delivery drivers to other locations.
66. For orders from customers who are unable to complete age verification, the operator will reach out and require the customer to upload a photo of a government issued ID (like a driver's license or passport) for verification before completing the purchase.
67. For orders from customers who are unable to verify their age and unable to provide age proof, the order will be cancelled, and a refund will be issued.
68. The proposal complies with the relevant objectives within the Municipal Planning Strategy and Planning Policy Framework within the Greater Dandenong Planning Scheme. It is considered that the proposal would improve services on the site and provide a benefit to the community by way of employment, without compromising the local amenity of the surrounding land uses. The proposal meets the objectives of Clause 17 (Economic Development) and Clause 17.01-1S (Diversified Economy) of the Planning Policy Framework in that it is considered to meet the community's needs for accessible facilities located within the municipality.
69. The cumulative impact of the proposal was assessed, to demonstrate both positive and negative impacts that can result from any cluster of existing licensed premises within the surrounding area. A search of existing licensed premises within a 100 metre and 500 metre radius of the subject site was conducted.
70. Within a 100 metre radius, there is no existing licensed premises.
71. Within a 500 metre radius, there is no existing licensed premises.



72. As demonstrated above, there is no existing packed licensed premises located within a 100 metre or 500 metre radius of the subject site. Therefore, this does not result in a cluster of licensed premises within proximity to the site, as defined in Clause 52.27 - Licenced Premises and PPN61 Licensed premises: assessing cumulative impact.
73. The premises cannot be accessed by the public/customer. This is consistent with the planning definition of 'warehouse'.
74. The proposed Redline Plan and Alcohol Management Plan (AMP) has been assessed against requirements in the *Planning and Environment Act 1987*, *Liquor Control Reform Act 1998*, and Council's Alcohol Management Policy and Information Guidelines.
75. The Redline Plan is compliant with Liquor Control Victoria guidelines and only includes shelving and packaged area.
76. The Alcohol Management Plan shows a comprehensive commitment to mitigating alcohol-related harm that can arise from remote online/phone sales and delivery.
77. This includes detailed processes for:
 - Responsible Service of Alcohol training and understanding of intoxication issues.
 - Onsite managerial presence at all times, and procedures for addressing issues arising.
 - Standard delivery times that do not include rapid delivery.
 - Proof of Age verification procedures when taking and delivering orders, and refusal of service as necessary.
 - Discounting and promotion strategies that will proactively adhere to legislative requirements and responsible advertising standards.
78. As per the Liquor Control Victoria, licensees who sell and deliver packaged liquor bought off-premises via phone or online sales (operating under a remote sellers packaged liquor licence) must keep and supply records regarding their failed deliveries of purchased packaged liquor. This is in the instance that the following scenarios occur which are relevant to this application:
 - The recipient was a minor and/or could not produce photo identification; or
 - The recipient was intoxicated or there was a substantial risk they were intoxicated.
79. The record must be maintained to detail the date and time of each failed delivery, the postcode of the location where the refusal occurred and/or the total number of successful deliveries made during the relevant period.
80. It is worth noting that the remote sellers packaged liquor license sought within this application will be subject to standard practices by the relevant bodies to ensure the ongoing safety and wellbeing of the community.
81. Based on the above, it is considered that the proposal is appropriately located and would be managed to avoid any impact on the amenity of the surrounding area and community.

Conclusion

82. The application has been assessed against the relevant sections of the Greater Dandenong Planning Scheme, including the Planning Policy Framework, Local Planning Policy Framework, Municipal Strategic Statement, Clause 52.27 and Clause 65.
83. Overall, it is considered that the proposal is appropriate having regard to the site's location within an Industrial 1 Zone.



Officer Recommendation

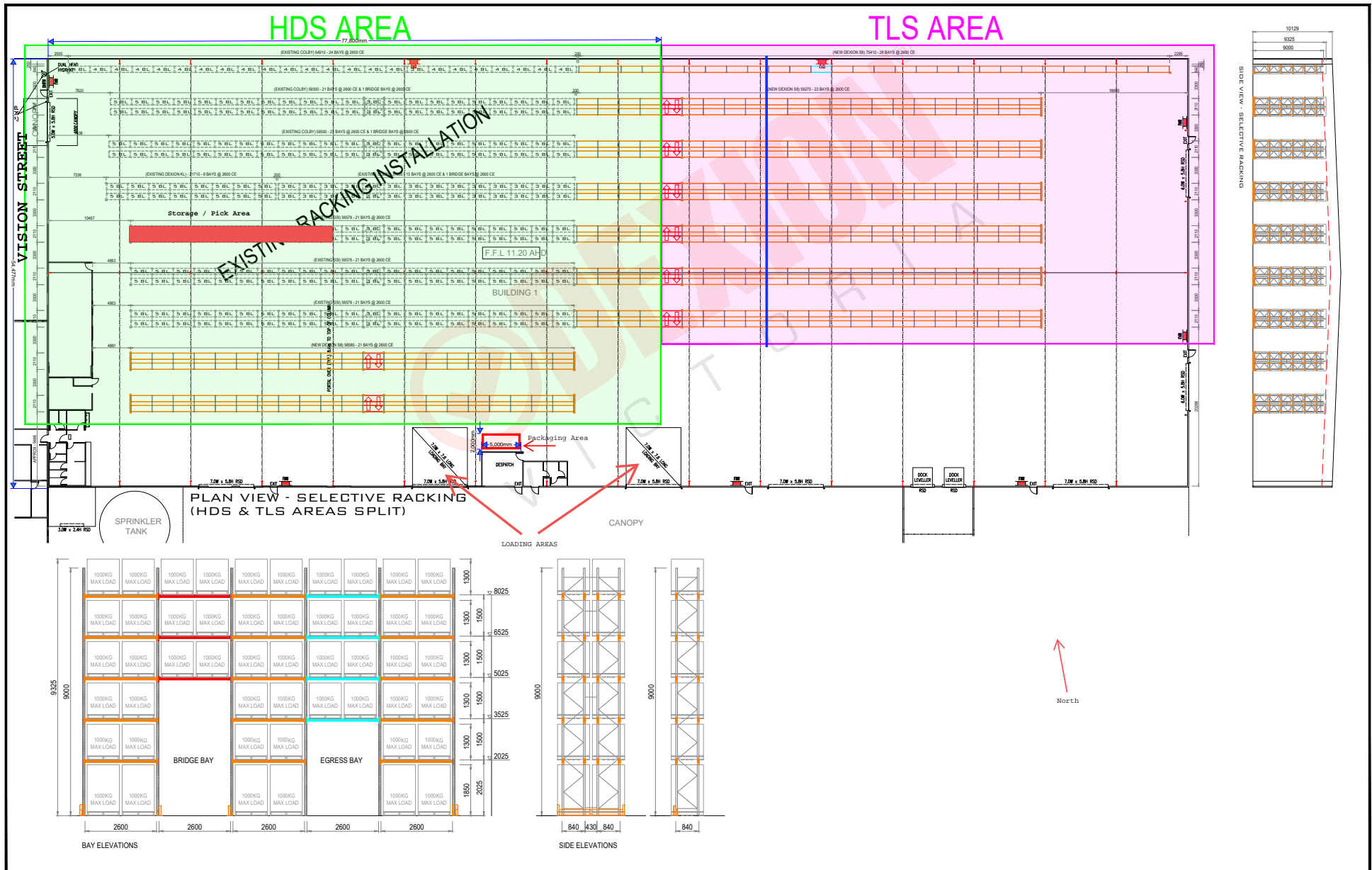
That Council resolves to grant a planning permit in respect of the land known and described as No. 37-47 Vision Street, Dandenong South VIC 3175 (Lot 26 PS 643738G Vol 11416 Fol 296) for the use of part of the land to sell liquor (remote seller's packaged liquor licence), in accordance with the plans submitted with the application subject to the following conditions:

- 1. The licensed area shown on the endorsed Redline plan must not be altered without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 2. The licensee must ensure that no delivery of packaged liquor within two (2) hours of the sale will occur without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 3. Customers must not directly collect purchased liquor from the site at any time.**
- 4. The licensee must ensure that no liquor promotions will be carried out as part of the remote sellers packaged liquor license, without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 5. Rubbish, including bottles and packaging material, must at all times be stored within the building and screened from external view (except when collection is to occur the following morning).**
- 6. The applicant must maintain and supply a delivery record, as per the requirements Of the *Liquor Control Reform Act 1998*, for each instance of refusal to deliver packaged liquor.**
- 7. The amenity of the area must not be detrimentally affected by the use of land, including through the:**
 - 7.1. transportation of materials, goods or commodities to or from the land;**
 - 7.2. appearance of any building, works or materials;**
 - 7.3. emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, girt or oil;**
 - 7.4. presence of vermin; or**
 - 7.5. in any other way.****to the satisfaction of the Responsible Authority.**
- 8. Liquor is to be picked and packed during the following hours only:**
 - 8.1. 9am to 11pm Monday to Saturday.**
 - 8.2. 10am to 11pm Sunday.**
 - 8.3. 12noon to 11pm on ANZAC Day.**



- 8.4. Closed on Good Friday and Christmas Day.**
- 9. Orders for packaged liquor is to be delivered during the following hours only:**
- 9.1. 9am to 11pm Monday to Saturday.**
 - 9.2. 10am to 11pm Sunday.**
 - 9.3. 12noon to 11pm on ANZAC Day**
 - 9.4. Closed on Good Friday and Christmas Day.**
- 10. The trading hours within Conditions 8 and 9 of the planning permit must not be altered without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 11. Delivery vehicles must not obstruct the accessway during deliveries and/or collections, or any other time, to the satisfaction of the Responsible Authority.**
- 12. This permit will expire if one of the following circumstances applies:**
- 12.1. the use does not start within two (2) years of the date of this permit; or**
 - 12.1. the use is discontinued for a period of two (2) years.**

The Responsible Authority may extend the periods referred to if a request is made in writing before the permit expires or within six (6) months afterwards.



SHEET
(A1)

ISSUE	No.	DATE	In.	COMMENTS	No.	DATE	In.	COMMENTS
	2				5			
	1	12.05.22	AC	SALES DWG -1	4			
	0	27.04.22	AC	SALES DWG -0 (OPTION 1)	3			

CLIENT	HOME DELIVERY SERVICES
TITLE	PROPOSED RACKING LAYOUT
SITE	DANDENONG SOUTH



2.2.2 Town Planning Application - No. 8 Atlantic Drive Keysborough (Planning Application No. PLN24/0129)

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director City Futures
Attachments: 1. Council Report Attachment - Red Line Plan [2.2.2.1 - 1 page]

Application Summary

Applicant: 80Proof Online Pty Ltd
Proposal: Use of the land to sell liquor (remote sellers packaged liquor licence)
Zone: Industrial 1 Zone (IZ1)
Overlay: Development Plan Overlay, Schedule 6 (DPO6),
Development Contribution Plan Overlay, Schedule 2 (DCPO2)
Ward: Keysborough

1. This application has been brought before Council because Council's Instrument of Delegation requires all applications for a liquor licence (where not associated with a food and drink premise) to be determined by Council at a Council Meeting.
2. A remote sellers packaged liquor licence is defined by Liquor Control Victoria (LCV), as a licence which allows:
3. *People or businesses to sell alcohol to people not currently on the licenced premise. This includes sales over the phone, via the internet or through an app, and delivered to customers to consume off-premises.*
4. The remote seller's licenced premise is where the liquor is supplied from, such as the warehouse where alcohol products are shipped from.
5. A planning permit is required under the Greater Dandenong Planning Scheme, pursuant to:
 - Clause 52.27 (Licensed premises) to use the land to sell or consume liquor, if a license is required under the *Liquor Control Reform Act 1998*. A remote sellers packaged liquor license is a license required under the *Liquor Control Reform Act 1998*.



Objectors Summary

6. In accordance with Council Policy, notification of the application was undertaken by way of letters sent to the owners and occupiers of surrounding land and placing a sign in front of the subject site. This allowed people to make submissions if there were any concerns relating to the proposal.
7. No objections to the proposal were received by Council to date.

Recommendation Summary

8. As assessed, the proposal is consistent with, and appropriately responds to the provisions of the Greater Dandenong Planning Scheme. The proposal is a suitable outcome noting the strategic policy for Clause 52.27 Licensed Premises, by responding to the purposes of the particular provision, as well as the policy objectives within the Municipal Strategic Statement and Planning Policy Framework. Therefore, this report is recommending that the application be supported, and that a Permit be granted subject to conditions as set out in the recommendation.
9. If the application was to be appealed to the Victorian Civil and Administrative Tribunal (VCAT) is it the officer's view that it is highly likely that VCAT would also issue a planning permit for this proposal.



Subject Site and Surrounds

Subject Site

10. The subject site is legally known as Lot 20 on Plan of Subdivision 800991 and is located on the south side of Atlantic Drive in Keysborough. The site is currently utilised as a warehouse.
11. The subject site is rectangular in shape.
12. The subject site has a front and rear boundary width of 45.5 metres, an east boundary of 53.57 metres and a west boundary of 41.6 metres.
13. The overall site area is 2,435 sqm.
14. The subject site currently contains one (1) existing warehouse and ancillary office.
15. Access to the subject site is provided via two (2) double width crossovers, providing access to Atlantic Drive to the north of the subject site.
16. There are twenty-four (24) car parking spaces provided to the existing warehouses.

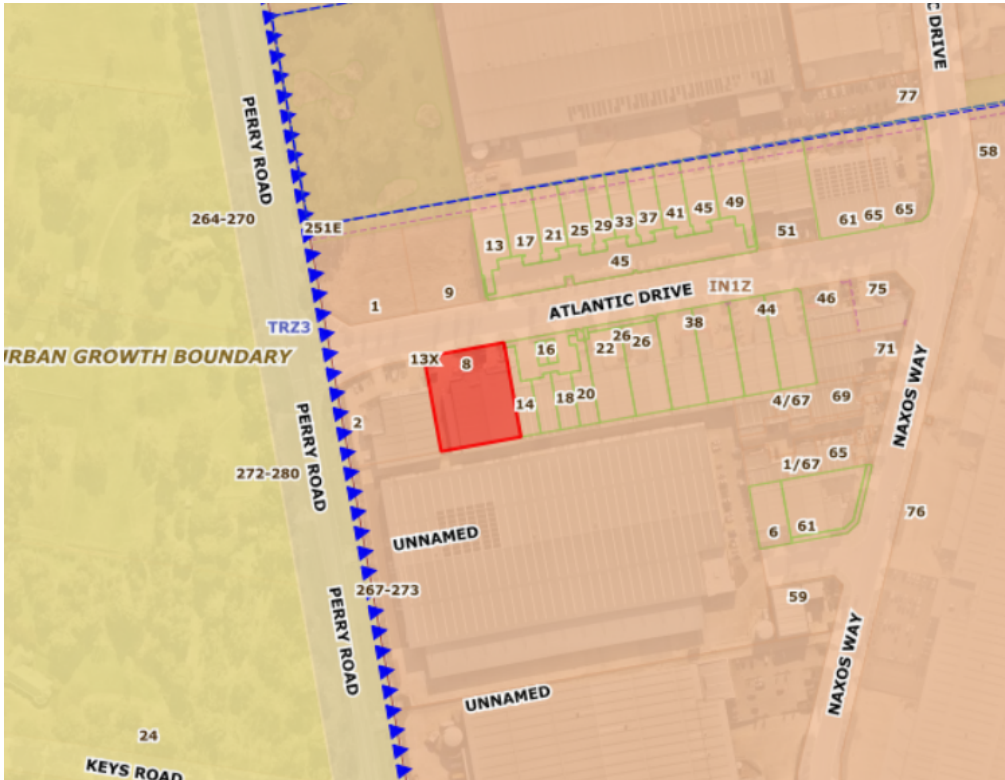
Surrounding Area

17. The surrounding sites are zoned Industrial 1 Zone, with the Green Wedge Zone 1 located further to the west.
18. The nearest residential zone (General Residential Zone, Schedule 2) is approximately 1.37 kilometres to the northwest of the subject site.
19. The existing development within the immediate area consists of similar industrial buildings and warehouses, used for a variety of commercial and industrial uses.
20. The Dandenong Central Activity Centre is located approximately 4 kilometres to the northeast and the Parkmore Activity Centre is 3.2 kilometres to the northwest of the subject site.

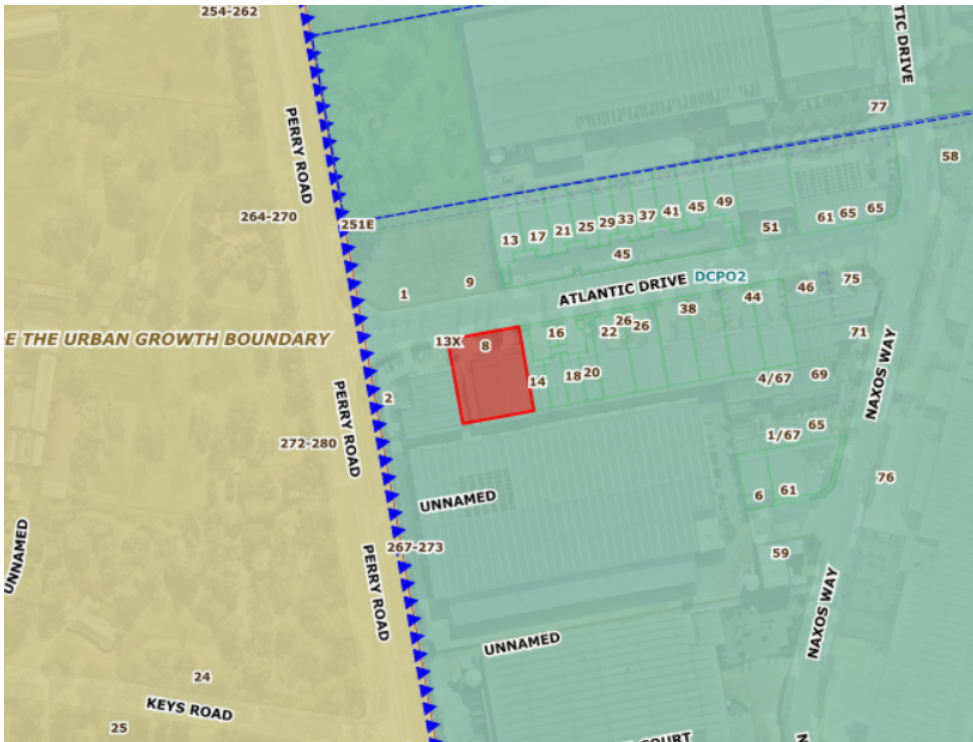


Locality Plan

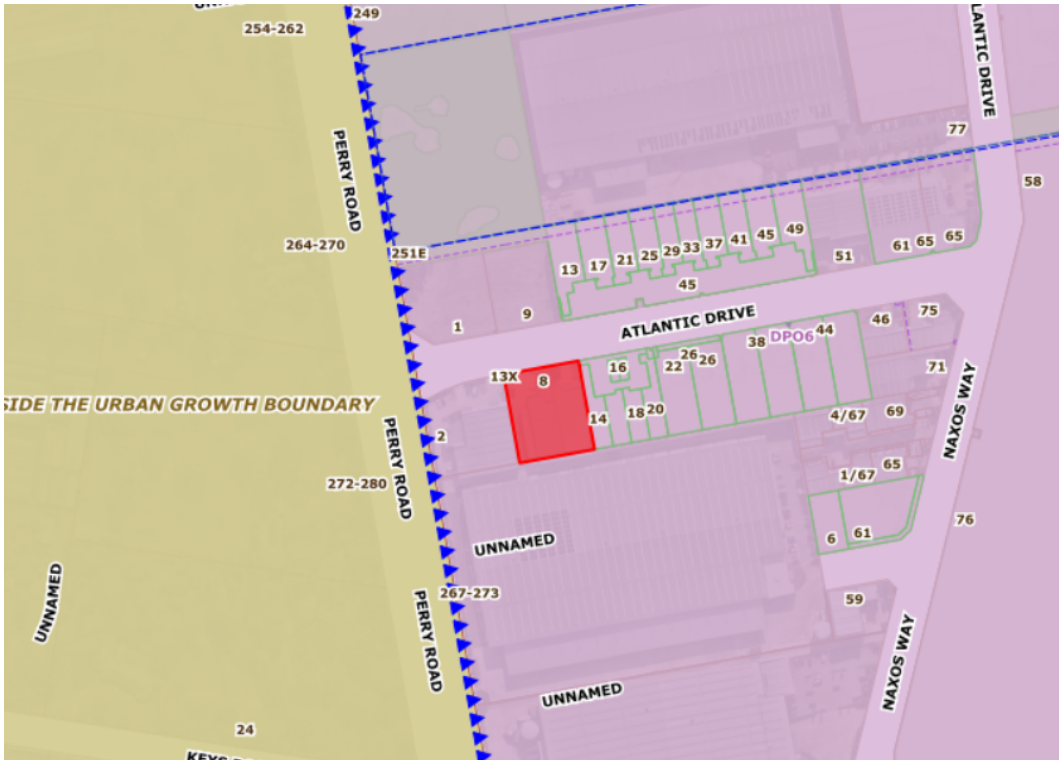
21. A zoning map of the subject site and the surrounding area is provided below:



22. An overlay map showing the Development Contribution Plan Overlay, Schedule 2 (DCPO2) of the subject site and the surrounding area is provided below:



23. An overlay map showing the Development Plan Overlay (DPO6) of the subject site and the surrounding area is provided below:



24. An aerial photograph of the subject site and the surrounding area, highlighted in red below (Nearmaps, May 2024).



Background

Previous Applications



25. A search of Council records revealed that Council has previously considered the following planning applications for the site:

Planning Permit ref. no.	For:	Outcome:
PLN16/0484	The subdivision of the land at 259-265 & 275-281 Perry Road KEYSBOROUGH VIC 3173 (Lot 1 on Plan of Subdivision 332103N & Lot 5 LP 130778)	Planning permit issued on 23 December 2016
PLN18/0705	Development of the land for a warehouse	Planning permit issued on 16 September 2019

Proposal

26. The application proposes to use the land for a licensed premises (remote sellers packaged liquor licence).
27. The use of the land for a licensed premises will be utilised in conjunction with the existing use of the land for a warehouse.
28. No buildings and works are proposed within the application, with the use of the land for a licensed premise utilising the existing warehouse on the subject site. Any internal rearrangement of the warehouse for the use of the land for a licensed premises will be an internal fit out and will not increase the floor area.
29. The operation of the site for a licensed premises will consist of the selling of packaged liquor to individuals and/or businesses, via an e-commerce business. The product will be delivered to customers off-premises. The packaged liquor will be stored within the existing warehouse and distributed to customers via Australia Post. Collection will not be available on-site, nor will there be any rapid delivery options.
30. The proposed trading hours for orders to be packed for delivery and collected by Australia Post are the following:
- Monday to Saturday: 09:00 am – 11:00 pm
 - Sunday: 10:00 am – 11:00 pm
 - ANZAC Day: 12:00 pm – 11:00pm
 - Good Friday, and Christmas Day: No operations
31. No signage is proposed within this application and no additional car parking is required.
32. A copy of the submitted plans are provided in Attachment 1 to this report.

Financial Implications

33. There are no financial implications associated with this report.

Planning Scheme and Policy Frameworks

34. A planning permit is required, under the Greater Dandenong Planning Scheme, pursuant to:
35. Clause 52.27 Licensed Premises, to use the land sell or consume liquor if a license is required under the *Liquor Control Reform Act 1998*.



36. Pursuant to the *Liquor Control Reform Act 1998*, a remote sellers packaged liquor licence is a licence included under the *Liquor Control Reform Act 1998*.

Zoning Controls

37. The subject site is located in an Industrial 1 Zone (IN1Z), as is the surrounding area.

38. The purpose of the Industrial 1 Zone (IN1Z), outlined at Clause 33.01, is:

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To provide for manufacturing industry, the storage and distribution of goods and associated uses in a manner which does not affect the safety and amenity of local communities.*

39. It is noted that a planning permit is not required for the use of the land for a licensed premises under the Industrial 1 Zone. Furthermore, the existing use of the land for a Warehouse is not proposed to be changed.

Overlay Controls

40. Development Plan Overlay, Schedule 6 (DPO6), and Development Contribution Plan Overlay, Schedule 2 (DCPO2) affect the subject site or surrounding area.

41. The purpose of the Development Plan Overlay, Schedule 6 (DPO6), outlined at Clause 43.02, is:

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To identify areas which are affected by specific requirements relating to the design and built form of new development.*

42. The Development Plan Overlay, Schedule 6 (DPO6) contains design guidelines for the built form development of the land. The DPO6 is not relevant to the proposed use of the land.

43. The purpose of the Development Contribution Plan Overlay, Schedule 2 (DCPO2), outlined at Clause 43.04, is:

- *To implement the Municipal Planning Strategy and the Planning Policy Framework.*
- *To identify areas which require the form and conditions of future use and development to be shown on a development plan before a permit can be granted to use or develop the land.*
- *To exempt an application from notice and review if a development plan has been prepared to the satisfaction of the responsible authority.*

44. A Development Contribution was requested and paid under Planning Permit PLN16/0484 (Parent land) which the subject site was created from. No further Development Contribution is required for the proposed use of the land for the online sale of liquor.



45. It is noted that a planning permit is not required for the use of the land for a licensed premises under the Development Plan Overlay, Schedule 6 (DPO6), and Development Contribution Plan Overlay, Schedule 2 (DCPO2). Furthermore, the existing use of the land for a Warehouse is not proposed to be changed.

State Planning Policy Framework

46. The Operation of the State Planning Policy Framework outlined at Clause 10 seeks to ensure that the objectives of planning in Victoria are fostered through appropriate land use and development planning policies and practices which integrate relevant environmental, social and economic factors in the interests of net community benefit and sustainable development. The objectives of Planning in Victoria are noted as:

- a) *To provide for the fair, orderly, economic and sustainable use, and development of land.*
- b) *To provide for the protection of natural and man-made resources and the maintenance of ecological processes and genetic diversity.*
- c) *To secure a pleasant, efficient and safe working, living and recreational environment for all Victorians and visitors to Victoria.*
- d) *To conserve and enhance those buildings, areas or other places which are of scientific, aesthetic, architectural or historical interest, or otherwise of special cultural value.*
- e) *To protect public utilities and other facilities for the benefit of the community.*
- f) *To facilitate development in accordance with the objectives set out in paragraphs (a), (b), (c), (d) and (e).*
- g) *To balance the present and future interests of all Victorians.*

47. In order to achieve those objectives, there are a number of more specific objectives contained within the State Planning Policy Framework that need to be considered under this application.

48. **Clause 17 (Economic Development)** contains two key objectives and can be summarised in emphasising the need for planning to provide for a strong and innovative economy, and to contribute to the economic wellbeing of the state to allow for municipalities to build upon regional strengths and economic potential.

49. These objectives are further explored within the following subclauses under Clause 17 Economic Development. **Clause 17.01-1S Diversified Economy** seeks to strengthen and diversity the economy, by facilitating growth in a range of employment sectors and to improve access to jobs closer to where people live.

Local Planning Policy Framework

50. The Local Planning Policy Framework (LPPF) includes the Municipal Strategic Statement (MSS) and Local Policies.



51. The MSS is contained within Clause 21 of the Scheme. The MSS at **Clause 21.02** focuses on the Municipal Profile, within which the following is noted:

- *Greater Dandenong is a net provider of jobs, with a resident workforce of 53,000, and local businesses providing approximately 74,000 jobs. Greater Dandenong businesses provide the third highest number of jobs in metropolitan Melbourne, with the employment sector largely orientated towards manufacturing occupations. Within the metropolitan Melbourne area, Greater Dandenong is ranked – in terms of job stock – first in manufacturing, second in storage, third in road transport and fourth in wholesale trade. The extension of the Urban Growth Boundary by the State Government will facilitate further industrial development in Dandenong and some 25,000 new jobs, to maintain Greater Dandenong's pivotal role in the State economy.*

52. A Vision for Greater Dandenong is outlined at **Clause 21.03**, within which the following is noted:

- *A nationally and internationally competitive city; a pre-eminent industrial centre for Melbourne's south-east with a significant high-tech/knowledge industrial component; a centre for government, multi-national investment and employment; vibrant commercial and retail sector and a state of the art inter-modal transport interchange for south eastern Victoria.*

Particular Provisions

53. The purpose of **Clause 52.27 Licensed Premises** needs to be considered to determine the appropriateness of the proposal to use the land for a licensed premises.

54. The purpose of Clause 52.27 Licensed Premises is as follows:

- *To ensure that licensed premises are situated in appropriate locations.*
- *To ensure that the impact of the licensed premises on the amenity of the surrounding area is considered.*

55. Pursuant to Clause 52.27 Licensed Premises, the responsible authority must consider before deciding on an application (in addition to the decision guidelines in Clause 65), the following decision guidelines:

- *The Municipal Planning Strategy and the Planning Policy Framework.*
- *The impact of the sale or consumption of liquor permitted by the liquor licence on the amenity of the surrounding area.*
- *The impact of the hours of operation on the amenity of the surrounding area.*
- *The impact of the number of patrons on the amenity of the surrounding area.*
- *The cumulative impact of any existing licensed premises and the proposed licensed premises on the amenity of the surrounding area.*

General Provisions

56. Clause 65 – Decision Guidelines need to be considered, as is the case with all applications. For this application the requirements of Clause 65.01 for the approval of an application or plan are of relevance. This Clause outlines the requirements that the responsible authority must consider when determining the application.



Restrictive Covenants

57. The following covenants are registered on the Certificate of Title for the subject site:

- Covenants PS800991V 23/03/2018, and
- Covenant AQ987809D 04/05/2018

58. Covenant PS800991V outlines the restrictions that the responsible authority must consider when determining the application. The relevant restrictions for the subject site (Lot 20) under Creation of Restriction B are as follows:

- *Creation of Restriction B*
 - *The registered proprietor for the time being of any burdened lot on this plan shall not erect or permit or allow to be or remain erected on the lot or any part of it any building within 9 metres of the front boundary of the burdened Lots and without incorporating a landscape strip with a minimum width of 3 metres between the front boundary and any car parking area unless otherwise permitted by the Responsible Authority.*
 - *The registered proprietor or proprietors for the time being of any burdened lot on this plan shall not erect or permit or allow to be or remain erected on the lot or any part of it any building within 3 metres of a side boundary or rear boundary of a burdened Lot where it abuts a road except for Lots 1, 11 and 21 where the building must not be within 9 metres of Perry Road and without incorporating a landscape strip with a minimum width of 3 metres on the side or rear boundary where it abuts a road unless otherwise permitted by the Responsible Authority.*

59. The subject site complies with the restrictions outlined in the covenant, and no buildings or works are proposed. The existing building features a northern frontage setback of 9.028 metres and includes a landscaping strip of 3.2 metres, meeting the requirements of the above restriction.

60. Covenant AQ987809D relates to the Memorandum of Common Provisions which apply to the site (MC AA3670).

61. The MCP relate to built form outcomes and use requirements.

62. AS no buildings and works are proposed, the subject site continues to comply with the built form requirements of the MCP.

63. The use requirements generally relate to the prohibition of storage of hazardous material and prohibiting certain uses on the site (such as motor vehicle wreckage, a junkyard, a shipping container storage depot, a brothel, an adult sex book shop, a take-away food premises, and motor repairs or panel beating).

64. As the proposal does not include any of the above uses, the proposal does not breach the covenant.

65. The proposed use would not result in a breach of the above covenants.



Links to the Community Vision and Council Plan

66. This report is consistent with the following principles in the Community Vision 2040:

- Not Applicable

67. This report is consistent with the following strategic objectives from the Council Plan 2021-25:

- Not Applicable

Diversity, Access and Equity

68. It is not considered that the planning assessment of this application raises any diversity issues. The application itself does not have a direct and significant impact on the wider Greater Dandenong community.

Community Safety

69. It is considered that there would be no adverse community safety implications in permitting the proposal subject to strict conditions on any planning permit issued.

Safe Design Guidelines

70. Consideration of the relevant requirements of these Guidelines has been undertaken within the Assessment of this application.

Referrals

71. The application was not required to be referred to any external referral authorities pursuant to Section 55 of the *Planning and Environment Act 1987*, however Council referred the application for comment only (under Section 52 of the *Planning and Environment Act 1987*) to both Victoria Police and the Liquor Control Victoria (LCV).

72. The application was externally referred to the following for their consideration (summarised):

External Authority	Response
Victoria Police	No objection.
Liquor Control Victoria	No comment.

Internal

73. The application was internally referred to the following Council Units for their consideration (summarised):

Council Referrals	Response
Community Services	No objection.



Advertising

74. The application has been advertised pursuant to section 52 of the *Planning and Environment Act 1987*, by:
- sending notices to the owners and occupiers of adjoining land; and
 - placing a sign on site in front of the warehouse on the subject site.
75. The notification has been carried out correctly. Council has received zero (0) objections to date.

Assessment

Use

76. The proposal has been assessed against the relevant provisions of the Greater Dandenong Planning Scheme, including the Planning Policy Framework, Local Planning Policy Framework, the Particular Provision for Liquor Licencing at Clause 52.27 and Clause 65 – Decision Guidelines.
77. The subject site is located within an established Industrial 1 Zone with the immediately adjoining lots used for a variety of commercial and warehouse uses, with no adverse impacts to the surrounding area anticipated as a result of the proposal.
78. The subject site is considered an appropriate location for the use of the land for a licensed premises given the subject site contains an existing warehouse. In addition, no changes to the existing use of the land for a warehouse are proposed, nor any changes to the existing structure of the built form.
79. The nearest General Residential Zone (General Residential Zone, Schedule 2) is located to the north-west of the subject site, at a distance of 1.37 kilometres. Therefore, it is considered that the use of the land for a licensed premises will not adversely impact the existing amenity of the closest established residential area.
80. The current proposal to use the land for a licensed premises will have little impact on the existing traffic of the surrounding area and Atlantic Drive, which is connected to the site via a service lane and Perry Road (a road in a Transport Zone 3).
81. The packaged liquor for sale will be stored internally within the existing warehouse in an orderly manner. The liquor will be loaded on-site for delivery, with little impact to the functionality of the existing car parking area. Conditions can be imposed on any permit issued to ensure vehicles related to this use do not impede the accessway.
82. The warehouse will maintain the following hours for the packing and delivering of liquor:
- Monday to Saturday: 09:00 am – 11:00 pm
 - Sunday: 10:00 am – 11:00 pm
 - ANZAC Day: 12:00 pm – 11:00 pm
 - Good Friday, or Christmas Day: No operations

It is noted that the hours proposed are within the hours that Liquor Control Victoria detail that they allow under any remote sellers packaged liquor licences issued by them.



83. No sale of the packaged liquor will occur on-site, with all sales to be conducted and received online. No collection of the packaged liquor by the customer will occur, with all sales of the packaged liquor to be delivered via Australia Post wine and alcohol delivery service to other locations.
84. The proposal complies with the relevant objectives within the Municipal Planning Strategy and Planning Policy Framework within the Greater Dandenong Planning Scheme. It is considered that the proposal would improve services on the site and provide a benefit to the community by way of employment, without compromising the local amenity of the surrounding land uses. The proposal meets the objectives of Clause 17 (Economic Development) and Clause 17.01-1S (Diversified Economy) of the Planning Policy Framework in that it is considered to meet the community's needs for accessible facilities located within the municipality.
85. The cumulative impact of the proposal was assessed, to demonstrate both positive and negative impacts that can result from any cluster of existing licensed premises with the surrounding area. A search of existing licensed premises within a 100 metre and 500 metre radius of the subject site was conducted.

- Within a 100 metre radius is the following existing licensed premises:

No existing licensed premises are located within a 100 metre radius of the subject site.

- Within a 500 metre radius is the following existing licensed premises:

License no.	Category	Premises	Property Address
36146919	Remote Seller's Licence (previously Limited Licence)	80Proof Pty Ltd	49 Atlantic Drive Keysborough
32071138	Packaged Liquor Licence (does not allow for the physical collection of liquor from the premises)	80Proof Pty Ltd	49 Atlantic Drive Keysborough

86. As demonstrated above, zero (0) existing licensed premises are located within 100 metres of the subject site. A total of two (2) existing licensed premises are within a 500 metre radius from the subject site. Therefore, this does not result in a cluster of licensed premises within close proximity to the site, as defined in Clause 52.27 - Licenced Premises.
87. It is worth noting that the Victorian Commission for Gambling and Liquor Regulation (VCGLR) requires an alcohol management strategy to be provided if the following applies to the remote sellers packaged liquor licence sought:
- (if the operator of the license) offers delivery within 2 hours of an order being placed; or
 - conducts liquor sale promotions for purchases (including discounts for multiple purchases, gift with purchases etc.)
88. As no alcohol management strategy has been provided as part of an application for a planning permit, a condition is to be placed on any permit granted to prevent the abovementioned activities from being undertaken without the prior written consent of the Responsible Authority or Liquor Control Victoria.



89. As per the Victorian Liquor Commission (supported by Liquor Control Victoria), licensees who sell and deliver packaged liquor bought off-premises via phone or online sales (operating under a remote sellers packaged liquor licence) must keep and supply records regarding their failed deliveries of purchased packaged liquor. This is in the instance that the following scenarios occur which are relevant to this application:
- The recipient was a minor and/or could not produce photo identification; or
 - The recipient was intoxicated or there was a substantial risk they were intoxicated.
90. The record must be maintained to detail the date and time of each failed delivery, the postcode of the location where the refusal occurred and/or the total number of successful deliveries made during the relevant period.
91. It is worth noting that the remote sellers packaged liquor licence sought within this application will be subject to standard practices by the relevant bodies to ensure the ongoing safety and wellbeing of the community.
92. Based on the above, it is considered that the proposal is appropriately located and would be managed to avoid any impact on the amenity of the surrounding area and community.

Conclusion

93. The application has been assessed against the relevant sections of the Greater Dandenong Planning Scheme, including the Planning Policy Framework, Local Planning Policy Framework, Municipal Strategic Statement, Clause 52.27 and Clause 65.
94. Overall, it is considered that the proposal is appropriate having regard to the site's location within an Industrial 1 Zone.

Officer Recommendation

That Council resolves to grant a planning permit in respect of the land known and described as No. 8 Atlantic Drive KEYSBOROUGH VIC 3173 (Lot 20 PS 800991), for the purpose of the use of the land to sell liquor (remote sellers packaged liquor licence) in accordance with the plans submitted with the application subject to the following conditions:

- 1. The licensed area shown on the endorsed Redline plan must not be altered without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 2. The licensee must ensure that no delivery of packaged liquor within two (2) hours of the sale will occur without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 3. Customers must not directly collect purchased liquor from the site at any time.**
- 4. The licensee must ensure that no liquor promotions will be carried out as part of the remote sellers packaged liquor licence, without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
- 5. Rubbish, including bottles and packaging material, must at all times be stored within the building and screened from external view (except when collection is to occur the following morning).**



6. **The applicant must maintain and supply a delivery record, as per the requirements of the *Liquor Control Reform Act 1998*, for each instance of refusal to deliver packaged liquor.**
7. **The amenity of the area must not be detrimentally affected by the use of land, including through the:**
 - 7.1 **transportation of materials, goods or commodities to or from the land;**
 - 7.2 **appearance of any building, works or materials;**
 - 7.3 **emission of noise, artificial light, vibration, smell, fumes, smoke, vapour, steam, soot, ash, dust, waste water, waste products, girt or oil;**
 - 7.4 **presence of vermin; or**
 - 7.5 **in any other way**

All to the satisfaction of the Responsible Authority.

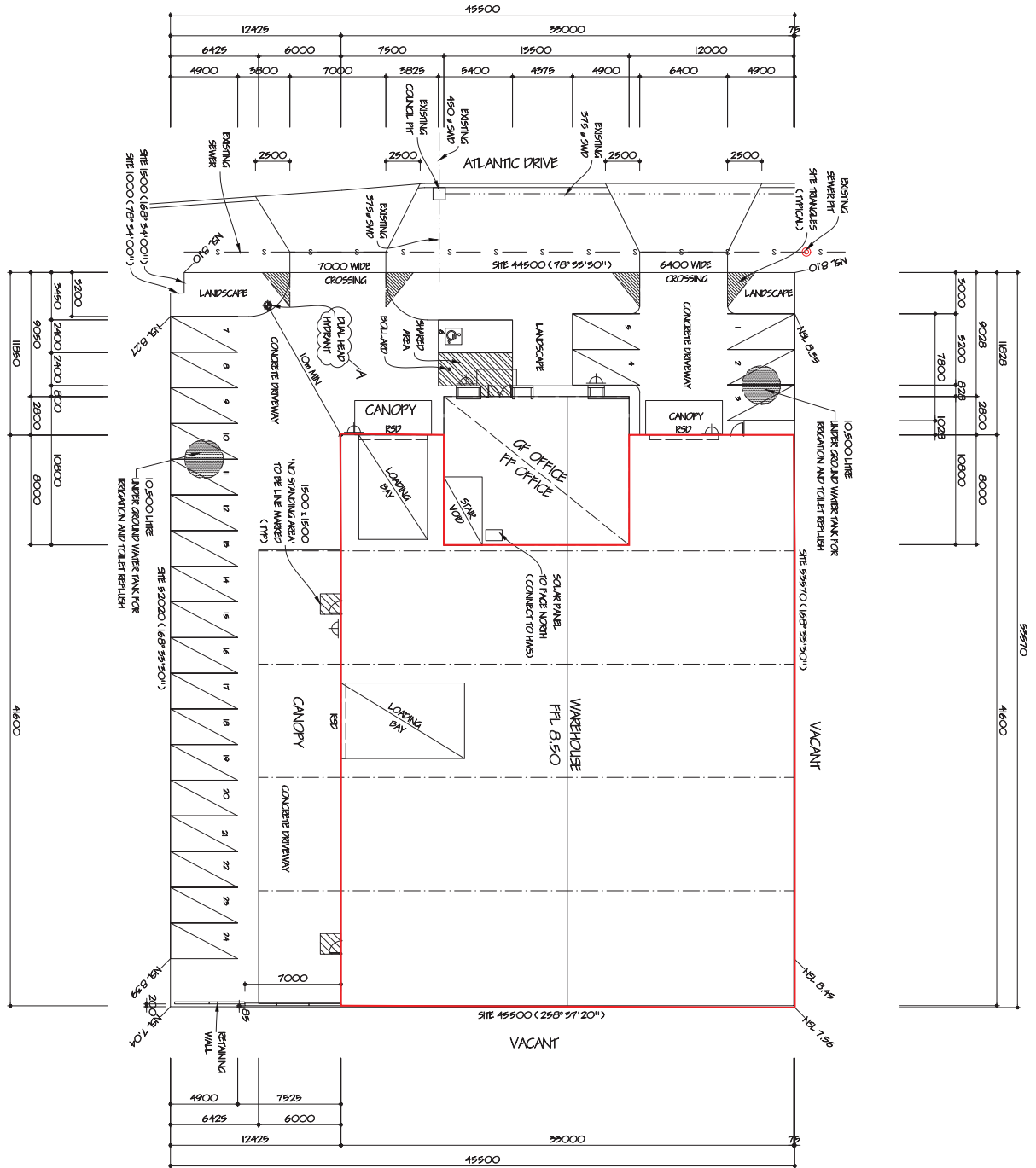
8. **Liquor is to be picked and packed during the following hours only:**
 - 8.1 **10:00 am – 05:00 pm Monday to Friday**
9. **The delivery of liquor must only be carried out between the hours of:**
 - 9.1 **Monday to Saturday: 09:00 am – 11:00 pm**
 - 9.2 **Sunday: 10:00 am – 11:00 pm**
 - 9.3 **ANZAC Day: 12:00 pm – 11:00 pm**
 - 9.4 **No deliveries to be carried out on Good Friday, or Christmas Day**

Unless with the written consent of the Responsible Authority.

10. **The trading hours within Condition 9 and 10 of the planning permit must not be altered without the prior written consent of the Responsible Authority and Liquor Control Victoria.**
11. **Delivery vehicles must park entirely within the site during deliveries and collections, and must not obstruct crossovers at any time, to the satisfaction of the Responsible Authority.**
12. **This permit will expire if one of the following circumstances applies:**
 - 12.1 **the use does not start within two (2) years of the date of this permit; or**
 - 12.2 **the use is discontinued for a period of two (2) years.**

The Responsible Authority may extend the periods referred to is a request is made in writing before the permit expires or within six (6) afterwards.

SITE PLAN



RED LINE PLAN
 8 ATLANTIC DRIVE
 KEYSBOROUGH
 3173, VIC.



2.2.3 Planning Decisions Issued by Planning Minister's Delegate – August 2024

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director City Futures
Attachments: Nil

Officer Recommendation

That the report be noted.

Executive Summary

1. This report provides Council with an update on the exercise of delegation by Planning Minister's delegate.
2. No decisions were reported for the month of August 2024.



2.2.4 Planning Delegated Decisions Issued - August 2024

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director City Futures
Attachments: 1. Planning Delegated Decisions Issued - August 2024
[2.2.4.1 - 8 pages]

Officer Recommendation

That the listed items in Attachment 1 to this report be received and noted.

Executive Summary

1. This report provides Council with an update on the exercise of delegation by Council officers.
2. It provides a listing of Town Planning applications that were either decided or closed under delegation or withdrawn by applicants in August 2024.
3. It should be noted that where permits and notices of decision to grant permits have been issued, these applications have been assessed as being generally consistent with the Greater Dandenong Planning Scheme and Council's policies.
4. Application numbers with a PLA#, PLN#.01 or similar, are applications making amendments to previously approved planning permits.
5. The annotation 'SPEAR' (Streamlined Planning through Electronic Applications and Referrals) identifies where an application has been submitted electronically. SPEAR allows users to process planning permits and subdivision applications online.

Planning Delegated Decisions Issued from 01/08/2024 to 31/08/2024

City of Greater Dandenong

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLA24/0012	PlnAppAmd	No	2/533 Frankston Dandenong Road DANDENONG SOUTH VIC 3175	D McPhee	AMENDMENT TO: Development of the land for a Warehouse and to alter access to road in a Road Zone Category 1 (PLN21/0374)	Amend endorsed landscape plan to reflect what was constructed on the site	Delegate	AmendPerm	30/08/2024	Dandenong
PLA24/0016	PlnAppAmd	No	36 Edward Avenue DANDENONG VIC 3175	GD Design Group	AMENDMENT TO: Development of the land for two (2) single storey dwellings (PLN20/0530)	Amend endorsed plans to change approved double storey dwellings to single storey dwellings	Delegate	AmendPerm	22/08/2024	Cleeland
PLA24/0041	PlnAppAmd	No	30 Victor Avenue DANDENONG NORTH VIC 3175	Chisia Homes	AMENDMENT TO: Development of the land for two (2) single storey dwellings (PLN21/0388)	Amend permit to allow for two single storey dwellings	Delegate	AmendPerm	28/08/2024	Dandenong North
PLA24/0046	PlnAppAmd	No	504-520 Princes Highway NOBLE PARK NORTH VIC 3174	504 Group Pty Ltd	AMENDMENT TO: Two (2) lot subdivision SPEAR (PLN23/0303)	Amend wording of permit Condition 2	Delegate	AmendPerm	01/08/2024	Noble Park North
PLA24/0059	PlnAppAmd	No	388-404 Frankston Dandenong Road BANGHOLME VIC 3175	Tamarix Poultry Farm Pty Ltd	AMENDMENT TO: Alteration of access to a Category 1 Road Zone, use and development of part of the land for a caretaker's dwelling and the construction of buildings and works associated with the existing intensive animal husbandry use 'egg farm' (PLN02/0589)	Amend endorsed plans to include door to shed 5 and add an additional condition to the permit to allow for secondary consent	Delegate	AmendPerm	28/08/2024	Keysborough South

ADARK

1

02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLA24/0063	PlnAppAmd	No	2-106 Bayliss Road DANDENONG SOUTH VIC 3175	Salta Properties (Lyndhurst) Pty Ltd	AMENDMENT TO planning permit PLN13/0431.02 which allows for buildings and works comprising the construction of a warehouse and a reduction of car parking for a warehouse under Clause 52.06, all in accordance with the endorsed plans. The amendment seeks to alter the endorsed plans. (PLN13/0431)	Amend endorsed plans to facilitate an addition on the west side of the existing warehouse building, new landscape works and minor modifications to the north elevation of the existing building	Delegate	AmendPerm	06/08/2024	Dandenong
PLA24/0071	PlnAppAmd	No	34 Bowmore Road NOBLE PARK VIC 3174	Kostic & Associates Pty Ltd	AMENDMENT TO: Development of the land for six (6) double storey dwellings (PLN22/0135)	Amend permit conditions	Delegate	AmendPerm	14/08/2024	Springvale North
PLA24/0076	PlnAppAmd	No	18 Norris Street NOBLE PARK VIC 3174	JAG Building Design Consultants	AMENDMENT TO: Development of the land for two (2) double-storey dwellings (PLN22/0261)	Amend endorsed plans	Delegate	AmendPerm	29/08/2024	Noble Park
PLA24/0083	PlnAppAmd	No	1/23-25 Pickett Street DANDENONG VIC 3175	M & D Town Planning Pty Ltd	AMENDMENT TO: Use of the land for a Restricted Recreation Facility (Fitness Centre) and to display five (5) business identification signs DECLARED AREA (PLN24/0013)	Amend planning permit condition 9 in relation to hours of operation	Delegate	AmendPerm	27/08/2024	Dandenong
PLN23/0172	PlnApp	No	52 Boyd Street DANDENONG NORTH VIC 3175	Low Cost Draftsman	Development of the land for two (2) double storey dwellings	General Residential 1 Zone, 830sqm	Delegate	PlanPermit	28/08/2024	Cleeland

ADARK

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02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN23/0261	PlnApp	No	37 Ellendale Road NOBLE PARK VIC 3174	P Libert	Development of the land for four (4) double storey dwellings	General Residential 1 Zone, 1011sqm	Delegate	NOD	27/08/2024	Yarraman
PLN23/0336	PlnApp	No	23 Windsor Avenue SPRINGVALE VIC 3171	Nikarri Pty Ltd	Development of the land for twelve (12) triple storey dwellings	Residential Growth 2 Zone, 1171sqm	Delegate	NOD	13/08/2024	Springvale Central
PLN23/0494	PlnApp	No	4 Ash Grove DANDENONG VIC 3175	B Prvcic	Development of the land for two (2) double storey dwellings	General Residential 1 Zone, 596sqm	Delegate	PlanPermit	01/08/2024	Cleeland
PLN23/0512	PlnApp	No	11 Leonard Street DANDENONG VIC 3175	Sekhon Investments Group Pty Ltd	Use and development of the land for a medical centre and development of the land for three (3) dwellings within a three storey building	General Residential 1 Zone, 185sqm, construction of mix-used development maintaining medical centre and three new dwellings	Delegate	PlanPermit	28/08/2024	Cleeland
PLN23/0546	PlnApp	No	118-120 Foster Street DANDENONG VIC 3175	Ricengrills Pty Ltd	Use of the land for sale and consumption of liquor (restaurant and cafe) and reduction in the bicycle parking requirements DECLARED AREA	Comprehensive Development 2 Zone	Delegate	PlanPermit	02/08/2024	Dandenong
PLN24/0011	PlnApp	No	20-30 Ian Street NOBLE PARK VIC 3174	Architekton Ltd	Development of the land for a four storey building containing shops, offices and fourteen 14 dwellings.	No response to further information request	Delegate	Lapsed	06/08/2024	Yarraman

ADARK

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02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN24/0026	PlnApp	No	408-410 South Gippsland Highway DANDENONG SOUTH VIC 3175	Bill Jacobs Design Pty Ltd	Development of the land for an extension to an existing industrial building	Commercial 2 Zone, 1268sqm, construction of a canopy, 36 new car spaces	Delegate	PlanPermit	29/08/2024	Dandenong
PLN24/0035	PlnApp	No	Advertising Sign 4A Hammond Road DANDENONG VIC 3175	Australian Outdoor Media (Tech) P/L	To display an electronic, major promotion sign DECLARED AREA	Comprehensive Development 2 Zone	Delegate	PlanPermit	27/08/2024	Dandenong
PLN24/0063	PlnApp	No	64 Bangholme Road DANDENONG SOUTH VIC 3175	RM Investments 1 Pty Ltd	Development of the land for one (1) warehouse building	Industrial 1 Zone, 2727sqm, construction of a warehouse with ancillary office	Delegate	PlanPermit	28/08/2024	Dandenong
PLN24/0066	PlnApp	No	55 Royal Avenue SPRINGVALE VIC 3171	Jova Drafting Consultants	Development of the land for seven (7) triple storey dwellings	No response to further information request	Delegate	Lapsed	26/08/2024	Springvale Central
PLN24/0075	PlnApp	No	1-53 Quantum Close DANDENONG SOUTH VIC 3175	Stephen D'Andrea Pty Ltd	Development of the land for an extension to an existing industrial building and a reduction in the car parking requirements	Commercial 2 Zone, 1782sqm	Delegate	PlanPermit	27/08/2024	Dandenong
PLN24/0092	PlnApp	No	1 Blissington Street SPRINGVALE VIC 3171	Next Tech Australia Pty Ltd	Use of the land for car sales and to alter access to a road in a Transport Road Zone 2	No response to further information request	Delegate	Lapsed	19/08/2024	Springvale North

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN24/0096	PlnApp	No	12 Adriatic Way KEYSBOROUGH VIC 3173	Young Timers Garage Pty Ltd	Use of the land for an Indoor Recreation Facility (Car simulation)	Industrial 1 Zone	Applicant	Withdrawn	26/08/2024	Keysborough South
PLN24/0132	PlnApp	No	166 Stud Road DANDENONG NORTH VIC 3175	Steven & Melody Curtis	Use of the land for sale and consumption of liquor (restaurant licence)	General Residential 1 Zone	Delegate	PlanPermit	30/08/2024	Dandenong North
PLN24/0137	PlnApp	No	877 Heatherton Road SPRINGVALE VIC 3171	S You	The development of the land for two (2) double storey dwellings	No response to further information request	Delegate	Lapsed	07/08/2024	Springvale Central
PLN24/0148	PlnApp	No	9 Edith Street DANDENONG VIC 3175	Winning Homes Dandenong Pty Ltd	Development of the land for eight (8) double storey dwellings	No response to further information request	Delegate	Lapsed	12/08/2024	Cleeland
PLN24/0157	PlnAppVic	Yes	42 Pacific Drive KEYSBOROUGH VIC 3173	Bentleigh Group	Buildings and works (extension to existing warehouse) and reduction in car parking requirement VICSMART	Industrial 1 Zone, 688sqm, reduction in car parking	Delegate	PlanPermit	06/08/2024	Keysborough South
PLN24/0169	PlnApp	No	2/158-168 Browns Road NOBLE PARK NORTH VIC 3174	Repair Hub PL	Buildings and Works (Carport)	Commercial 2 Zone	Delegate	PlanPermit	16/08/2024	Noble Park North

ADARK

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02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN24/0189	PlnApp	No	80 South Gippsland Highway DANDENONG SOUTH VIC 3175	Safety Steel Structures	To construct and carry out buildings and works (warehouse extension, portable offices and shed, and open garage)	Industrial 1 Zone, Transport 2 Zone, 627sqm, extension to existing warehouse	Delegate	PlanPermit	29/08/2024	Dandenong
PLN24/0190	PlnApp	No	Plaza Centre Management 23-55 McCrae Street DANDENONG VIC 3175	SLR Consulting Australia Pty Ltd	To construct buildings and works and display business identification signage including internally illuminated and one (1) electronic sign DECLARED AREA	Comprehensive Development 2 Zone, alterations to existing shopfront facade to allow installation of signage	Delegate	PlanPermit	21/08/2024	Dandenong
PLN24/0202	PlnApp	No	38 Lonsdale Street DANDENONG VIC 3175	Harding Architects Pty Ltd	To display one (1) internally illuminated business identification sign	Industrial 1 Zone, Internally illuminated pole sign	Delegate	PlanPermit	27/08/2024	Dandenong
PLN24/0214	PlnApp	No	3 Kitchen Road DANDENONG SOUTH VIC 3175	Safety Steel Structures	Development of the land for a canopy to an existing building	Industrial 1 Zone, 443sqm, roof canopy extension	Delegate	PlanPermit	20/08/2024	Dandenong
PLN24/0221	PlnAppVic	Yes	55 Keys Road KEYSBOROUGH VIC 3173	EM Design Group Pty Ltd	Buildings and Works (Extension) VICSMART	Green Wedge 1 Zone, Urban Floodway Zone, addition to existing dwelling	Applicant	Withdrawn	08/08/2024	Keysborough South
PLN24/0232	PlnApp	No	5A Chandler Road NOBLE PARK VIC 3174	AE Celik, A Celik	Subdivision of the land into four (4) lots SPEAR	Residential	Delegate	PlanPermit	22/08/2024	Yarraman

ADARK

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02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN24/0234	PlnApp	No	23-25 Surrey Road DANDENONG NORTH VIC 3175	K Morley	Buildings and Works (Skylight)	Neighbourhood Residential 1 Zone	Delegate	PlanPermit	14/08/2024	Dandenong North
PLN24/0236	PlnApp	No	9 Vizard Street DANDENONG VIC 3175	Precision Works Pty Ltd	Subdivision of the land into two (2) lots SPEAR	No response to further information request	Delegate	Lapsed	21/08/2024	Cleeland
PLN24/0241	PlnApp	No	25 Stuart Street NOBLE PARK VIC 3174	B & S Surveys Pty Ltd	Subdivision of the land into three (3) lots SPEAR	Residential	Delegate	PlanPermit	28/08/2024	Noble Park
PLN24/0243	PlnApp	No	164 McFees Road DANDENONG NORTH VIC 3175	Webster Survey Group	Re-subdivision of the land into three (3) lots SPEAR	Residential	Delegate	PlanPermit	27/08/2024	Dandenong North
PLN24/0251	PlnAppVic	Yes	3 Drummond Circuit SPRINGVALE SOUTH VIC 3172	ABN Group (Vic) Pty Ltd	Building and Works (Dwelling) VICSMART	Neighbourhood Residential 1 Zone	Delegate	PlanPermit	19/08/2024	Keysborough
PLN24/0279	PlnAppVic	Yes	4/792-806 Heatherton Road SPRINGVALE SOUTH VIC 3172	SLR Consulting Australia Pty Ltd	To construct and carry out works (Automatic Teller Machine) VICSMART	Mixed Use Zone, Installation of ATM at existing shopfront	Delegate	PlanPermit	02/08/2024	Springvale South

ADARK

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02/09/2024

ATT 2.2.4.1 Planning Delegated Decisions Issued - August 2024

Application ID	Category	VicSmart	Property Address	Applicant Name	Description	Notes	Authority	Decision	Decision Date	Ward
PLN24/0280	PlnApp	No	1/4 Belfort Street DANDENONG VIC 3175	M.J.Reddie Surveys Pty Ltd	Subdivision of the land into three (3) lots SPEAR	Residential	Delegate	PlanPermit	26/08/2024	Yarraman
PLN24/0286	PlnAppVic	Yes	58 Drummond Circuit SPRINGVALE SOUTH VIC 3172	Z&ME Homes Pty Ltd	Development of the land for a dwelling on a lot within Special Building Overlay VICSMART	Neighbourhood Residential 1 Zone	Delegate	PlanPermit	20/08/2024	Keysborough
PLN24/0296	PlnAppVic	Yes	1/1 Digby Court SPRINGVALE SOUTH VIC 3172	Farren Group Pty Ltd	Subdivision of the land into two (2) lots SPEAR (VICSMART)	Residential	Delegate	PlanPermit	27/08/2024	Springvale South

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3 PUBLIC QUESTION TIME

Question Time at Council meetings provides an opportunity for members of the public in the gallery to address questions to the Councillors, Delegates and/or officers of the Greater Dandenong City Council. Questions must comply with s. 4.5.8 of Council's Governance Rules.

QUESTIONS FROM THE GALLERY

Questions are limited to a maximum of three (3) questions per individual. Where time constraints deem it likely that not all questions can be answered within the time allowed for Question Time, the Mayor at his/her discretion may determine only the first question may be presented verbally with others deferred to be managed in the same manner as public questions not verbally presented.

Priority will be given to questions that relate to items on the Council Agenda for that meeting. Questions including any preamble should not exceed 300 words.

- a) All such questions must be received in writing on the prescribed form or as provided for on Council's website and at Ordinary meetings of Council. Where there are more than three (3) questions received from any one individual person, the Chief Executive Officer will determine the three (3) questions to be considered at the meeting.
- b) All such questions must clearly note a request to verbally present the question and must be received by the Chief Executive Officer or other person authorised for this purpose by the Chief Executive Officer no later than:
 - i) the commencement time (7.00pm) of the Ordinary meeting if questions are submitted in person; or
 - ii) noon on the day of the Ordinary meeting if questions are submitted by electronic medium.
- c) A question can only be presented to the meeting if the Chairperson and/or Chief Executive Officer has determined that the question:
 - i) does not relate to a matter of the type described in section 3(1) of the *Local Government Act 2020* (confidential information);
 - ii) does not relate to a matter in respect of which Council or a Delegated Committee has no power to act;
 - iii) is not defamatory, indecent, abusive or objectionable in language or substance, and is not asked to embarrass a Councillor, Delegated Member or Council officer; and
 - iv) is not repetitive of a question already asked or answered (whether at the same or an earlier meeting).
- d) If the Chairperson and/or Chief Executive Officer has determined that the question may not be presented to the Council Meeting or Delegated Committee, then the Chairperson and/or Chief Executive Officer:
 - i) must advise the Meeting accordingly; and
 - ii) will make the question available to Councillors or Members upon request.
 - iii) The Chairperson shall call on members of the gallery who have submitted an accepted question to ask their question verbally if they wish.
- e) The Chairperson, Chief Executive Officer or delegate may then direct that question to be answered by a nominated Councillor or member of Council staff.



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- f) No debate on, or discussion of, a question or an answer will be permitted other than for the purposes of clarification.
 - g) A Councillor, Delegated Committee Member or member of Council staff nominated to answer a question may:
 - i) seek clarification of the question from the person who submitted it;
 - ii) seek the assistance of another person in answering the question; and
 - iii) defer answering the question, so that the answer may be researched and a written response be provided within ten (10) working days following the Meeting (the question thereby being taken on notice).
 - h) Question time for verbal presentations is limited in duration to not more than twenty (20) minutes. If it appears likely that this time is to be exceeded then a resolution from Council will be required to extend that time if it is deemed appropriate to complete this item.
 - i) The text of each question asked and the response will be recorded in the minutes of the Meeting.



4 OFFICERS REPORTS - PART 2

4.1 FINANCE AND BUDGET

4.1.1 June 2024 Financial Report interim results

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director Corporate Development
Attachments: 1. June 2024 Financial Report Interim Results [4.1.1.1 - 62 pages]

Purpose

1. The attached report is designed to inform Councillors of the financial results of Council operations for the year ended 30 June 2024 including financial performance against the Mid-Year Budget adopted by Council on 11 December 2023. At the time of preparation, this report is presented as an interim result as the information has not been signed off by Victorian Auditor General's Office (VAGO).

Officer Recommendation

That Council:

1. **NOTES the financial report for the year ended 30 June 2024 (interim results);**
2. **NOTES the proposed capital and operating carry forwards from the 2023-24 financial year listed in Appendix 5 of the Financial Report which will form the basis of an 2024-25 Amended Budget for management reporting purposes; and**
3. **NOTES the 2023-24 residual cash surplus outcome of \$789,000 to be referred to the Mid-Year Budget.**

Executive Summary

2. This report presents the Financial Report 1 July 2023 – 30 June 2024 which provides financial performance reporting to the Mid-Year Budget adopted by Council on 11 December 2023.
3. The information in this report has been audited by Council's audit agent however it has not yet been endorsed by the Victorian Auditor-General's Office (VAGO) and may be subject to further change. The report is an interim result prior to the final Annual Report which will be presented at a meeting of Council on 14 October 2024.
4. Appendix 5 of the Financial Report details the proposed capital and operating carry forwards from the 2023-24 financial year.



Background

5. The June 2024 Financial Report is designed to inform Councillors of the financial results of Council operations for the year ended 30 June 2024 including financial performance against the Mid-Year Budget adopted by Council on 11 December 2023.
6. Whilst the financial statements are prepared in accordance with Australian Accounting Standards and present an 'accounting result' for the 2023-24 financial year, they contain several fixed asset accounting items such as depreciation on assets, gifted assets and the written down (book) value of assets sold. These items do not impact on the cash result of Council. They also exclude capital expenditure, new borrowings and loan repayments and as such, these Statements do not provide an accurate indication of the surplus/deficit cash position within a financial year. The points under the key issues and discussion detail further the management accounting result for the financial year 2023-24.
7. In summary, Greater Dandenong City Council has achieved a positive year-end cash outcome in comparison to its forecast result leaving an estimated residual surplus amount of \$789,000 to be referred to Mid Year Budget.



Key Issues and Discussion

8. The following table provides a **Management Accounting Summary Result** of the financial performance for the year ended 30 June 2024 which removes non-cash items and adds back cash items.

Description	FULL YEAR				
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORE V ACT VARIANCE
	\$'000	\$'000	Fav(unfav) \$'000	\$'000	Fav(unfav) \$'000
Income Statement					
Income	257,399	253,805	3,594	258,201	(802)
Expenditure	245,314	234,393	(10,921)	238,080	(7,234)
Net surplus - ongoing operations	12,085	19,412	(7,327)	20,121	(8,036)
Management Accounting reconciliation					
<i>Add (less) non cash items included in op result</i>					
Depreciation	35,695	34,201	1,494	34,201	1,494
Amortisation - right of use assets	715	598	117	598	117
Amortisation - intangible assets	24	-	24	-	24
Impairment loss/(reversal)	56	-	56	-	56
Narre Warren landfill debtor adjustment	8	-	8	-	8
Spring Valley landfill provision adjustment	89	-	89	-	89
Fair value adjustments - investment property	(115)	-	(115)	-	(115)
Contributions non-monetary assets	(12,098)	(7,500)	(4,598)	(7,500)	(4,598)
Assets written off	6,754	-	6,754	-	6,754
Prior year cap expenditure unable to be capitalised	8,054	-	8,054	-	8,054
Written down value of assets sold/disposed	24	254	(230)	254	(230)
Sub total	39,206	27,553	11,653	27,553	11,653
Net operating surplus	51,291	46,965	4,326	47,674	3,617
<i>Add (less) cash items not included in op result</i>					
Capital expenditure	(50,052)	(87,442)	37,390	(83,133)	33,081
Net transfers to (from) reserves	(6,681)	4,047	(10,728)	4,033	(10,714)
Repayment of borrowings	(3,597)	(3,713)	116	(3,597)	-
Proceeds from borrowings	1,000	6,120	(5,120)	1,000	-
Repayment of lease liabilities	(680)	(710)	30	(710)	30
Sub total	(60,010)	(81,698)	21,688	(82,407)	22,397
Cash surplus (deficit)	(8,719)	(34,733)	26,014	(34,733)	26,014
Accumulated surplus brought forward	34,733	34,733	-	34,733	-
Capital project carry overs (net)	(18,455)	-	(18,455)	-	(18,455)
Operating carry overs (net)	(6,770)	-	(6,770)	-	(6,770)
Surplus position	789	-	789	-	789

9. The overall management accounting result for the period ended 30 June 2024 shows a positive financial outcome for Council with an accumulated cash surplus result of **\$789,000** after consideration of expenditure budgeted in 2023-24 which was unspent but required to be carried forward to the 2024-25 financial year. A full list of operating and capital carry overs is included in **Appendix 5** of the attached June Financial Report.
10. The outcomes to 30 June 2024 are extremely positive in that Council has managed to achieve better actual outcomes than initially forecast in the 2023-24 Annual Mid-Year Budget.



11. The favourable year end cash result is mainly due to savings in salary costs across Council and continued higher interest returns on investments and interest on rate arrears which have well exceeded Mid-Year Budget expectations. Favourable interest on investments have appropriately been transferred to the Major Projects Reserve (total \$2 million) and \$789,000 to the Development Contribution Plan (DCP) Reserve. Funds collected and held under the Industrial DCP are required to be held in a specific interest-bearing account and interest earned held in the reserve.

2023-24 Operating Result

12. For the year ended 30 June 2024, Council achieved an operating surplus result of \$12.1 million which is \$7.3 million below the Mid-Year Budget. The main factors contributing to this result comprise:
- Income (\$3.6 million favourable) - better than anticipated gifted assets (\$4.6 million), interest returns on investments (\$2.8 million) and operating grant funding (\$1.4 million), partly offset by lower capital grants (\$5.5 million).
 - Expenditure (\$10.9 million unfavourable) - due to prior year capital expenditure unable to be capitalised* (\$8 million), assets written off (\$6.8 million), materials and services (\$3.5 million), depreciation* (\$1.5 million) and bad and doubtful debts (\$1 million), partly offset by lower employee costs (\$10.1 million)
 - More detailed variance explanations in operating income and expenditure are explained in the attached June 2024 Financial Report Sections B1 – B2 (pages 11 – 16).
13. Capital expenditure for the year ended 30 June 2024 is \$50.1 million which is \$37.4 million favourable to the Annual Mid-Year Budget.
14. The underspend in capital expenditure is due to \$29 million in proposed capital expenditure budgets to be carried over to the 2024-25 financial year (see Appendix 5B of the June Financial Report). There are various reasons for the delay in several projects due to economic environment, a change in project scope or requirements, a third-party authority, internal resourcing issues and interdependent projects.
15. The capital carry overs were reviewed by the Chief Engineer and Major Projects, Asset Management and Finance in consultation with Project Managers and subsequently the Executive Team.

Governance Compliance

Human Resource Implications (consider Workforce Planning and Service Statements)

16. This item does not have an impact on existing human resources.

Financial/Asset Resource Implications (consider Service Statements, Budget, Long Term Financial Strategy and Asset Plan)

Operating Budget Implications

17. Economic uncertainty pertaining to rising inflation, construction costs and interest rates combined with unbudgeted storm event costs continued to impact Councils operating environment in 2023-24.



18. Whilst the surplus for Council to consider through the Mid-Year Budget process is \$789,000, there will likely be further budget variations that will occur in the period to 1 December 2024 which may be either positive or negative in terms of impacting on the amount for consideration. A full listing of these variances will be tabled as part of the 2024-25 Mid-Year Budget Review.

Asset Implications

19. This item does not affect any existing assets.

Legal/Risk Implications

20. There are no legal / risk implications relevant to this report.

Environmental Implications

21. There are no environmental implications relevant to this report.

Community Consultation

22. This is an internal financial report with variance commentary assistance sought from Council's management group. No formal external consultation is required under Council's Community Engagement Policy per the Local Government Act 2020.
23. A summary version of this report was presented to the Audit and Risk Committee on 12 September 2024.

Links to Community Vision, Council Plan, Strategy, Notice of Motion

24. This report is consistent with the following principles in the Community Vision 2040:
- Safe and peaceful community.
 - Education, training, entrepreneurship and employment opportunities.
 - Embrace diversity and multiculturalism.
 - Sustainable environment.
 - Mind, body and spirit.
 - Art and culture.
25. This report is consistent with the following strategic objectives from the Council Plan 2021-25:
- A socially connected, safe and healthy city.
 - A city that respects and celebrates diversity, our history and the arts.
 - A city of accessible, vibrant centres and neighbourhoods.
 - A green city committed to a sustainable future.
 - A city that supports entrepreneurship, quality education and employment outcomes.
 - A Council that demonstrates leadership and a commitment to investing in the community.



Legislative and Policy Obligations

26. This report has considered Council's legislative and policy obligations (where applicable) as outlined in the Report Considerations section detailed in the front of this Agenda. The applicable obligations considered and applied are:

- The Overarching Governance Principles of the *Local Government Act 2020*.
- The *Gender Equality Act 2020*.
- *Victorian Charter of Human Rights and Responsibilities 2006*.
- Climate Change and Sustainability.
- Related Council Policies, Strategies or Frameworks.

Financial Report

1 July 2023 to 30 June 2024

Interim result



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Key financial highlights

For the financial year ended 30 June 2024

	Full Year					Full Year				
	Actual	MYB Budget	Variance	Var.	Status	Forecast	Forecast to Actual	Var.	Status	Original Budget
	\$'000	\$'000	\$'000	%	Var.	\$'000	\$'000	%	Var.	\$'000
Operating Income	257,399	253,805	3,594	1%	✓	258,201	802	0.3%	✓	247,868
Operating Expenses	245,314	234,393	(10,921)	(5%)	—	238,080	(7,234)	(3%)	—	218,785
Operating Surplus	12,085	19,412	(7,327)	(38%)	×	20,121	(8,036)	(40%)	×	29,083

Add (less) cash items / non cash items in operating result

Capital Expenditure	(50,052)	(87,442)	37,390	43%	✓	(83,133)	33,081	40%	✓	(58,331)
Non-Cash Op Items	39,206	27,553	11,653	42%	✓	27,553	11,653	42%	✓	26,953
Loan Repayments	(3,597)	(3,713)	116	3%	✓	(3,597)	0	0%	✓	(3,713)
Loan Proceeds	1,000	6,120	(5,120)	(84%)	×	1,000	0	0%	✓	6,120
Lease Repayments	(680)	(710)	30	4%	✓	(710)	30	4%	✓	(710)
Net Reserve Transfers	(6,681)	4,047	(10,728)	(265%)	×	4,033	(10,714)	(266%)	×	598
CY Cash Surplus (Deficit)	(8,719)	(34,733)	26,014	75%	✓	(34,733)	26,014	75%	✓	-
Accum Surplus b/f	34,733	34,733	-			34,733	0			-
Proposed C/overs	(25,225)	-	(25,225)			-	(25,225)			
Accum Cash Surplus	789	-	789			-	789			-

Closing Cash / Investments	194,397	162,193	32,204	20%	✓	162,233	32,164	20%	✓	143,184
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Status legend:

- ✓ Above budgeted revenue or under budgeted expenditure
- Below budgeted revenue or over budgeted expenditure by less than 10%
- ×

Notes:

- The Accumulated Surplus brought forward (b/f) represents funds committed to finance capital and operating carry overs from 2023-24.
- Total cash/investments at 30 June 2024 include cash on hand and financial assets (term deposits invested for a period greater than 90 days) and have been allocated for specific future purposes by Council as follows:

Intended allocations	2024 \$'000
Employee provisions	21,218
Trust funds and deposits	7,124
Development Contribution Plans (DCP) unearned income	44,104
Statutory and other reserves	94,561
Cash held to fund carried forward operational projects **	7,048
Cash held to fund carried forward capital works (net) **	21,741
Total funds subject to intended allocations	195,796

** Cash amounts held to fund carried forward projects are exclusive of associated reserve funding.

Budget information

The Original Budget information contained in the report is the budget approved by Council on 26 June 2023. The full year budget in this report reflects the Mid-Year Budget as adopted by Council on 11 December 2023. The full year 2023-24 forecast is the subject of an extensive review undertaken with departments during last four months of the financial year.

Executive Summary

Operating Result

For the year ended 30 June 2024, Council achieved a surplus operating surplus result of \$12.1 million which is \$7.3 million below the Mid-Year Budget. The main factors contributing to this result comprise:

- **Income (\$3.6 million favourable)** - better than anticipated gifted assets* (\$4.6 million), interest returns on investments (\$2.8 million) and operating grant funding (\$1.4 million), partly offset by lower capital grants (\$5.5 million).
- **Expenditure (\$10.9 million unfavourable)** - due to prior year capital expenditure unable to be capitalised* (\$8 million), assets written off* (\$6.8 million), materials and services (\$3.5 million), depreciation* (\$1.5 million) and bad and doubtful debts (\$1 million), partly offset by lower employee costs (\$10.1 million)

** These items are related to fixed assets and do not impact the cash result of Council.*

More detailed variance explanations are included in the body of this report (refer to sections B1 and B2).

Capital Result

Capital expenditure for the year ended 30 June 2024 is \$50.1 million which is \$37.4 million favourable to and 57% of the Annual Mid-Year Budget.

This variance is due to:

- \$29.0 million in capital expenditure budgets proposed to be carried over to the 2024-25 financial year (see **Appendix 5B** of this report). There are various reasons for the delay in a number of projects due to economic environment, a change in project scope or requirements, a third party authority, internal resourcing issues and interdependent projects.
- \$5.12 million in new borrowings for Keysborough South Community Hub delayed to 2024-25.
- Operating expenditure in the current year Capital Improvement Program that was not able to be capitalised to the asset register because it was not capital in nature, nor did it meet the relevant capitalisation threshold (\$4.7 million). Examples include:
 - Roads – Recovery and Rehabilitation Programs (\$533,000)
 - Drainage Catchment 38A (\$475,000) – due to professional services
 - Black Spot Works Program (\$466,000) – due to contributions to assets not Council-owned

Detailed variance explanations to the 2023-24 Original Budget are included in Note 2.1.2 in Council's Annual Financial Statements. The difference between the Original Budget and the Mid-Year Budget relates to carry overs from the previous financial year and grant funded projects.

Cash Position

Cash and investments total \$194.4 million at 30 June 2024, comprising \$21.6 million of cash and cash equivalents and \$172.8 million of 'financial assets' (term deposits invested for a period of greater than 90 days). This balance was higher than anticipated when compared to the Annual Mid-Year Budget due mainly to the delay in capital expenditure outflows. The working capital ratio result is strong at 2.07.

Income Statement

For the period 1 July 2023 – 30 June 2024

Note	FULL YEAR					
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income	B1					
Rates and charges	171,211	170,408	803	171,015	196	170,138
Statutory fees and fines	11,218	10,817	401	10,539	679	10,865
User fees	9,100	9,178	(78)	8,609	491	9,214
Grants - operating	26,014	24,570	1,444	25,940	74	33,824
Grants - capital	8,282	13,828	(5,546)	13,828	(5,546)	5,316
Contributions - monetary	3,305	4,358	(1,053)	4,536	(1,231)	2,000
Contributions - non-monetary	12,098	7,500	4,598	7,500	4,598	7,500
Net gain (loss) on disposal of property, infrastructure, plant and equipment	604	746	(142)	546	58	746
Fair value adjustments for investment property	115	-	115	-	115	-
Other income	15,452	12,400	3,052	15,687	(235)	8,265
Total income	257,399	253,805	3,594	258,200	(801)	247,868
Expenses	B2					
Employee costs	93,186	103,317	10,131	102,030	8,844	95,009
Materials and services	89,628	86,093	(3,535)	90,699	1,071	80,136
Prior year capital expenditure unable to be capitalised (non-cash)	8,055	-	(8,055)	-	(8,055)	-
Bad and doubtful debts	3,263	2,245	(1,018)	2,490	(773)	2,245
Depreciation	35,695	34,201	(1,494)	34,201	(1,494)	33,601
Amortisation - intangible assets	24	-	(24)	-	(24)	-
Amortisation - right of use assets	715	598	(117)	598	(117)	598
Borrowing costs	2,537	2,698	161	2,537	-	2,698
Finance costs - leases	41	22	(19)	52	11	22
Fair value adjustments expense	-	-	-	-	-	-
Asset write offs	6,754	-	(6,754)	-	(6,754)	-
Other expenses	5,416	5,219	(197)	5,473	57	4,476
Total expenses	245,314	234,393	(10,921)	238,080	(7,234)	218,785
Net surplus (deficit)	12,085	19,412	(7,327)	20,120	(8,035)	29,083

NOTES

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

Footnotes:

- (1) Prior year capital expenditure unable to be capitalised (non-cash) represents 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 (\$8.05 million). This is a non-cash entry that does not impact on Council's cash position. Refer to Note 32 of this report for further details.
- (2) Asset write offs represent asset renewal and replacement as part of capital work projects and renewal programs (\$6.75 million). Refer to Note 35 of this report for further details.

Balance Sheet

As at 30 June 2024

	2023-24 ACTUAL 30 Jun 2024 \$'000	2022-23 ACTUAL 30 Jun 2023 \$'000	2023-24 MID YEAR BUDGET \$'000	2023-24 ORIGINAL BUDGET \$'000
ASSETS				
Current assets				
Cash and cash equivalents	21,577	72,244	60,193	143,184
Financial assets	172,820	122,869	102,000	-
Trade and other receivables	30,254	30,705	31,203	30,267
Other assets	6,577	9,310	8,104	5,852
Total current assets	231,228	235,128	201,500	179,303
Non-current assets				
Property, infrastructure, plant and equipment	2,644,188	2,507,665	2,568,152	2,526,769
Investment property	6,690	6,575	6,575	6,336
Right-of-use assets	1,169	1,554	1,656	2,044
Intangible assets	1	25	25	56
Trade and other receivables	266	273	273	281
Total non-current assets	2,652,314	2,516,092	2,576,681	2,535,486
Total assets	2,883,542	2,751,220	2,778,181	2,714,789
LIABILITIES				
Current liabilities				
Trade and other payables	25,837	24,505	29,327	25,063
Trust funds and deposits	4,254	5,959	6,159	5,670
Unearned income	56,518	58,816	58,816	52,483
Provisions	20,847	20,954	21,127	22,909
Interest-bearing liabilities	3,834	3,597	4,193	4,193
Lease liabilities	594	548	545	518
Total current liabilities	111,884	114,379	120,167	110,836
Non-current liabilities				
Provisions	1,475	1,258	1,215	975
Trust funds and deposits	2,898	2,112	2,112	2,409
Interest-bearing liabilities	43,348	46,182	47,993	47,993
Lease liabilities	642	1,038	1,031	1,310
Total non-current liabilities	48,363	50,590	52,351	52,687
Total liabilities	160,247	164,969	172,518	163,523
NET ASSETS	2,723,295	2,586,251	2,605,663	2,551,266
EQUITY				
Accumulated surplus	973,523	968,119	991,578	1,008,893
Asset revaluation reserve	1,655,211	1,530,252	1,530,252	1,472,583
Reserves	94,561	87,880	83,833	69,790
TOTAL EQUITY	2,723,295	2,586,251	2,605,663	2,551,266

For comments regarding movements in Balance Sheet items, please refer to explanatory notes located at C1 to C5. *Financial assets* comprise term deposits invested for a period greater than 90 days.

Cash Flow Statement

For the year ending 30 June 2024

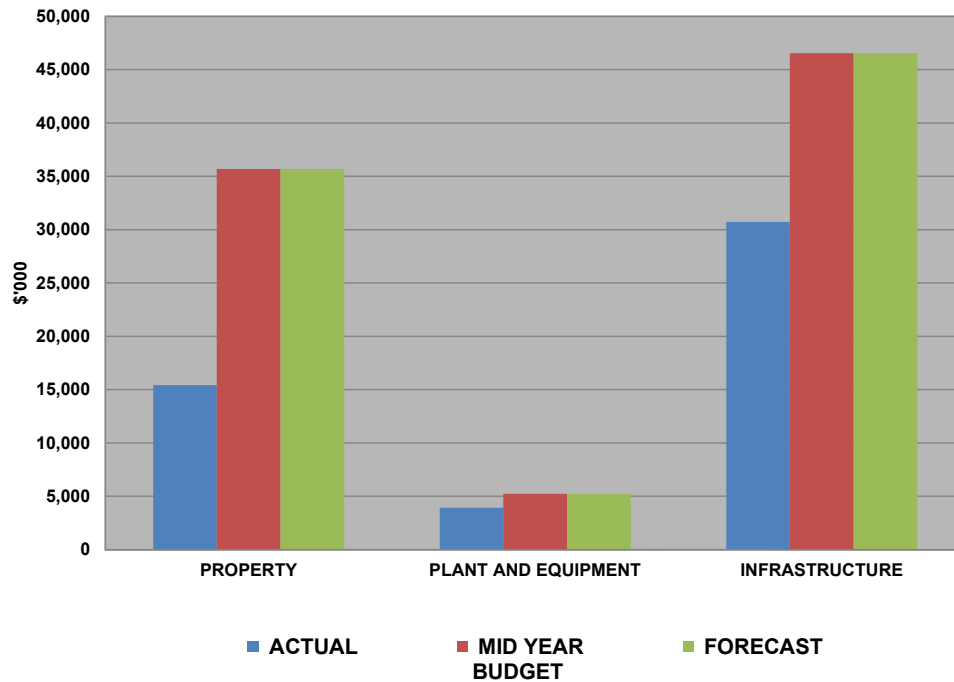
	Notes	2023-24 ACTUAL as at 30 Jun 2024 Inflows/ (Outflows) \$'000	2023-24 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2023-24 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
Cash flows from operating activities				
Rates and charges		169,843	169,910	168,756
Statutory fees and fines		8,550	8,572	8,104
User fees		9,321	10,549	9,939
Grants - operating		23,733	25,761	35,794
Grants - capital		8,240	12,845	5,316
Contributions - monetary		4,153	7,154	2,000
Interest received		7,885	6,800	3,394
Trust funds and deposits taken		33,614	29,400	31,050
Other receipts		6,848	6,466	5,452
Net GST refund		13,100	13,911	10,688
Employee costs		(92,488)	(102,893)	(94,092)
Materials and services		(97,550)	(98,695)	(95,674)
Short-term, low value and variable lease payments		(725)	(641)	(641)
Trust funds and deposits repaid		(34,299)	(29,200)	(30,250)
Other payments		(4,518)	(5,394)	(4,283)
Net cash provided by operating activities	D1	55,707	54,545	55,553
Cash flows from investing activities				
Payments for property, infrastructure, plant and equipment		(53,150)	(87,442)	(58,331)
(Payments) proceeds for investments		(47,979)	20,869	-
Proceeds from sale of property, infrastructure, plant and equipment		628	1,000	1,000
Net cash provided by investing activities	D2	(100,501)	(65,573)	(57,331)
Cash flows from financing activities				
Finance costs		(2,553)	(2,698)	(2,698)
Proceeds from borrowings		1,000	6,120	6,120
Repayment of borrowings		(3,597)	(3,713)	(3,713)
Interest paid - lease liability		(43)	(22)	(22)
Repayment of lease liabilities		(680)	(710)	(710)
Net cash used in financing activities	D3	(5,873)	(1,023)	(1,023)
Net increase (decrease) in cash and cash equivalents		(50,667)	(12,051)	(2,801)
Cash and cash equivalents at the beginning of the year		72,244	72,244	145,985
Cash and cash equivalents at the end of the period		21,577	60,193	143,184
Represented by:				
Operating cash		(145,458)	(97,031)	2,538
Restricted cash	D4	167,035	157,224	140,646
Total		21,577	60,193	143,184

Details of Council's cash movements are contained in **Note D - Cash Flow Statement** and the dissemination of restricted and operating cash is in **Appendix 2 Investment Analysis**. Cash inflows and outflows are inclusive of GST where applicable.

Capital Expenditure Statement

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

	FULL YEAR					
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	ORIGINAL BUDGET
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
PROPERTY	15,422	35,686	20,263	35,686	15,701	26,746
PLANT AND EQUIPMENT	3,918	5,213	1,295	5,213	1,279	4,995
INFRASTRUCTURE	30,712	46,543	15,832	46,543	16,101	26,591
TOTAL EXPENDITURE	50,052	87,442	37,390	87,442	33,081	58,331



Management Accounting Result

For the period 1 July 2023 – 30 June 2024

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

The following table provides a management accounting summary of the financial performance for the period 1 July 2023 to 30 June 2024 which removes non-cash items and adds back cash items that are excluded from the financial statements.

Description	FULL YEAR				
	ACTUAL	MID YEAR	VARIANCE	FORECAST	FORE V ACT
	\$'000	BUDGET \$'000	Fav(unfav) \$'000	\$'000	VARIANCE Fav(unfav) \$'000
Income Statement					
Income	257,399	253,805	3,594	258,201	(802)
Expenditure	245,314	234,393	(10,921)	238,080	(7,234)
Net surplus - ongoing operations	12,085	19,412	(7,327)	20,121	(8,036)
Management Accounting reconciliation					
<i>Add (less) non cash items included in op result</i>					
Depreciation	35,695	34,201	1,494	34,201	1,494
Amortisation - right of use assets	715	598	117	598	117
Amortisation - intangible assets	24	-	24	-	24
Impairment loss/(reversal)	56	-	56	-	56
Narre Warren landfill debtor adjustment	8	-	8	-	8
Spring Valley landfill provision adjustment	89	-	89	-	89
Fair value adjustments - investment property	(115)	-	(115)	-	(115)
Contributions non-monetary assets	(12,098)	(7,500)	(4,598)	(7,500)	(4,598)
Assets written off	6,754	-	6,754	-	6,754
Prior year cap expenditure unable to be capitalised	8,054	-	8,054	-	8,054
Written down value of assets sold/disposed	24	254	(230)	254	(230)
Sub total	39,206	27,553	11,653	27,553	11,653
Net operating surplus	51,291	46,965	4,326	47,674	3,617
<i>Add (less) cash items not included in op result</i>					
Capital expenditure	(50,052)	(87,442)	37,390	(83,133)	33,081
Net transfers to (from) reserves	(6,681)	4,047	(10,728)	4,033	(10,714)
Repayment of borrowings	(3,597)	(3,713)	116	(3,597)	-
Proceeds from borrowings	1,000	6,120	(5,120)	1,000	-
Repayment of lease liabilities	(680)	(710)	30	(710)	30
Sub total	(60,010)	(81,698)	21,688	(82,407)	22,397
Cash surplus (deficit)	(8,719)	(34,733)	26,014	(34,733)	26,014
Accumulated surplus brought forward	34,733	34,733	-	34,733	-
Capital project carry overs (net)	(18,455)	-	(18,455)	-	(18,455)
Operating carry overs (net)	(6,770)	-	(6,770)	-	(6,770)
Surplus position	789	-	789	-	789

Management Accounting Result

The management accounting result (after removing non-cash items) at 30 June 2024 shows a favourable variance between budget and actual of \$26 million, due to a number of factors including:

- Delayed capital expenditure (\$37.4 million).
- A \$4.3 million net operating surplus after removing non-cash items.

Partly offset by:

- Lower net transfers from reserves (\$10.7 million)
- A delay in \$5.12 million of new borrowings for Keysborough South Community Hub to 2024-25.

Council's overall cash surplus position at 30 June 2024 after capital and operating carry forwards is a positive \$789,000.

Notes to the Financial Statements

A. Accounting Policy Notes

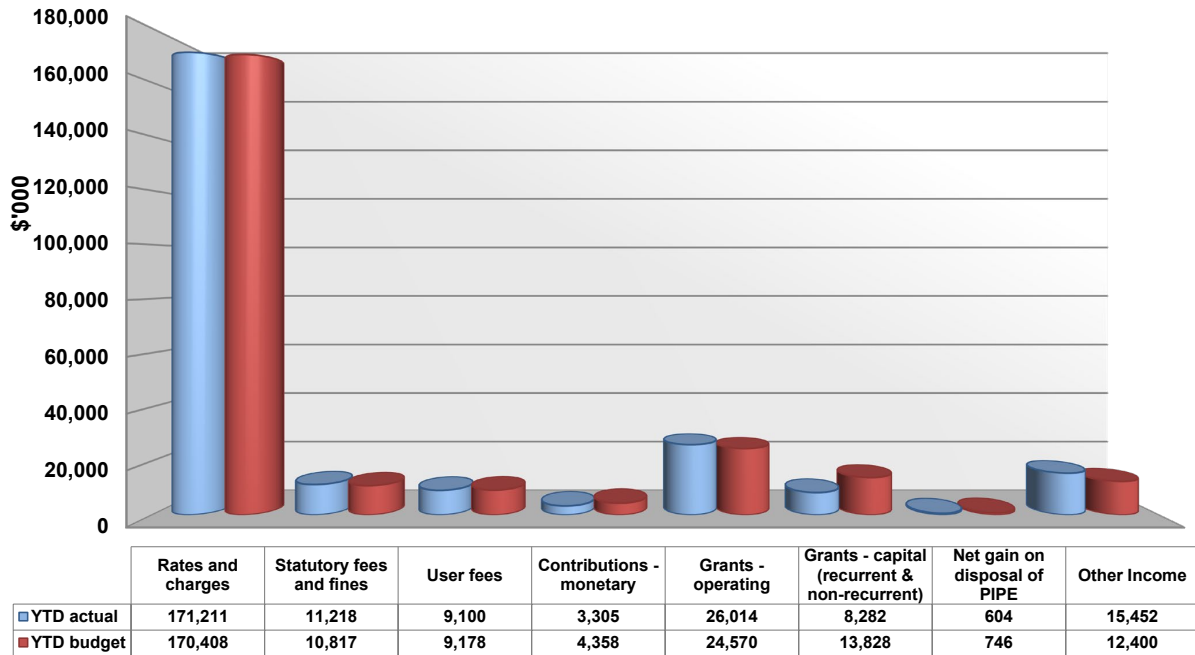
The financial report is prepared on the principles of accrual accounting. Accrual accounting recognises income when earned and expenditure when incurred, regardless of whether cash settlement has taken place. The basis of recognition of major income and expenditure in these statements are defined below.

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 Accounting Standards, AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-For-Profit Entities', grant income is generally recognised in the Income Statement to the extent of satisfied performance obligations. Alternatively, grant funding which does not have sufficiently specific performance obligations is recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations 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 26 June 2023. The Mid-Year Budget was adopted by Council on 11 December 2023. The Mid-Year Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2022-23 and any adjustments identified since the 2023-24 Original Budget was approved in June 2023.
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 (e.g. open space contributions) and other funds that are committed towards specific purposes.

B1. Operating Income

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

Income from operating activities for 1 July 2023 - 30 June 2024



Operating income for the period ended 30 June 2024 is \$3.59 million favourable against budget. This is primarily due to the following:

- **Contributions – non-monetary (\$4.60 million favourable)** - Due to better than anticipated income from gifted assets primarily relating to land, land under roads, drains, roads, parks open space and streetscapes and recreational leisure and community facilities. The number of subdivisions that are completed vary from year to year and the timing of these asset transfers is outside of Council's control and difficult to predict. This item does not impact the cash result.
- **Other income (\$3.05 million favourable)** – Mainly due to better than anticipated interest returns on investments with sustained high interest rates and greater cash and investment funds caused by capital expenditure delays. The favourable variance in interest income (\$2.79 million) has been transferred to reserves.
- **Grants – operating (\$1.44 million favourable)** – Mostly in Community Strengthening. Higher than anticipated operating grant funding due mainly to an expanded Family Day Care (FDC) program (\$2.6 million) combined with additional funding in other programs including Child First (\$471,000), Market Street Operation Care Centre (\$376,000), New Directions-Mothers and Babies (\$366,000), Refugee Immunisation (Prime) program (\$301,000), Children's Support Services (\$214,000), Maternal and Child Health (\$171,000), HACC Co-ordination (\$80,000), Healthy Children and Young People (\$72,000), School Crossing (\$77,000) and Festivals and Events (\$50,000).

Each grant will be offset by associated expenditure. A number of these grants were not fully spent at 30 June 2024 and will be carried over to the 2024-25 financial year.

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Community Care (\$794 million) and Sleep and Settling Initiative (\$837,000). The lower grant income in Community Care is attributable to the ability of Council to employ staff who can meet the physical requirements of the role and perform the services required. This is particularly challenging given the uncertainty in the sector from the Aged Care Reforms and an ageing workforce on limited duties or Workcover. Grant income can only be recognised for satisfied targets, with the remaining grant income received accounted for as 'unearned income' in Council's Balance Sheet. The loss in income in Community Care is wholly offset by savings in operating costs (\$1.44 million) predominantly in employee costs.

- **Rates and charges (\$803,000 favourable)** - Higher interest on rates in arrears which was expected to decrease under recent legislative changes (\$701,000), supplementary rates (\$70,000) and general rates abandoned (\$25,000). The favourable variances in interest on rates and supplementary rates have been transferred to reserves.

These favourable variances are offset by unfavourable variances in:

- **Grants – capital (\$5.55 million unfavourable)** – Unfavourable variance due mainly to grant income not recognised where performance obligations were not yet satisfied at 30 June 2024. The grant income received has been transferred to unearned income in the Balance Sheet at 30 June 2024 and will be recognised as income in a future year as and when the performance obligations are met (ie – as the capital expenditure is incurred).

There are several factors contributing to the delay in completion of capital projects including supply of materials, change in project scope, internal resourcing issues and third-party authority involvement.

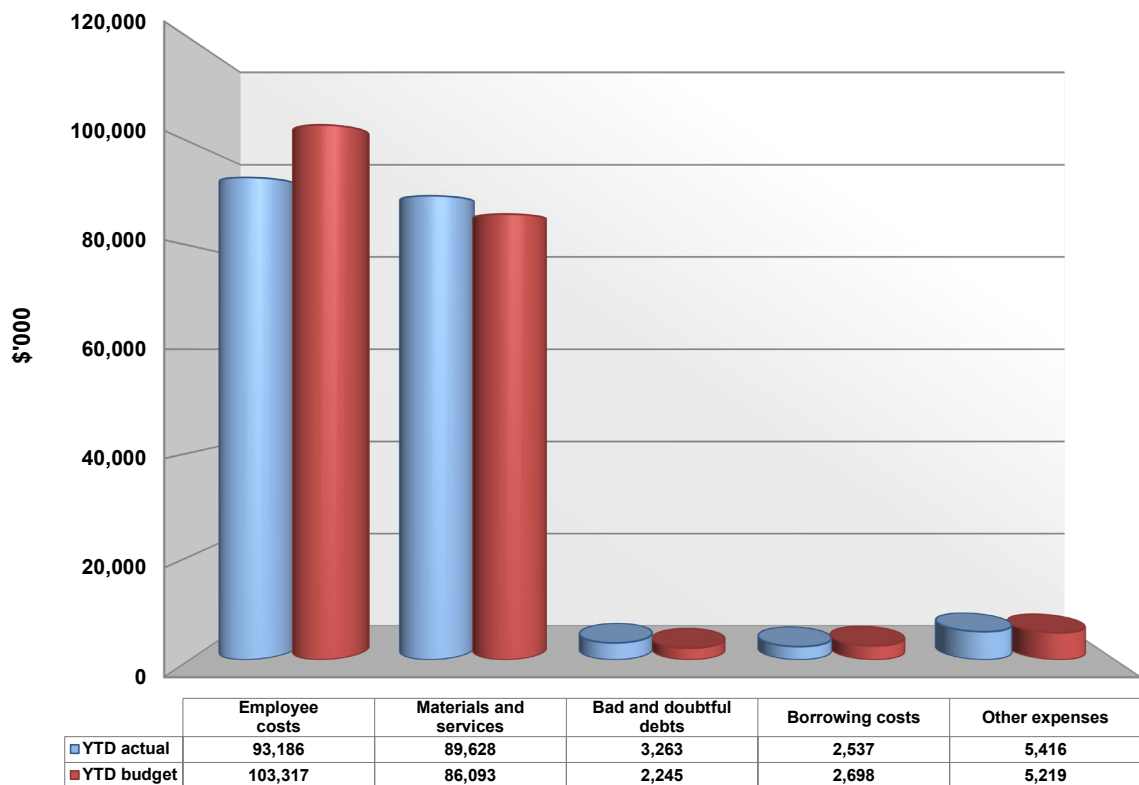
The grant income expectation and capital expenditure budget will be carried over to the 2024-25 financial year for a number of capital projects, including:

- Black Spot Works Program (\$2.51 million)
- Keysborough South Community Hub (\$1.89 million)
- Springvale Reserve (\$553,000)
- Precinct Energy Plant (PEP) Redevelopment (\$454,000)
- **Contributions – monetary (\$1.1 million unfavourable)** - Unfavourable variance due to Development Contribution Plan (DCP) contribution income for Perry Road (\$1.45 million) unable to be recognised as the project is not yet completed. This contribution income budget is proposed to be carried over to the 2024-25 financial year and will be recognised when practical completion is achieved.

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 2023 to 30 June 2024



Operating expenditure for the year ended 30 June 2024 is unfavourable by \$10.87 million against budget.

The major unfavourable variances are in non-cash accounting entries for fixed assets - prior year capital expenditure unable to be capitalised, asset write offs and depreciation (\$16.3 million). Also unfavourable to budget were materials and services (\$3.5 million) and bad and doubtful debts (\$1 million). These unfavourable variances are partly offset by a significant favourable variance in employee costs (\$10.13 million).

- Prior year capital expenditure unable to be capitalised (non-cash) (\$8.05 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 as it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets. This is an accounting entry that does not impact on Council's cash position. It is not included in the budget as it is difficult to predict.

The main contributors to the \$8.05 million result in 2023-24 include the following amounts that cannot be capitalised to the asset register due to the below-mentioned reasons:

- Capital expenditure that is under the capitalisation threshold (\$2.30 million) mainly for roads (42%), drainage (24%), buildings (16%) and parks, open space and streetscapes (11%).
 - Non-Council assets (\$1.84 million) are assets that are owned by other entities or handed back to respective authorities after the project is completed such as public lighting, undergrounding of power and VicRoads speed humps and traffic signals. In 2023-24 this primarily related to public lighting and substation kiosk works in the Abbots Road widening project.
 - Repairs and maintenance costs (\$1.83 million) for top soiling, seeding, soil removal, coating works on the Abbots Road gas transmission pipeline, maintenance, patching plants / planting, repairs, asset removal, asset adjustments and watering.
 - Projects cancelled (\$1.15 million) relates mainly to costs incurred to date on two projects that were cancelled during 2023-24 (Shepley Oval and Vanity Lane).
- **Assets write off (\$6.75 million unfavourable)** - represent asset renewal and replacement as part of capital work projects and renewal programs particularly roads, drainage, bridges and buildings. This item is not budgeted as it is difficult to predict and is a non-cash accounting entry.
 - **Materials and services (\$3.54 million unfavourable)** – due to several offsetting variances:

Unfavourable

- Current year expenditure in the CIP program that was not able to be capitalised to the asset register because it was not capital in nature, or it did not meet the relevant capitalisation threshold (\$4.70 million). Relates mainly to maintenance, professional services and asset purchases not meeting the capitalisation threshold.
- Higher payments to educators (Family Day Care \$1.62 million) relating to an expanded program matched by higher grant income.
- Unbudgeted storm event costs (Parks Services \$776,000) which are partly offset by \$200,000 in Natural Disaster funding.
- Higher than anticipated animal pound contract costs (\$519,000).
- Higher legal costs due to a completed legal matter (Health \$422,000) which are partly offset by an insurance claim recovery (\$24,000).
- Higher than anticipated cleaning and security services (Building Maintenance \$353,000), and building rectification works (City Improvement Executive \$285,000).

Favourable

- A delay in progressing works due to a dispute with a partner council (Spring Valley Landfill \$1.10 million).
- Lower than anticipated cyclical pruning, tree planting, park maintenance and water costs (Park Services \$1 million). Cyclical pruning services were on hold for a period of time in 2023-24 while contract extension negotiations took place.

- Lower than anticipated IT expenditure relating to reduced need for consultants to perform upgrades, lower network communication fees (Digital Technology \$710,000), partly offset by higher than anticipated professional fees to an external review of Council's IT security structure (Digital Technology \$206,000).
- Lower than anticipated recycling, waste and hard waste contract costs combined with community education (Waste Management \$595,000). These savings have been transferred to reserves.
- **Depreciation (\$1.49 million unfavourable)** – is due to the finalisation of fixed assets capitalisations, a change in the asset policy for buildings and revaluations.
- **Bad and doubtful debts (\$1.02 million unfavourable)** - due to an additional provision for a sundry doubtful debt (\$407,000) and an increase in the provision for doubtful infringement debt assumptions from 10% to 14% based on historical data.

The above unfavourable variances are partly offset by one significant favourable variance:

- **Employee costs (\$10.13 million)** - as depicted in the following table, over half (\$5.91 million) of the favourable variance relates to grant funded programs which represent a future obligation and require an acquittal, caused mainly by a delay in recruitment (mostly in Community Strengthening).

Directorate	2023-24 Variance Fav/(unfav) \$	Grant Funded Programs \$	Offset by Lower Income \$	2023-24 Underspend/ (overspend) \$
CEO Services	234,489	91,814	-	142,675
City Futures	660,423	112,392	396,246	151,784
Community Strengthening	8,677,843	5,707,178	906,406	2,064,259
Corporate Development	206,025	-	-	206,025
Non-Directorate	351,835	-	-	351,835
Total Council	10,130,615	5,911,384	1,302,652	2,916,578

A further \$906,000 in Community Care and \$396,000 in Statutory Planning represent favourable salary variances that are wholly offset by lower grant funding due to lower than anticipated achievement of targets.

The remaining \$2.92 million represents an underspend in salary costs in the following areas:

- Community Strengthening (\$2.06 million) - mainly in Children's Support Services (\$381,000) Library Services (\$365,000), Family Day Care (\$314,000), Maternal and Child Health (\$201,000), Community Funding (\$188,000), Youth and Family Support (\$170,000), Community Amenity Admin (\$151,000) due to a delay in recruitment of vacant positions combined with challenges in sourcing permanent skilled staff. These favourable variances are partly offset by higher than anticipated casual salaries in the Drum Theatre (\$225,000).

-
- Non-Directorate (\$352,000) - lower than anticipated employee entitlement provision expense adjustments for annual and long service leave caused by a decrease in the number of hours owing (\$594,000) and reduced fringe benefits tax (\$195,000). These favourable variances are partly offset by unbudgeted temporary agency staff costs for strategic projects budgeted in materials and services (\$215,000) and a required MAV Workcover Scheme (ceased) contribution (\$226,000).
 - Corporate Development (\$206,000) - due to delay in recruitment of vacant positions, coupled with lower than anticipated casual salaries and overtime (Financial Services \$180,000, Governance, Legal and Risk \$177,000 and People and Change Executive \$120,000). This favourable variance is partly offset by higher than anticipated salaries due to an appointment under the new organisation structure (Corporate Development Executive \$260,000).
 - City Futures (\$152,000) - due to delays in recruitment of numerous vacant positions mostly offset by higher salaries and temporary agency staff costs, both across a large range of areas and in part due to the new organisation structure.
 - CEO Services (\$143,000) - due to a delay in filling vacant positions mainly in Digital Technology (\$307,000) partly offset by higher salaries in Strategic Growth and Advocacy due to an appointment under the new organisation structure (\$115,000).

C. Balance Sheet

Council's net assets are valued at \$2.72 billion as at 30 June 2024.

C1. Current assets

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

Cash and cash equivalents (\$21.58 million) – Represent the net amount held by Council in cash or term deposits with a term of less than 90 days.

\$167.64 million of cash and investment funds are 'restricted' for various purposes. The reduction in operating funds at 30 June 2024 is due to the classification of \$172.82 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 \$26.76 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 ensuring the investment portfolio does not exceed the limits set in the Policy based on the Standard and Poor's Long-Term rating of Authorised Deposit Taking Institutions (ADI) combined with the term of the investment.

Financial assets (\$172.82 million) – The increase in financial assets from the prior year is due to a greater number of investments placed for a longer duration (ie. with a term of over 90 days) to maximise the interest earnings in the current economic environment. Overall, Council's cash and investment holdings at 30 June 2024 are fairly consistent with the prior year (\$194.40 million at 30 June 2024 compared to \$195.11 million at 30 June 2023).

Trade and other receivables (\$30.25 million) – This balance includes:

- Rate debtors \$15.96 million.
- Infringement debtors of \$9.36 million (net of provision for doubtful debts).
- General debtors \$4.93 million (net of provision for doubtful debts).

The rates collection percentage improved during 2023-24 (92.90%) up from 90.73% in the prior year. Council's pre-COVID rates collection generally sat at around 94.50%. Improvement in collection has resulted in rates arrears at 30 June 2024 holding steady but high. This is due to a combination of factors including:

- Several years of no debt recovery of outstanding rate debts during the COVID-19 pandemic and changes in legal recovery due to legislation, and
- Recent economic impacts of high inflation, high cost of living and high interest rates.

The infringement debtors balance at 30 June 2024 of \$9.36 million was consistent with the prior year (2022-23: \$9.31 million).

Other assets (\$6.58 million) – This balance includes:

- Accrued income \$4.74 million – income earned but cash not yet received as at 30 June 2024.
- Prepayments \$1.17 - expenses prepaid at 30 June 2024.
- Other deposits \$667,300 – represents:
 - \$250,000 deposit paid for Metropolitan Resource Recovery Landfill Services Gate Fee,
 - \$233,600 deposit paid to South East Water for 5 Mason Street, Dandenong works,
 - \$100,000 deposit paid on an open space property acquisition in Blissington Street, Springvale which is due to settle in August 2024,
 - \$75,000 deposit for Metropolitan Resource Recovery organic waste processing contract,
 - \$8,700 warranty bond for Soccer Pitch and Community Centre - 9 Memorial Drive, Noble Park.

C2. Non-current assets

Property, infrastructure, plant and equipment (\$2.64 billion) – Includes Council roads, drains, buildings, plant and other fixed assets. These values are reflected after recognising the depreciation allowed against each asset.

The \$136.52 million increase in property, infrastructure, plant and equipment from the prior year is due to:

- Asset revaluation net increment of \$125.69 million
- Asset acquisitions of \$50.05 million
- Less depreciation expense of \$35.69 million

The 2023-24 asset revaluation increment comprises:

Asset class	Open WDV 1-Jul-23 \$'000	Net Revaluation \$'000	Revaluation Mvmt %
Property			
Buildings	333,153	1,903	0.57%
Land	1,291,808	18,481	1.43%
Land under roads	48,118	44,152	91.76%
Infrastructure			
Bridges	50,603	5,688	11.24%
Drainage	305,860	46,465	15.19%
Parks, Opens Space and Streetscapes (POSS)	26,868	4,516	16.81%
Recreational Leisure and Community Facilities (RLCF)	26,453	4,483	16.95%
Total	2,082,863	125,688	6.0%

Buildings revaluation (31 May 2024)

The net revaluation increment of \$1.90 million for Council's building assets is a minor revaluation movement in 2023-24 (0.6%). This was a formal independent valuation conducted by Council's external valuer Patel Dore Pty Ltd.

The buildings asset class was last revalued at 31 May 2023 via an indexed revaluation which resulted in a \$35 million increase. At 31 May 2024, a minor net increase of \$1.90 million in building assets was recognised. The increase in the revaluation was mainly due to a change in accounting policy to componentise the buildings asset class into three components in 2023-24 (superstructure, ancillary services and fit-out).

Land revaluation (31 May 2024)

The land asset class was last revalued in January 2022. The revaluation at 31 May 2024 is an independent revaluation by Council's contract valuer, Patel Dore Pty Ltd. Overall, the land asset class experienced an increase of \$18.48 million (1.43%) during 2023-24.

Land Under Roads revaluation (31 May 2024)

Up to 30 June 2023 Council had opted to value Land Under Road (LUR) assets at cost. In 2023-24, a change in accounting policy occurred to measure LUR assets at fair value. The 2023-24 revaluation of LUR is therefore the first revaluation conducted of Council's LUR assets and was an independent valuation by Patel Dore Pty Ltd (Council's contract valuer). Patel Dore provided the average site value rate (per square metre) in the municipality by land type and discounted as follows:

- 85% discount for a road reserve in a rural neighbourhood.
- 90% discount for a road reserve in an industrial neighbourhood.
- 90% discount for a road reserve in a commercial neighbourhood.
- 95% discount for a road reserve in a residential neighbourhood.

Given this was the first revaluation of LUR, the revaluation increment was a significant increase of \$44.1 million (91.76%) during 2023-24.

Drainage revaluation (31 May 2024)

The drainage asset class consists of pipes and pits and was last revalued in May 2022. Based on the annual review of replacement unit rates, the drainage asset class was assessed as having moved materially in value (approximately 17%) since the last revaluation.

The replacement unit rates for drainage are predominantly sourced from Rawlinson's Construction Handbook (March 2024 update). The internal revaluation of drainage assets in 2023-24 using the replacement unit rates resulted in a \$46.46 million increment (15.19%). This increase is consistent with higher material costs and labour shortages experienced in recent years.

Bridges (30 June 2024)

The bridges asset class was last revalued in March 2022 by an independent valuer. Based on the annual review of the CPI index, the bridges asset class was assessed as having moved materially in value (approximately 10%) since the last revaluation.

The indexed revaluation of bridge assets in 2023-24 resulted in a \$5.69 million increment (11.2% compared to the opening written down value). This increase is consistent with higher material costs and labour shortages experienced in recent years.

Parks, Open Space and Streetscapes (POSS) and Recreational, Leisure and Community Facilities (RLCF) revaluation (31 May 2024)

An accounting policy change also occurred in relation to the valuation of two infrastructure asset classes:

- Parks Open Space and Streetscapes (POSS), and
- Recreational, Leisure, and Community Facilities (RLCF).

These asset classes were previously valued at cost and weren't subject to revaluations. The revaluation that occurred during 2023-24 is also the first time, that these two asset classes have been revalued. A significant amount of work will need to occur to determine replacement unit rates for the vast number of asset types in these two asset classes. The methodology used in the 2023-24 revaluation of the POSS and RLCF asset classes was to apply the group inflation index movement using the asset's build date. Overall, the POSS and RLCF asset classes were incremented by \$8.9 million (16.85%) during 2023-24. A large number of assets in these asset classes had been fully depreciated as they have fairly short useful lives (10-20 years). These assets were reviewed to determine if they were still in use. If they were, this resulted in # of assets being brought back into Council's asset register as not previously recognised assets. If they weren't, the assets were disposed in 2023-24.

Investment property (\$6.69 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. Investment property experienced a \$115,000 increase in value during 2023-24.

Right-of-use assets (\$1.17 million) – Represents leased (right-of-use) assets and includes property, fleet, IT and office equipment that has been leased under ordinary lease arrangements.

Intangible assets (\$1,000) – Represents computer software assets. These values are reflected after recognising the associated amortisation expense. The decrease in this asset value is due to more recent acquisitions of computer software being generally expensed instead of capitalised as an asset, due to software as a service and license periods.

Trade and other receivables (\$266,000) – represent non-current receivables of:

- \$191,922 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site, and
- \$73,320 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 (\$25.84 million) – This balance includes trade creditors arising from operations and capital works.

Trust funds and deposits (\$4.25 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 (\$877,000). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Other deposits (\$1.69 million).
- Landscape deposits (\$1.04 million).
- Road deposits (\$429,000).
- Open space contributions (\$212,000).

Unearned income (\$56.52million) – Represents income not yet earned based on specific performance obligations that were not complete at 30 June 2024 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$44.10 million).
- Operating grants (\$8.16 million).
- Capital grants (\$2.18 million).
- Other (\$2.08 million).

Provisions (\$20.85 million) – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
 - Long service leave entitlements - \$11.74 million.
 - Annual leave entitlements - \$8.25 million.
 - Rostered days off (RDO) - \$620,000.
- Landfill provision - \$229,000 - provision for the restoration and aftercare management of the former Spring Valley landfill site (closed). The former closed landfill is owned by the Council and is used as recreational open space. Council's share is 19.88% of the total future estimated costs.

Interest-bearing liabilities (\$3.83 million) – Represents the repayment of long-term borrowings expected during 2024-25.

Lease liabilities (\$594,000) - Represents the lease repayments in respect of the right-of-use assets that are payable during 2024-25.

C4. Non-current liabilities

Debts due to be repaid in future years.

Provisions (\$1.47 million) – Represents the provisions estimated to be paid beyond the 2023-24 financial year and comprises of long service leave entitlements for employees (\$600,000) and landfill provision for restoration of Spring Valley landfill site (\$875,000) (Council's share is 19.88% of the total future estimated costs).

Trust funds and deposits (\$2.90 million) – Represents deposits that are payable beyond the 2023-24 financial year and comprises asset protection bonds of \$2,59 million, landscape deposits of \$224,000 and contractor deposits of \$84,000.

Interest-bearing liabilities (\$43.35 million) – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

Lease liabilities (\$642,000) – Represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months.

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

D. Cash Flow Statement

Cash and investment holdings total \$21.58 million as at 30 June 2024, an decrease of \$50.67 million since 30 June 2023. Total cash and investment holdings are made up of operating cash (significantly reduced to \$146.06 million due to the classification of term deposits over 90 days as financial assets) and restricted cash (\$167.04 million). Please refer below for a detailed listing of Restricted Cash items, which are set aside for specific purposes.

Cash flows from operating activities – net inflow of \$55.71 million.

The major inflows are rates (\$169.84 million), trust funds and deposits taken (\$33.61 million), grants - operating (\$23.73 million), user fees (\$9.32 million) and statutory fees and fines (\$8.55 million).

The major outflows are materials and services (\$97.55 million), employee costs (\$92.49 million) and trust funds and deposits repaid (\$34.30 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 \$100.50 million, including:

- \$53.15 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.
- \$49.98 million relates to cash outflow for term deposits with a maturity of greater than three months.
- \$628,000 proceeds on asset sales mainly relating to the fleet replacement program.

Cash flows from financing activities – outflow of \$5.87 million.

Council incurred \$2.55 million in finance costs on its borrowings, received \$1.00 million in proceeds from borrowings and repaid \$3.60 million of existing borrowings. In addition, Council repaid \$723,000 of its lease liabilities as at 30 June 2024.

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

Type	30-Jun-24	Notes
Reserve funds	\$'000	
Council funded Development Contribution Plans (DCP) reserve	16,314	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	3,756	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	6,000	To fund acquisitions of new open space land.
Major projects reserve	49,308	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.

Type	30-Jun-24	Notes
Keysborough South Maintenance Levy	3,007	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	4,063	Rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	200	To meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	469	To meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	235	To fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	3,014	To fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	4,155	Funds set aside for the aged care reforms.
Future maintenance reserve	4,040	Contribution funds for future works to address level crossing removal authority defects.
Total reserve funds	94,561	
Employee provisions	\$'000	
Long service leave	12,345	Funds to meet long service leave commitments.
Annual leave and other	8,873	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
Employee provisions	21,218	
Trust funds and deposits	\$'000	
Fire services property levy (FSPL) collected and due	877	Payable to State Revenue Office – legislative requirement.
Open space contributions	212	Pending completion of works.
Landscape deposits	1,268	Pending completion of works.
Road deposits	429	Pending completion of works.
Other trust funds and deposits	4,366	Refundable upon finalisation of programs.
Total trust funds and deposits	7,152	
Other restricted funds	\$'000	
DCP unearned income	44,104	Pending completion of works by developers.
Other restricted funds	44,104	
Total restricted cash	167,035	

E. Statement of Capital Works

Total capital expenditure on 30 June 2024 was \$50.05 million. The following **CIP Expenditure Report** contains the expenditure status of each of the approved capital projects.

The timing of cash outflows and project completion can differ for capital projects. Commentary on the status of each project with major variances reported if the variance is greater than \$300,000. Please note that the variances detailed below are the total of all asset classes by project whereas the Capital Expenditure report details the variances separately by asset class and project.

A number of capital projects listed below are proposed to be carried over to the 2024-25 financial year. A total of \$18.46 million (net) in capital works has been identified as proposed carry forward commitments to 2024-25. These projects are listed in Appendix 5 – Capital and Operating Carry Over's from 2023-24 to 2024-25.

Property

- **1631 Art Gallery PEP Building (\$562,000 favourable)** – Finalisation of concept design paused by Project Control Group (PCG) for completion of major projects and cultural infrastructure review. Detailed design to be resumed upon completion of internal reviews. Grant milestones adjusted 12 months accordingly as endorsed by PCG. Cultural infrastructure review expected to be complete end of July 24. The favourable variance is proposed to be carried over to the 2024-25 financial year.
- **1869 Dandenong Community Hub (\$1.73 million favourable)** – Project has been on hold pending outcomes of Major Project Review. The favourable variance is proposed to be carried over to the 2024-25 financial year.
- **3219 Thomas Carroll Pavilion (\$367,000 unfavourable)** – Relates to Minor Disability Discrimination Act (DDA) rectification works that are complete at 30 June 2024. The unfavourable variance relates to COVID-19 and the resultant pressures on the building industry and increased prices of goods and services. In addition, there were latent conditions relating to ground conditions (soft spots and unknown services) and changes in building standards (DDA access) that were not evident until construction began.
- **3547 George Andrews Reserve (\$569,000 unfavourable)** – Multi-year, politically sensitive project to renovate the kitchen and verandah, including installation of air fryer. Actual costs for verandah were higher than budgeted due to increased scale of works. Works are complete.
- **3548 Keysborough South Community Hub (\$6.64 million favourable)** – Earthworks and in-ground works in progress. Contractor has commenced the steel fabrication and major mechanical and electrical items procurement. Stage 2 Building Permit has been received, however, it was delayed. The favourable variance to Mid-Year Budget was reduced by \$5.12 million in the 2023-24 Forecast to factor in \$5.12 million of borrowings delayed to the 2024-25 year. \$1.48 million is proposed to be carried over to the 2024-25 financial year.
- **3874 Building Renewal – HVAC (\$362,000 favourable)** – Favourable variance due to incorrect project allocation with another building renewal project account. Works underway in this program. A request to carry over one of the child projects (\$206,000 - 39 Clow Street) to 2024-25 has been proposed due to contractual commitments.

- **3876 Building Renewal Bathroom (\$1.02 million favourable)** – Favourable variance due to incorrect project allocation with another building renewal project account. Carry over request of \$194,000 for two child projects have been submitted. 1 - \$100,000 Dandenong Market Public Toilets Refurbishment, Bathroom Renewal (Meat Hall) and Sewer Works delayed due to structural audit and review of capacity of area as well as a water leak. 2 - \$94,000 Police Paddocks Reserve (Soccer) - Renewal of Male, Female and Accessible Changerooms which is being delivered in stages, stage 1 was completed earlier in the year, Stage 2 design was completed this year and construction is ongoing.
- **3902 Ross Reserve Pavilion (\$344,000 favourable)** – All works completed with a permanent favourable variance to budget.
- **3974 Dandenong Wellbeing Centre (\$3.38 million favourable)** The design for the Dandenong Wellbeing Centre facility is complete. After deducting a minor amount of operating expenditure for this project, \$3.29 million is proposed to be carried over to the 2024-25 financial year.
- **3906 Dandenong Gallery of Art (\$3.59 million favourable)** - Bolts rectification works are complete. Council is in the process of engaging a builder to reconstruct the defective in-ground services. Given the history of the project Council, to decide to either act as an owner builder or engage a builder to complete the remainder of the works. After deducting \$364,000 of operating expenditure for this project in 2023-24, \$3.22 million is proposed to be carried over to the 2024-25 financial year.
- **3941 Police Paddocks Grandstand (\$434,000 favourable)** – Works underway but delayed. Updated cost plan received by the Club and under review with Sports and Recreation. \$434,000 is proposed to be carried over to the 2024-25 financial year.
- **4003 Springvale Reserve (\$409,000 unfavourable)** – Works related to fire services compliance works that were required to be conducted.
- **4004 8 Balmoral Avenue (\$305,000 unfavourable)** – The unfavourable variance in this project is due to the enhancement to the original project scope to install a user activated roller shutter. This created a secure parking area for permit holders as well as reducing anti-social behaviour and vandalism on the roof level. This work was undertaken knowing that there was savings within the broader CIP 2022-23 budget. However, due to delays with manufacturing the works were completed in 2023-24.
- **4067 Lyndale Secondary College Kitchen (\$503,000 favourable)** – Construction package complete. After deducting a minor amount of operating expenditure for this project, \$495,000 is proposed to be carried over to the 2024-25 financial year.
- **4069 PEP Redevelopment (\$1.27 million favourable)** – Finalisation of concept design paused by Project Control Group (PCG) for completion of major projects review and cultural infrastructure review. Detailed design to be resumed upon completion of internal reviews. Grant milestones adjusted 12 months accordingly as endorsed by PCG. Cultural infrastructure review expected to be complete end of July 24. After deducting a minor amount of operating expenditure for this project, \$1.25 million is proposed to be carried over to the 2024-25 financial year.
- **4109 Bains Pavilion (\$349,000 favourable)** – This budget was redirected to project 4195 Barry Powell Playground. Any unspent budget at 30 June 2024 will be proposed as a carry over in the Barry Powell Playground project.

- **4185 Dandenong Market – Fire Services (\$556,000 favourable)** – Works underway but delayed. After deducting a minor amount of operating expenditure for this project, \$743,000 is proposed to be carried over to the 2024-25 financial year.

Plant and Equipment

- **1445 Fleet Renewal Program (\$1.37 million favourable)** - Plant purchases have been put on hold pending a Service Review for the Parks Operational team. The following plant and equipment, along with costs, are due to be replaced or renewed: 3 large tractors at \$200,000 each; 1 large road sweeper at \$500,000; 1 footpath sweeper at \$70,000 and 2 zero turn mowers at \$87,500. \$1.04 million is proposed to be carried over to the 2024-25 financial year.

Infrastructure

- **1629 Vanity Lane 275 Lonsdale (\$1.98 million favourable)** – Council has decided not to progress with this project. The remaining budget has been approved to be carried over to the Dandenong New Art project (3906) in 2024-25.
- **3231 Road Reconstruction Program (\$3.20 million favourable)** – Contractor appointed for Ordish Road full reconstruction. Service proving works completed. Waiting for approval from the service authorities to work around their assets. Favourable variance mainly relates to the lengthy process of geotechnical investigation and pavement design, carried out by the design contractor, which meant that finalisation of the design took longer than anticipated. The contract for stage 2 was awarded in April 2024. The evaluation process took longer than usual because the preferred tenderer submitted non-conforming contract condition departures. Lawyers were engaged to negotiate these contract condition departures with the contractor. After the contract was awarded, the contractor has been unable to obtain the Memorandum of Authorisation (MOA) from VicRoads to start the construction works. It has been approximately 50 working days since the contractor applied for the MOA. The project was also delayed due to the need for approval from service authorities to work near their assets. \$2.08 million is proposed to be carried over to the 2024-25 financial year to complete full reconstruction of Ordish Road (after taking the overspend in project 3754 Road Rehabilitation Program into account).
- **3373 Kerb and Channel Renewal (\$309,000 favourable)** – The majority of this favourable variance relates to \$185,000 of project costs that were transferred to operating expenditure in the Capital Improvement Program as they were not able to be capitalised in the asset register (either not capital in nature or under the capitalisation threshold). The remaining favourable variance is not proposed to be carried over to 2024-25.
- **3404 Black Spot – Brady Road, Dandenong (\$1.17 million favourable)** – The design work for this project is in progress. Public lighting design and approval will take longer as United Energy has a lengthy waiting period for public lighting design approvals. This is a Federal funded multi-year design and construction project. The full favourable variance of \$1.17 million is proposed to be carried over to the 2024-25 financial year.
- **3442 Noble Park Revitalisation (NPR) (\$335,000 favourable)** – Projects cofounded by NPR board are on track. Projects will continue in next financial year. This project budget represents Council co-contribution as part of Noble Park Revitalisation Board (NPRB) project, however, projects were mostly funded from State funds. This budget will be used to close out NPRB projects and complete any outstanding programs/projects committed to. After taking into account two NPR project overspends in 2023-24, \$249,000 is proposed to be carried over to the 2024-25 financial year.

- **3754 Road Rehabilitation Program (\$827,000 unfavourable)** – Twelve road sections have been resurfaced and completed. Project complete. Unfavourable variance due to some invoices relating to 3231 Road Reconstruction Program being allocated to the wrong project code. This unfavourable variance is offset by a favourable variance in that program.
- **3932 Passive Opens Space Renewal Program (\$465,000 favourable)** – \$300,000 of this program budget was split out to a separate project account to quarantine the child project relating to Barry Powell Playground (4195). Of the remaining favourable variance of \$165,000, most (\$142,000) relates to operating expenditure in this project that was not capital in nature.
- **3942 Black Spot Works Program (\$356,000 favourable)** – Project complete. This favourable variance relates to \$466,000 of project costs that were transferred to operating expenditure in the Capital Improvement Program as they were not able to be capitalised in the asset register (either not capital in nature or under the capitalisation threshold) which means this project actually had an unfavourable variance of \$110,000, which is partly offset by higher grant funding than anticipated (\$52,000). This means that overall this project had a net unfavourable variance of \$58,000.
- **3992 Perry Road DCP-KR01a (\$1.76 million favourable)** – Works are progressing well. Trees have been removed. Footpath construction is in progress. Melbourne Water connections complete. Storm water drainage works are progressing well and at 90% completion. Swale drain is being done. Road widening on North side of the road is progressing well, edge strip is being done. Road widening on South side of the road has commenced. Project delays attributable to service authority approvals and materials availability (supply of concrete pipes) which impacted the project to an extent. This is a multi-year project with anticipated practical completion by the end of September 2024.
- **4010 Callander Road (\$300,000 favourable)** – Project relates to establishing an easement on 18 Kelvinside Road, Noble Park (Church property). It has been very difficult to get in touch with Church representatives and correspondence sent by Council has been returned undelivered. Council is using alternative methods to ensure the delivery of the letter requesting negotiation, but still not in a position to finalise the project. We will continue with the process and seek legal advice for our current situation to initiate the compulsory acquisition process. \$249,000 is proposed to be carried over to the 2024-25 financial year.
- **4060 Black Spot Railway Parade (\$442,000 favourable)** – Grant funding provided via the 2022-23 Federal Black Spot program. Commitments for construction in place and construction yet to be started due to delays in United Energy approval for lighting works. \$411,000 is proposed to be carried over to the 2024-25 financial year.
- **4120 Ross Reserve Athletics Track (\$459,000 favourable)** – Whilst the Ross Reserve athletics track is completed, the existing lighting system has old metal halide fittings which are reaching the end of their life and parts for repair are becoming difficult to come by. The carry over of the remaining project budget will enable the changeover of the fittings to new LED energy efficient fittings whilst also providing compliant light levels for the track and infield. Procurement phase has been initiated and the project is expected to be completed by November 2024. \$40,000 of this favourable variance relates to project costs that were transferred to operating expenditure in the Capital Improvement Program as they were not able to be capitalised in the asset register (either not capital in nature or under the capitalisation threshold). The remaining favourable variance is proposed to be carried over to 2024-25.
- **4116 Drainage Catchment 38A (\$425,000 favourable)** – Project complete. This favourable variance relates to \$475,000 of project costs that were transferred to operating expenditure in the Capital Improvement Program as they were not able to be capitalised in the asset register (either not capital in nature or under the capitalisation threshold) which means this project actually had an unfavourable variance of \$50,000.

- **4163 Lighting Renewal Program – Parks Open Space and Streetscapes (\$411,000 favourable)** – Favourable variance relates to child project: Dandenong Indoor Sports Stadium - Carpark Lighting Renewal. Due to delays in procurement process, contract was awarded in June 2024 for both stage 1 and 2. Works are expected to be completed by August 2024. \$411,000 is proposed to be carried over to the 2024-25 financial year.
- **4164 Dandenong CBD LED Upgrade (\$410,000 favourable)** – Contract for the works has been awarded and lights to be renewed have been ordered. Delays have occurred because the tender process took longer than expected and the delivery timeframes for the lights has blown out because of unforeseen circumstances. Project is forecast to be completed by February 2025. This favourable variance is proposed to be carried over to the 2024-25 financial year.
- **4188 Black Spot Athol Road (\$312,000 favourable)** – This is a multi-year, grant funded project. The design work for this project is in progress. Public lighting design and approval will take longer as United Energy has a lengthy waiting period for public lighting design approvals. This favourable variance is proposed to be carried over to the 2024-25 financial year.

General

- **0000 Not Applicable (\$1.42 million unfavourable)** – Relates to items that have been transferred from operating because they meet the asset capitalisation criteria. For instance, building and road works allocated to operating but assessed as being capital in nature. Offset by favourable variance in operating expenditure in these areas.

APPENDIX 1 - Capital Expenditure Report

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
PROPERTY						
Buildings						
0000. Not Applicable	215,262	-	(215,262)	-	(215,262)	-
1631. 2434-22/23 Art Gallery PEP Bldg	11,607	573,668	562,061	573,668	562,061	-
1818. 1622-19/20 Walker St Carpark	-	-	-	10,845	10,845	-
1869. 2587-23/24 D'nong Community Hub	269,584	2,000,810	1,731,226	2,000,810	1,731,226	1,756,000
1943. Air Fryer Crowe Pavilion	-	15,000	15,000	15,000	15,000	-
3207. Bldg Renewal Aq/Leis D'nong Stadium	3,377	-	(3,377)	-	(3,377)	-
3219. 1943-20/21 Thomas Carroll Pavilion	842,325	475,310	(367,015)	1,025,310	182,985	-
3547. 1504-19/20 George Andrews Reserve	672,458	103,210	(569,248)	653,210	(19,248)	-
3548. Keysb Sth Community Hub	7,192,848	13,830,089	6,637,241	8,710,089	1,517,241	11,000,000
3793. 1583-19/20 Dandenong Market Square	30,229	68,834	38,605	68,834	38,605	-
3817. 2356-22/23 Civic Archive Building	4,405	-	(4,405)	4,405	(0)	-
3874. 2272-22/23 Bldg Renewal - HVAC	102,949	465,000	362,051	300,000	197,051	465,000
3876. Bldg Renewal Fixt/Fitt Bathroom	453,752	1,470,000	1,016,248	1,470,000	1,016,248	1,470,000
3879. 2457-23/24 Bldg Renewal Minor Wrks	85,676	147,000	61,325	197,000	111,325	147,000
3880. 2458-23/24 Bldg Renewal Roof	102,173	377,950	275,777	317,950	215,777	260,000
3883. Bldg Renewal Fixt/Fitt Kitch & Mech	174,222	-	(174,222)	250,000	75,778	-
3902. 1928-20/21 Ross Reserve Pavilion	3,780	347,465	343,685	47,465	43,685	-
3904. Bldg Renewal Theatre	272,361	383,000	110,639	383,000	110,639	383,000
3906. 2583-23/24 Dandenong Gallery of Art	1,092,095	4,681,181	3,589,086	4,681,181	3,589,086	3,000,000
3946. Bldg Renewal Aquat/Leis	785,389	1,039,500	254,111	789,500	4,111	1,039,500
3949. 1785-20/21 NPAC Redevelopment	8,502	-	(8,502)	8,502	0	-
3974. D'nong Wellbeing Centre	1,769,647	5,152,186	3,382,539	5,152,186	3,382,539	5,500,000
4003. Springvale Res Masterplan Implem.	409,369	-	(409,369)	271,557	(137,812)	-
4004. 1764-19/20 8 Balmoral Avenue	304,768	-	(304,768)	320,228	15,460	-
4042. NPR N'Park Comm Ctr Bldg Upgrade	23,523	41,752	18,229	56,553	33,030	-
4067. 2570-23/24 Lyndale Sec Coll Kitchen	41,923	544,800	502,877	494,800	452,877	400,000
4069. 2585-23/24 Pep Redevelopment	255,232	1,526,995	1,271,763	1,526,995	1,271,763	800,000
4105. 2311-22/23 Police Padck Water Main	-	144,100	144,100	94,100	94,100	-
4106. 2330-22/23 D'nong Civic Hot Water	-	93,280	93,280	93,280	93,280	-
4109. 2167-22/23 Bains Pavilion	-	348,875	348,875	-	-	-
4132. 1009-18/19 Heritage Hill (Laurel)	-	60,000	60,000	60,000	60,000	60,000
4133. 1028-18/19 Jan Wilson Community Ctr	-	45,000	45,000	-	-	45,000
4142. 1944-20/21 Dandy Mkt Carpk Bollards	-	15,000	15,000	15,000	15,000	15,000
4143. 2336-22/23 Cooinda Ctr - DDA Comply	153,491	200,000	46,509	200,000	46,509	200,000
4144. 1925-20/21 Dandy CvcCtrlLib Cppt Des	18,300	25,000	6,700	25,000	6,700	25,000
4145. 1362-19/20 Paddy O'Donoghue Centre	-	35,000	35,000	-	-	35,000
4146. 1487-19/20 39a Clow Street-Lighting	-	38,000	38,000	-	-	38,000
4147. 2340-22/23 Dandenong West Prim Sch	7,852	7,000	(852)	7,852	(0)	7,000
4148. 1688-19/20 Noble Park - Mbl Lib Srv	32,644	50,000	17,356	50,000	17,356	50,000
4149. 2602-23/24 Dandy North Snr Citizens	28,900	40,000	11,100	40,000	11,100	40,000
4150. 1893-20/21 The Castle - Lighting	-	10,000	10,000	-	-	10,000
4184. Dandenong Market - Lift	-	175,000	175,000	175,000	175,000	-
4185. Dandenong Market - Fire Services	43,640	600,000	556,360	600,000	556,360	-
Leasehold Improvements						
3941. 1767-19/20 Police Padck Grandstand	-	433,660	433,660	433,660	433,660	-
4111. 2247-22/23 Rosewd Downs PS MCH	-	122,070	122,070	-	-	-
Land						
4201. 9A Blissington Street, Springvale	10,000	-	(10,000)	-	(10,000)	-
Total property	15,422,284	35,685,735	20,263,451	31,122,980	15,700,696	26,745,500

Note – Land 4201. 9A Blissington Street, Springvale relates to a strategic open space land acquisition that will be funded from the Open Space Acquisition reserve. Council has paid 10% deposit and selling costs at 30 June 2024. The property is expected to settle in August 2024.

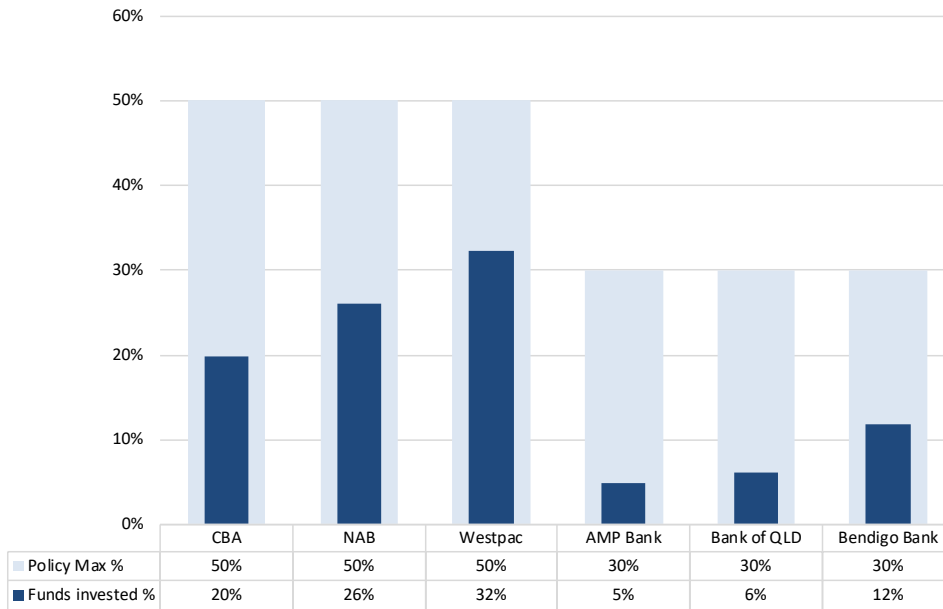
	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
PLANT AND EQUIPMENT						
Plant, machinery and equipment						
0000. Not Applicable	216,499	-	(216,499)	-	(216,499)	-
1188. HACC Minor works	-	50,000	50,000	50,000	50,000	-
1445. Fleet Renewal Program	1,772,523	3,140,900	1,368,377	3,112,900	1,340,377	3,140,900
1447. 2252-22/23 Fleet New Program	164,602	57,770	(106,832)	130,571	(34,031)	-
4044. NPR Pedestrian Counters S/City	-	12,492	12,492	12,492	12,492	-
Library books						
3104. Library Strategy Books & Resources	790,590	878,000	87,410	828,000	37,410	878,000
Computers and telecommunications						
0000. Not Applicable	44,272	-	(44,272)	-	(44,272)	-
3957. Audio Visual Renewal Program	558,697	556,500	(2,197)	556,500	(2,197)	556,500
4007. 1713-19/20 Merit CRM Replacement	-	88,050	88,050	88,050	88,050	-
4052. LRCI3 Optical Fibre Various	100,166	10,194	(89,972)	10,194	(89,972)	-
4104. Security Program	-	40,000	40,000	29,155	29,155	40,000
4112. 2455-23/24 Keysborough Food Svcs	176,710	165,500	(11,210)	165,500	(11,210)	165,500
4152. 1347-19/20 Various Locations Wi-Fi	39,827	36,000	(3,827)	36,000	(3,827)	36,000
4153. 1346-19/20 Hemmings Pk-Radio/Wi-Fi	14,566	25,000	10,434	25,000	10,434	25,000
4154. 2358-22/23 Var Locations Pple Count	5,912	37,000	31,088	37,000	31,088	37,000
Fixtures, fittings and furniture						
0000. Not Applicable	6,930	-	(6,930)	-	(6,930)	-
3314. Furniture Renewal Program	20,200	65,780	45,580	65,780	45,580	65,780
4151. Public Art Renewal Program	6,460	50,000	43,540	50,000	43,540	50,000
Total plant and equipment	3,917,955	5,213,186	1,295,231	5,197,142	1,279,187	4,994,680
INFRASTRUCTURE						
Parks, open space and streetscapes						
0000. Not Applicable	339,084	-	(339,084)	-	(339,084)	-
1629. 2231-22/23 Vanity Lane 275 Lonsdale	-	1,985,276	1,985,276	1,985,276	1,985,276	-
3442. 2574-23/24 NPR Noble Park Revital'n	-	335,000	335,000	260,199	260,199	150,000
3849. 2201-22/23 Fred Wachter Playground	-	92,392	92,392	80,000	80,000	-
3900. 1542-19/20 Ross Reserve Landscape	43,512	134,279	90,767	134,279	90,767	-
3931. 2440-23/24 Guardrail Program	-	100,000	100,000	100,000	100,000	100,000
3932. Passive Open Space Renewal Program	869,498	1,335,000	465,502	1,035,000	165,502	1,335,000
3977. 1996-20/21 LXRA Rectification Works	8,797	40,644	31,847	40,644	31,847	-
4012. Alex Wilkie Wetlands	-	50,000	50,000	50,000	50,000	-
4014. 2575-23/24 NPR Frank Street	184,826	120,000	(64,826)	180,000	(4,826)	120,000
4020. 2225-22/23 LRCI3 Railway Parade SC	179,171	213,742	34,571	213,742	34,571	-
4027. 1920-20/21 NPR Ian St Street Scape	90,504	305,221	214,717	305,221	214,717	-
4032. 1138-18/19 Hemmings St Precinct	9,097	141,320	132,223	141,320	132,223	-
4043. NPR Leonard/Buckley Streetscape	-	31,400	31,400	31,400	31,400	-
4058. 2225-22/23 Railway Pde St Scape (2)	15,000	-	(15,000)	-	(15,000)	-
4062. 2561-22/23 NPR Muderra Artwork	5,636	179,664	174,028	179,664	174,028	-
4065. 2564-22/23 NPR Leonard Av St-Scape	354,306	398,079	43,774	398,079	43,774	-
4128. 1313-18/19 Tyers Lane Reserve	105,704	120,000	14,296	100,000	(5,704)	120,000
4134. 2465-23/24 Lighting Renewal Prg	1,119,287	1,390,000	270,713	1,340,000	220,713	1,802,500
4141. 2560-22/23 Keshava Mural Thunder FC	30,000	30,000	-	30,000	-	-
4162. CCTV Renewal Program	76,169	136,550	60,381	83,914	7,745	136,550

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
Parks, open space and streetscapes (continued)						
4163. 2469-23/24 Ligh Renew Prog-Op Space	1,950	412,500	410,550	412,500	410,550	-
4164. 2318-22/23 Dandy CBD-LED Upgrade	-	409,640	409,640	409,640	409,640	409,640
4165. 2359-22/23 Hemmings Pk - Lighting	82,978	93,500	10,523	93,500	10,523	93,500
4166. 2223-22/23 86-88 Clow St Landscape	218,098	250,000	31,902	250,000	31,902	250,000
4167. 1869-20/21 Ian Tatt Lsr Prk LEDStg1	70,311	200,000	129,689	200,000	129,689	200,000
4168. 2113-21/22 Warner Rsv - Stg 2 of 2	127,241	200,000	72,759	200,000	72,759	200,000
4169. 2141-21/22 Madison Reserve	224,992	250,000	25,008	230,000	5,008	250,000
4170. 2144-21/22 Bakers Reserve	258,534	250,000	(8,534)	270,000	11,466	250,000
4171. 2202-22/23 Fred. Wachtr. RsvLndscpe	96,529	100,000	3,471	100,000	3,471	100,000
4172. 2207-22/23 Rowley Allan Rsv LapBldg	77,249	95,000	17,751	95,000	17,751	95,000
4173. 2398-22/23 Thoms. Carroll Rsv Entry	434,697	500,000	65,303	500,000	65,303	500,000
4174. 2414-22/23 Springvalley Park	159,213	200,000	40,787	150,000	(9,213)	200,000
4175. 2576-23/24 Springvale Revit ActPLAN	-	250,000	250,000	250,000	250,000	250,000
4177. 1832-20/21 George Andrews Rsv Upgrd	151,591	150,000	(1,591)	150,000	(1,591)	150,000
4178. 2614-23/24 Burden Park-Shade Sails	110,206	120,000	9,794	110,000	(206)	120,000
4179. 2609-23/24 Glendale Reserve	38,676	100,000	61,324	100,000	61,324	100,000
4180. 2214-22/23 218 Railway Pde Pckt Prk	97,265	80,000	(17,265)	80,000	(17,265)	80,000
4181. 2147-21/22 Thornton Reserve	103,896	125,000	21,104	125,000	21,104	125,000
4191. Railway Parade Shopping Centre	-	200,000	200,000	200,000	200,000	-
Recreational, leisure and community facilities						
0000. Not Applicable	217,132	-	(217,132)	-	(217,132)	-
1747. Barry Powell Masterplan Implem.	408	-	(408)	408	(0)	-
3209. ARP Sporting Facilities	1,875,862	1,995,000	119,138	1,995,000	119,138	5,995,000
3454. 2584-23/24 Dog Off Leash Program	89,295	100,000	10,705	100,000	10,705	100,000
3518. 1987-20/21 Harmony Square	1,200	-	(1,200)	1,200	-	-
3849. 2201-22/23 Fred Wachter Playground	479,402	523,554	44,152	500,000	20,598	-
3853. 2186-22/23 Parkfield Rsrve Cricket	29,290	53,418	24,128	53,418	24,128	-
4031. 1499-19/20 Ross Reserve SoccerPitch	318,784	338,081	19,297	338,081	19,297	-
4066. George Andrews Field 2 Lighting	701,754	704,130	2,376	704,130	2,376	230,800
4120. 2475-23/24 Ross Reserve Ath Track	4,707,577	5,166,121	458,544	4,838,115	130,538	-
4121. 2339-22/23 Children Services Prg	16,046	-	(16,046)	18,546	2,500	-
4135. 2433-22/23 Arkwright Drive Wetlands	-	-	-	178,006	178,006	-
4157. 2209-22/23 Springvale Rsv - Playgrd	250,389	300,000	49,611	245,000	(5,389)	300,000
4158. 2416-22/23 Springvale Rsv - Netball	756,339	740,000	(16,339)	795,000	38,661	740,000
4159. 2197-22/23 Warner Rsv-Tennis-1 of 3	26,509	30,000	3,491	30,000	3,491	30,000
4160. 2601-23/24 Booth Rsv-Afghan RockCrt	74,062	75,000	938	75,000	938	75,000
4161. 2203-22/23 Fred. Wachtr. Rsv-RecDes	21,640	80,000	58,360	80,000	58,360	80,000
4195. Barry Powell Masterplan Implem.	10,202	-	(10,202)	628,875	618,673	-
4197. Wal Turner Bball/Futsal Court	5,623	-	(5,623)	20,000	14,377	-
4198. 1982-20/21 Lyndale SC Sportsground	34,984	-	(34,984)	50,000	15,016	-
Roads						
0000. Not Applicable	131,517	-	(131,517)	-	(131,517)	-
3080. 2232-22/23 LRCI2 DCP-L102 AbbotsRd	252,990	350,000	97,010	350,000	97,010	-
3231. Road Reconstruction Program	422,078	3,618,451	3,196,373	2,818,451	2,396,373	3,000,000
3373. 2441-23/24 Kerb & Channel Renewal	190,753	500,000	309,247	500,000	309,247	500,000
3404. Black Spot - Brady Rd, Dandenong	22,170	1,191,072	1,168,902	1,191,072	1,168,902	-
3418. 2582-23/24 LATM New Program	520,165	723,719	203,554	723,719	203,554	500,000
3752. 2445-23/24 Roads to Recovery Prg	2,221,656	2,496,388	274,732	2,496,388	274,732	2,407,702

	FULL YEAR					ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUAL VARIANCE	
	\$	\$	\$	\$	\$	\$
Roads (continued)						
3754. Road Rehabilitation Program	5,826,666	5,000,000	(826,666)	5,800,000	(26,666)	2,500,000
3828. 1685-19/20 Mason Street	32,873	-	(32,873)	28,407	(4,466)	-
3942. 1784-20/21 Black Spot Works Program	514,506	870,788	356,282	1,014,788	500,282	-
3962. 1478-19/20 Bakers Road Service Road	-	23,305	23,305	23,305	23,305	-
3992. DCP Perry Rd Widening Green-Pacific	2,474,413	4,232,883	1,758,470	4,232,883	1,758,470	-
4059. 2557-22/23 OUTLOOK DVE BLACKSPOT F	140,981	148,336	7,355	148,336	7,355	-
4060. 2558-22/23 RAILWAY PDE BLACKSPOT P	29,463	471,480	442,017	471,480	442,017	-
4061. 2559-22/23 Browns Rd Blackspot PG	326,529	427,083	100,554	427,083	100,554	-
4064. 2563-22/23 NPR Laneway Activation P	97,203	100,000	2,797	100,000	2,797	-
4138. 2448-23/24 LATM Renewal Program	69,729	150,000	80,271	166,302	96,573	150,000
4187. Black Spot Prog.- Hammond Rd Lodgis	4,350	106,704	102,354	106,704	102,354	-
4188. Black Spot Prog.-Athol Rd/Springval	-	311,904	311,904	311,904	311,904	-
4189. Black Spot Prog.-View Rd, S/Vale	9,600	257,184	247,584	257,184	247,584	-
4190. Black Spot - Woodlee St, Dandenong	11,625	186,048	174,423	186,048	174,423	-
Bridges						
0000. Not Applicable	18,195	-	(18,195)	-	(18,195)	-
4034. 2243-22/23 LRCI3 Hammond Rd Bridge	325,162	519,581	194,420	519,581	194,420	-
4046. 2244-22/23 LRCI3 Abbotts Rd Bridge	-	100,000	100,000	100,000	100,000	-
Footpath and cycleways						
0000. Not Applicable	44,521	-	(44,521)	-	(44,521)	-
3174. 2581-23/24 Active Transport ATIPP	218,541	500,000	281,459	500,000	281,459	500,000
3355. Footpath Renewal Program	437,412	700,000	262,588	700,000	262,588	700,000
4155. 1995-20/21 Mordialloc Crk Eq Trail	-	20,000	20,000	20,000	20,000	20,000
Off street car parks						
4033. 1914-20/21 LRCI3 The Crescent	-	19,616	19,616	19,616	19,616	-
4049. 2288-22/23 LRCI3 Robert Booth-Bess	-	14,243	14,243	14,243	14,243	-
4182. 2205-22/23 Rowley Allan Rsv - Fence	65,972	60,000	(5,972)	65,972	0	60,000
4183. 1428-19/20 The Castle - Carpark Des	-	15,000	15,000	4,456	4,456	15,000
4186. D'nong Market - CarPark Recitificat	-	225,000	225,000	225,000	225,000	-
Drainage						
0000. Not Applicable	182,607	-	(182,607)	-	(182,607)	-
3019. 2439-22/23 Drainage Renewal Prg	347,284	400,000	52,716	400,000	52,716	400,000
3558. 2449-23/24 Pit Renewal Program	24,413	100,000	75,587	100,000	75,587	100,000
3939. 2438-22/23 Drainage Reactive Prg	429,510	500,000	70,490	500,000	70,490	500,000
3977. 1996-20/21 LXRA Rectification Works	6,662	-	(6,662)	-	(6,662)	-
4010. 2230-22/23 LRCI2 Callander Rd	209	300,000	299,791	300,000	299,791	300,000
4116. 1998-20/21 Drainage Catchment 38A	-	425,000	425,000	475,000	475,000	-
4156. 1798-20/21 Victoria Avenue New GPT	11,373	250,000	238,627	250,000	238,627	250,000
Total infrastructure	30,711,641	46,543,296	15,831,655	46,813,079	16,101,438	26,590,692
GRAND TOTAL	50,051,879	87,442,217	37,390,338	83,133,201	33,081,322	58,330,872

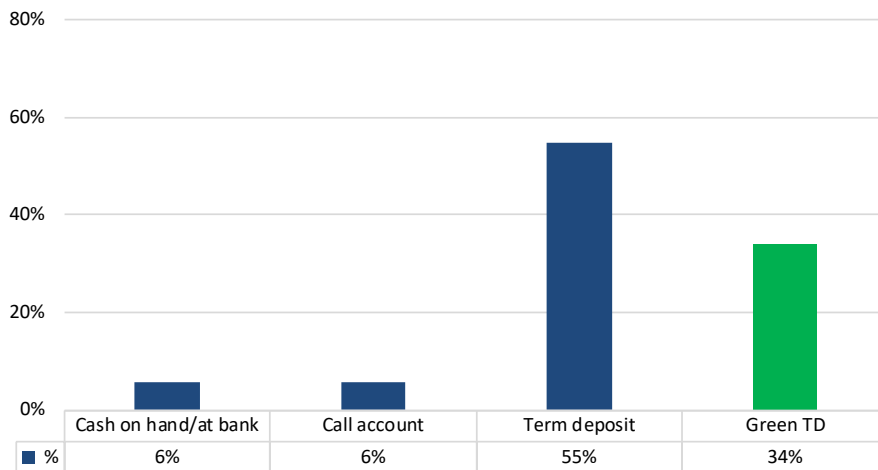
APPENDIX 2 – Investment Analysis

Individual Institution (ADI) limits



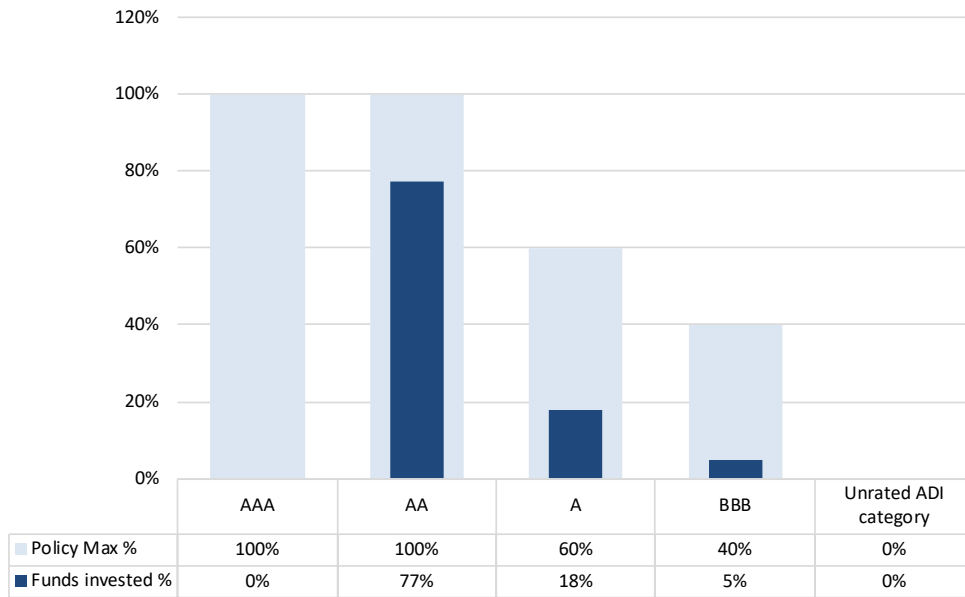
Policy limit – Council’s Investment Policy limits funds invested in AAA category Authorised Deposit Institutions (ADI) to a maximum of 60%, 50% with AA category or major bank, 40% with A category ADIs, 30% with BBB category ADIs and 0% in unrated ADIs.

Portfolio Products

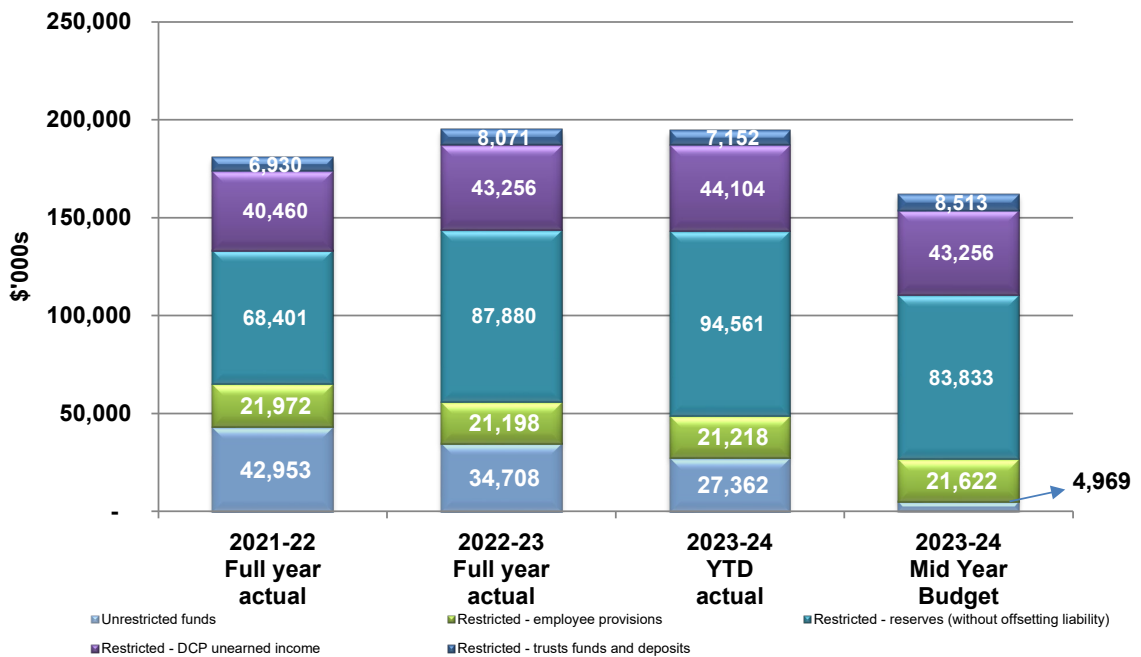


Note: Green deposits: 34% (or \$65.3 million) was invested at 30 June 2024. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds. Investments held with Bendigo Bank fall under this category as this institution does not invest in fossil fuels.

Investment portfolio by credit rating

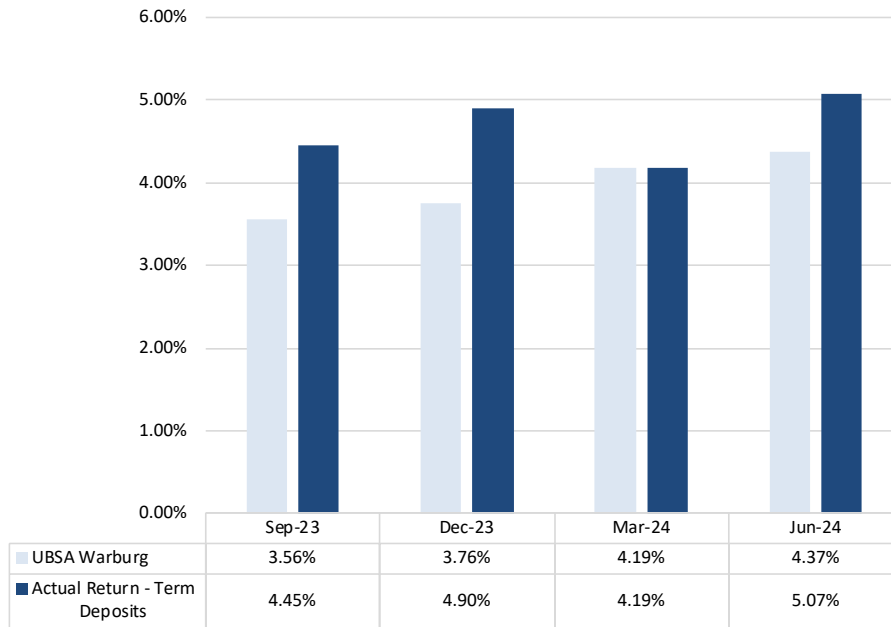


Restricted and unrestricted cash balances

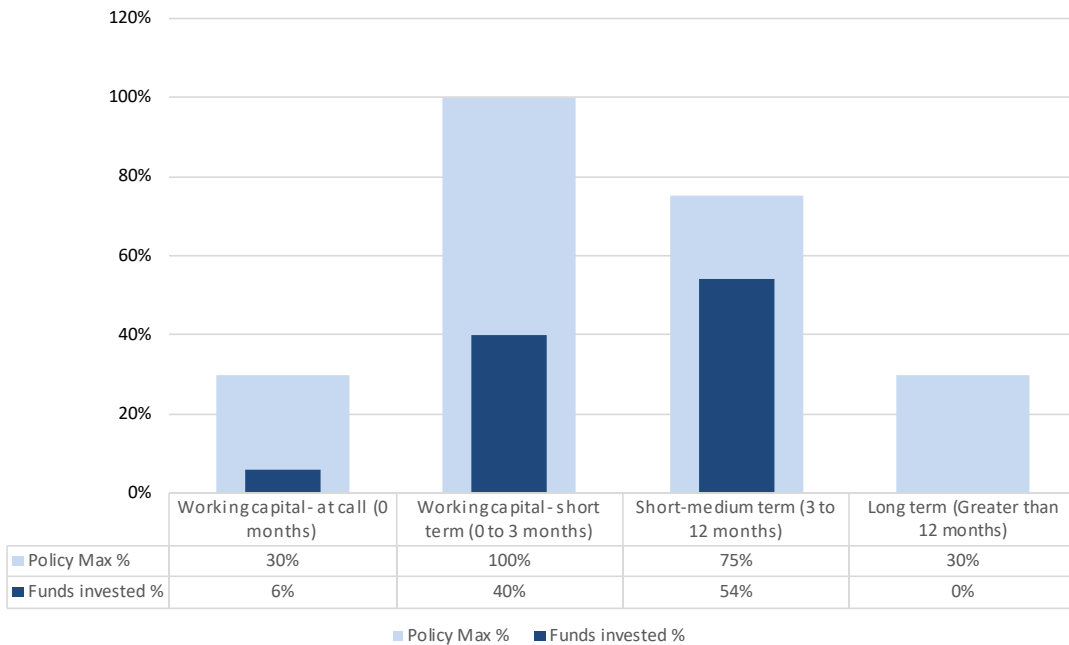


Note – the unrestricted cash balance at 30 June 2024 does not reconcile to the Statement of Cash Flows for the purposes of the above graph as the term deposits over 90 days classified as ‘financial assets’ have been included as cash here.

Benchmark Indicator - Term/Green Deposits



Maturity Targets



The above graph includes both cash and investments.

APPENDIX 3 – Directorate Analysis

Total Operating Results

CGD BY DIRECTORATE

	FULL YEAR			FORECAST	FORECAST vs ACTUALS VARIANCE	ANNUAL ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE			
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Chief Executive Office	289	200	89	267	22	200
Corporate Development	1,926	1,951	(25)	1,911	15	1,951
City Futures	37,547	38,024	(477)	37,984	(437)	37,260
Community Strengthening	40,924	38,627	2,297	39,991	933	36,346
Non-Directorate ^(a)	167,489	159,072	8,417	162,059	5,430	167,049
Capital Works Program	9,247	16,186	(6,939)	16,241	(6,994)	5,316
Total income	257,422	254,060	3,362	258,453	(1,031)	248,122
Expenses						
Chief Executive Office	12,329	13,076	747	13,105	776	12,334
Corporate Development	17,816	18,207	391	18,422	606	17,687
City Futures	85,443	87,054	1,611	89,213	3,770	84,860
Community Strengthening	68,510	75,907	7,397	77,017	8,507	64,647
Non-Directorate ^(a)	56,535	40,404	(16,131)	40,576	(15,959)	39,511
Capital Works Program	4,703	-	(4,703)	-	(4,703)	-
Total expenses	245,336	234,648	(10,688)	238,333	(7,003)	219,039
Net surplus (deficit)	12,085	19,412	(7,327)	20,120	(8,035)	29,083

Footnotes:

- (1) Non-Directorate includes non-attributable items such as rates income, developer's contributions, interest income, non-monetary assets, finance costs and depreciation. Non-Directorate also includes 'Prior year capital expenditure unable to be capitalised (non-cash)' which represents 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 \$8.05 million). Refer to Note 32 of this report for further details.
- (2) Additionally, Non-Directorate also includes \$6.75 million in 'Asset write offs' which represent asset renewal and replacement as part of capital work projects and renewal programs. This is a non-cash entry that does not impact on Council's cash position. Refer to Note 35 of this report for further details.

General 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.

CEO DIRECTORATE

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET
		ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUALS VARIANCE	
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income							
Grants - operating		222	200	22	200	22	200
Contributions - monetary	1	58	-	58	58	-	-
Other income		9	-	9	9	-	-
Total income		289	200	89	267	22	200
Expenses							
Employee costs	2	5,381	5,615	234	5,527	146	5,519
Materials and services	3	6,161	6,693	532	6,790	629	6,167
Other expenses		787	768	(19)	788	1	648
Total expenses		12,329	13,076	747	13,105	776	12,334
Net surplus (deficit)		(12,040)	(12,876)	836	(12,838)	798	(12,134)

BUSINESS UNITS

	FULL YEAR					ANNUAL ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUALS VARIANCE	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Income						
Digital Technology	8	-	8	8	-	-
Strategic Growth & Advocacy	281	200	81	259	22	200
Total income	289	200	89	267	22	200
Expenses						
CEO	724	709	(15)	726	2	709
Digital Technology	6,229	6,922	693	6,689	460	6,522
Strategic Growth & Advocacy	5,376	5,445	69	5,690	314	5,103
Total expenses	12,329	13,076	747	13,105	776	12,334
Net surplus (deficit)	(12,040)	(12,876)	836	(12,838)	798	(12,134)

Income

Note 1 Contributions - monetary (\$58,000 favourable) – Due to unbudgeted contributions received for the Mayoral Task Force associated with Status Resolution Support Services (Community Development \$58,000). Will be offset by associated expenditure.

Expenditure

Note 2 Employee costs (\$234,000 favourable) – Mainly due to delay in recruitment of vacant positions (Digital Technology \$307,000, Empowering Communities \$92,000) partly offset by higher salaries in Strategic Growth and Advocacy Executive \$115,000 due to an appointment under the new organisation structure, Asset Management \$29,000 and Community Development \$26,000.

Note 3 Materials and services (\$532,000 favourable) – Mainly due to lower than anticipated IT expenditure relating to reduced need for consultants to perform upgrades, lower network communication fees and savings from security products being replaced (Technical Services \$416,000 and Business Systems \$294,000), partly offset by higher than anticipated professional fees to an external review of Council's IT security structure (Digital Technology Executive \$206,000). In addition, lower than anticipated software maintenance, application support, condition audit costs and subscriptions contributed to this favourable variance (Asset Management \$114,000).

CORPORATE DEVELOPMENT DIRECTORATE

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Statutory fees and fines		128	104	24	104	24	104
User fees		26	23	3	23	3	23
Grants - operating		2	-	2	-	2	-
Other income	4	1,770	1,824	(54)	1,784	(14)	1,824
Total income		1,926	1,951	(25)	1,911	15	1,951
Expenses							
Employee costs	5	11,741	11,951	210	12,127	386	11,747
Materials and services	6	5,260	5,407	147	5,448	188	5,102
Other expenses		815	849	34	847	32	838
Total expenses		17,816	18,207	391	18,422	606	17,687
Net surplus (deficit)		(15,890)	(16,256)	366	(16,511)	621	(15,736)

BUSINESS UNITS

		FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Communications & Customer Experience		(1)	-	(1)	-	(1)	-
Governance, Legal & Risk		1,715	1,680	35	1,682	33	1,680
Financial Services		198	271	(73)	226	(28)	271
People and Change		14	-	14	3	11	-
Total income		1,926	1,951	(25)	1,911	15	1,951
Expenses							
Corporate Development Executive		566	299	(267)	574	8	299
Communications & Customer Experience		4,574	4,383	(191)	4,664	90	4,283
Governance, Legal & Risk		5,278	5,619	341	5,436	158	5,560
Financial Services		3,891	4,234	343	4,195	304	4,064
People and Change		3,507	3,672	165	3,553	46	3,481
Total expenses		17,816	18,207	391	18,422	606	17,687
Net surplus (deficit)		(15,890)	(16,256)	366	(16,511)	621	(15,736)

Income

Note 4 Other income (\$54,000 unfavourable) – Due to lower than anticipated debt recovery income relating to debt recovery actions for outstanding rates (Financial Services \$98,000) partly offset higher than anticipated rental income from community facilities (Governance, Legal and Risk \$32,000) and Occupational Health and Safety (OHS) recoveries (People and Change \$13,000).

Expenditure

Note 5 Employee costs (\$210,000 favourable) – Due to delay in recruitment of vacant positions, coupled with lower than anticipated casual salaries and overtime (Finance and Procurement \$180,000, Governance, Legal and Risk \$177,000 and People and Change Executive \$120,000). This favourable variance is partly offset by higher than anticipated salaries due to an appointment under the new organisation structure (Corporate Development Executive \$260,000).

Note 6 Materials and services (\$147,000 favourable) – Mainly due to lower than anticipated debt collection expenditure for outstanding rates matched by lower debt recovery income in Note 4 (Financial Services \$160,000). In addition, lower than anticipated subscriptions, consultants, asset selling costs and catering partly offset by higher than anticipated professional services also contributed to this favourable variance (Governance \$64,000, Members of Council \$23,000 and Property Assets \$23,000).

These favourable variances are partly offset by higher than anticipated expenditure for communications support (Communication and Customer Experience Executive \$139,000) and professional services for the Customer Experience (CX) Maturity Assessment and Benchmarking (Call and Service Centres \$83,000).

CITY FUTURES DIRECTORATE

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Rates and charges		26,313	26,315	(2)	26,315	(2)	26,316
Statutory fees and fines	7	2,447	2,951	(504)	2,493	(46)	2,999
User fees	8	2,851	3,064	(213)	2,874	(23)	3,100
Grants - operating	9	1,088	642	446	823	265	529
Contributions - monetary	10	2,288	2,000	288	2,000	288	2,000
Asset sales	11	628	1,000	(372)	800	(172)	1,000
Other income	12	1,932	2,052	(120)	2,679	(747)	1,316
Total income		37,547	38,024	(477)	37,984	(437)	37,260
Expenses							
Employee costs	13	30,677	31,337	660	31,372	695	31,268
Materials and services	14	53,846	55,112	1,266	57,233	3,387	53,024
Bad and doubtful debts	15	605	15	(590)	18	(587)	15
Carrying amount of assets sold	16	24	254	230	254	230	254
Other expenses		291	336	45	336	45	299
Total expenses		85,443	87,054	1,611	89,213	3,770	84,860
Net surplus (deficit)		(47,896)	(49,030)	1,134	(51,229)	3,333	(47,600)

BUSINESS UNITS

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Business Development & Investment		588	392	196	364	224	386
Chief Engineering & Major Projects		33	20	13	26	7	20
Infrastructure Services		28,248	28,637	(389)	29,013	(765)	28,046
Building & Compliance Services		2,659	2,759	(100)	2,904	(245)	2,508
Statutory Planning		3,934	4,043	(109)	3,626	308	4,043
Strategic & Environmental Planning		61	25	36	72	(11)	25
Transport & Civil Development		2,024	2,148	(124)	1,979	45	2,232
Total income		37,547	38,024	(477)	37,984	(437)	37,260
Expenses							
City Futures Exec.		901	486	(415)	905	4	486
Business Development & Investment		3,430	3,973	543	3,773	343	3,515
Chief Engineering & Major Projects		13,392	12,566	(826)	13,811	419	12,474
Infrastructure Services		54,301	56,415	2,114	57,208	2,907	55,265
Building & Compliance Services		5,461	5,159	(302)	5,433	(28)	4,665
Statutory Planning		2,896	3,249	353	3,072	176	3,249
Strategic & Environmental Planning		2,437	2,620	183	2,376	(61)	2,620
Transport & Civil Development		2,625	2,586	(39)	2,635	10	2,586
Total expenses		85,443	87,054	1,611	89,213	3,770	84,860
Net surplus (deficit)		(47,896)	(49,030)	1,134	(51,229)	3,333	(47,600)

City Futures Directorate

Income

Note 7 Statutory fees and fines (\$504,000 unfavourable) - Due to lower than anticipated fee income resulting from reduced development activity (Statutory Planning \$358,000, Building and Compliance Services \$78,000 and Civil Development and Design \$56,000). The lower income in Statutory Planning has been matched by lower employee costs.

Note 8 User fees (\$213,000 unfavourable) - Lower than anticipated parking permit and ticket machine income (Parking Infrastructure Management \$66,000), lower than anticipated fee income (Health \$64,000 and Statutory Planning \$40,000) and drainage planning approvals (Civil Development \$33,000).

Note 9 Grants – operating (\$446,000 favourable) – Mainly due to unbudgeted grant funding (Place Making and Revitalisation \$82,000, Waste Management \$68,000 and Strategic Asset Planning \$20,000) coupled with earlier than expected grant funding (Business Development and Investment \$160,000) and higher than anticipated funding (Parks Services \$114,000). These grants will be offset by associated expenditure.

Note 10 Contributions – monetary (\$288,000 favourable) – Better than anticipated income from public open space contributions. The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves (Statutory Planning).

Note 11 Asset sales (\$372,000 unfavourable) – Due to lower than anticipated sale of vehicles as a result of vacant positions leading to lower replacement/turnover of fleet assets (Fleet Management \$372,000).

Note 12 Other income (\$120,000 unfavourable) – Due to the delay in ability to commence works resulting in lower partner council financial contributions (Spring Valley Landfill \$893,000).

This unfavourable variance is offset by unbudgeted and higher than anticipated income for the Container Deposit Scheme (Waste Management \$332,000) and storm recoveries and other income (Parks Services \$318,000).

Expenditure

Note 13 Employee costs (\$660,000 favourable) – Due mainly to the delay in recruitment of vacant positions (Statutory Planning \$396,000, Strategic Design and Sustainability Planning \$235,000, Transport \$158,000, Roads and Drains \$154,000, City Improvement Executive \$139,000, Infrastructure Services Executive \$113,000, Fleet Management \$97,000, Waste Management \$54,000, Economic Development \$53,000 and Business Networks \$41,000). Also contributing to the favourable variance is employee costs relating to building permit works on Council projects to the Capital Improvement Program (Building \$230,000).

This favourable variance is offset by higher than anticipated salaries and temporary agency costs (City Futures Executive \$422,000, Chief Engineering and Major Projects Executive \$259,000, Health \$103,000, Park Services \$53,000, Asset Protection \$47,000, Civil Development and Design \$39,000, Planning and Compliance \$35,000, Cleansing \$34,000, LG Capacity Building Grant \$32,000 and Strategic Transport Planning \$28,000).

Note 14 Materials and services (\$1.26 million favourable) - Favourable variance due to:

- A delay in progressing works due to a dispute with a partner council (Spring Valley Landfill \$1.10 million).
- Lower than anticipated cyclical pruning, tree planting, park maintenance and water costs (Parks Services \$1 million). Cyclical pruning services were on hold for a period of time in 2023-24 while contract extension negotiations took place.
- Lower than anticipated recycling, waste and hard waste contract costs combined with community education (Waste Management \$595,000). These savings have been transferred to reserves.
- A renegotiated contract for graffiti removal resulting in savings (Cleansing \$129,000).
- Lower than anticipated program works (Economic Development Unit \$127,000, Business Networks \$119,000, Place Making and Revitalisation \$53,000, Planning Compliance \$28,000, and Strategic Asset Planning \$23,000).
- Lower than budgeted grant funded project due to higher use of internal resourcing (LG Capacity Building Grant \$230,000).
- Lower than anticipated professional services costs for a grant funded project (Strengthening Pathways to Economic and Revitalisation (SPEP) \$89,000).

These favourable variances are partly offset by:

- Higher than anticipated cleaning and security services (Building Maintenance \$353,000), and building rectification works (City Improvement Executive \$285,000).
- Unbudgeted storm event costs (Parks Services \$776,000) which are partly offset by \$200,000 in Natural Disaster funding.
- Higher legal costs due to a completed legal matter (Health \$422,000) which are partly offset by an insurance claim recovery (\$24,000).
- Higher than budgeted contractor maintenance expenses mainly for drainage, road patching, street lighting and line marking (Roads and Drains \$138,000).
- Higher than anticipated asset reinstatement costs (Asset Protection \$92,000). This is mostly offset by higher asset protection recovery income (\$65,000).

Note 15 Bad and doubtful debts (\$590,000 unfavourable) - Unfavourable variance due to an additional provision for doubtful debts relating to a long-standing dispute (Spring Valley Landfill \$407,000).

Note 16 Carrying amount of assets sold (\$230,000 favourable) – Favourable variance due to resourcing issues in this team which meant that fleet equipment was not able to be replaced/sold for a period during 2023-24 (Fleet Management \$230,000). This is more than offset by lower fleet proceeds (\$373,000).

COMMUNITY STRENGTHENING DIRECTORATE

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Rates and charges		-	-	-	-	-	-
Statutory fees and fines	17	8,576	7,763	813	7,890	686	7,763
User fees	18	6,223	6,091	132	5,712	511	6,091
Grants - operating	19	24,135	23,160	975	24,349	(214)	20,879
Contributions - monetary		-	-	-	72	(72)	-
Other income	20	1,990	1,613	377	1,968	22	1,613
Total income		40,924	38,627	2,297	39,991	933	36,346
Expenses							
Employee costs	21	44,152	52,828	8,676	51,182	7,030	45,182
Materials and services	22	19,573	17,884	(1,689)	20,337	764	14,846
Bad and doubtful debts	23	2,679	2,230	(449)	2,471	(208)	2,230
Other expenses	24	2,106	2,965	859	3,027	921	2,389
Total expenses		68,510	75,907	7,397	77,017	8,507	64,647
Net surplus (deficit)		(27,586)	(37,280)	9,694	(37,026)	9,440	(28,301)

BUSINESS UNITS

	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income						
Community Strengthening Executive	-	-	-	-	-	-
Community Wellbeing	16,842	14,843	1,999	16,897	(55)	11,622
Community Care	8,400	9,306	(906)	8,231	169	10,278
Community Arts, Culture and Libraries	2,919	2,730	189	2,849	70	2,730
Safe, Active & Connected Communities	565	487	78	634	(69)	533
Community Amenity	12,197	11,261	936	11,379	818	11,183
Special Projects	1	-	1	1	-	-
Total income	40,924	38,627	2,297	39,991	933	36,346
Expenses						
Community Strengthening Executive	749	870	121	854	105	480
Community Wellbeing	21,481	27,251	5,770	28,512	7,031	18,206
Community Care	13,821	15,260	1,439	14,451	630	14,666
Community Arts, Culture and Libraries	13,037	13,568	531	13,516	479	13,291
Safe, Active & Connected Communities	8,627	8,691	64	8,920	293	8,077
Community Amenity	10,650	9,989	(661)	10,527	(123)	9,724
Special Projects	145	278	133	237	92	203
Total expenses	68,510	75,907	7,397	77,017	8,507	64,647
Net surplus (deficit)	(27,586)	(37,280)	9,694	(37,026)	9,440	(28,301)

Community Strengthening Directorate

Income

Note 17 Statutory fees and fines (\$813,000 favourable) - Due to better than anticipated fines and recovery income from parking infringements and Fines Victoria (Parking Management \$833,000).

Note 18 User fees (\$132,000 favourable) Favourable variance due to higher than anticipated fee income (Family Day Care \$178,000) and ticket machines/meter income (Parking Management \$93,000) partly offset by lower fee income (Home and Community Care \$117,000 and Food Services \$23,000).

Note 19 Grants – operating (\$975,000 favourable) - comprising:

Additional/unbudgeted or earlier than anticipated:

- Family Day Care \$2.64 million (offset by higher educator payments)
- Child First \$471,000
- New Directions – Mothers and Babies \$366,000
- Market Street Occasional Care Centre Operational \$336,000
- Refugee Immunisation (Prime) \$301,000
- Children's Support Services \$214,000
- Maternal and Child Health \$171,000
- Enhanced Maternal Child Health \$124,000
- Immunisation \$86,000
- HACC Co-ordination \$80,000
- School Crossing \$77,000
- Healthy Children and Young People \$72,000
- Festivals and Events \$50,000
- Market Street Occasional Care Centre \$40,000
- Playgroups Initiatives \$27,000
- Drug Strategy \$12,000
- Library and Information Services \$11,000

These favourable variances are partly offset by:

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

- Home and Community Care \$1.13 million
- HACC – Assessments and Team Leaders \$415,000
- Planned Activity Group \$87,000
- HACC – Home Maintenance \$71,000
- Emergency Management \$34,000
- Food Services \$28,000

Note 20 Other income (\$377,000 favourable) - Higher than anticipated rental and recovery income (Emergency Management \$149,000, Civic Facilities \$72,000, Immunisation \$27,000, Senior Citizen Facilities \$47,000, Jan Wilson Community Centre \$35,000, Children Support Services \$28,000, Drum Theatre \$44,000, Family Day Care \$16,000, and General Law Enforcement \$16,000).

This favourable variance is partly offset by lower utility recovery income from sporting clubs (Sports Planning \$93,000).

Expenses**Note 21 Employee costs (\$8.68 million favourable)**

Community Strengthening	2023-24 Variance Fav/(unfav) \$	Grant Funded Programs \$	Offset by Lower Income \$	2023-24 Underspend/ (overspend) \$
COMMUNITY AMENITY	139,708	0	0	139,708
COMMUNITY ARTS, CULTURE & LIBRARIES	351,044	0	0	351,044
COMMUNITY CARE	1,019,746	1,660	906,406	111,680
COMMUNITY STRENGTHENING EXECUTIVE	39,368	0	0	39,368
COMMUNITY WELLBEING SAFE, ACTIVE & CONNECTED COMMUNITIES	6,853,520	5,705,518	0	1,148,002
SPECIAL PROJECTS	173,904	0	0	173,904
	100,554	0	0	100,554
Grand Total	8,677,843	5,707,178	906,406	2,064,259

As depicted in the above table, approximately two thirds (\$5.71 million) of the favourable employee cost variance relates to grant funded programs which represent a future obligation and require an acquittal, caused mainly by a delay in recruitment. The more significant variances relate to:

- Child First (\$1.75 million)
- Enhanced Maternal and Child Health (\$1.63 million)
- Sleep and Settling Initiative (\$836,000)
- Pre-School Field Officer (\$410,000)
- Playgroups Initiatives (\$363,000)
- Drug Strategy (\$194,000)

A further \$906,000 in Community Care represents a favourable salaries variance that is wholly offset by lower grant funding due to lower than anticipated achievement of targets. This is due to resourcing challenges including the inability to recruit staff due to uncertainty caused by the Aged Care Reforms combined with an ageing workforce on limited duties or Workcover.

The remaining \$2.06 million favourable employee cost variance represents an underspend in salary costs in the following areas mainly due to a delay in recruitment of vacant positions:

- Children's Support Services (\$381,000)
- Maternal and Child Health (\$201,000)
- Library Services (\$365,000)
- Family Day Care (\$314,000)
- Community Funding (\$188,000)
- Youth and Family Support (\$170,000)
- Community Amenity Admin (\$151,000)
- Community Arts Cultural and Library Executive (\$140,000)
- Special Projects (\$101,000)

These favourable variances are partly offset by higher than anticipated casual salaries (Drum Theatre \$225,000) and banding increases and overtime due to new partnering safety requirements (Parking Management \$151,000).

Note 22 Materials and services (\$1.69 million unfavourable) – Due to higher payments to educators (Family Day Care \$1.62 million) relating to an expanded program matched by higher grant income combined with higher than anticipated animal pound contract costs (\$519,000).

These unfavourable variances are partly offset by lower than anticipated parking equipment maintenance, cash collection and delay in purchase of two CCTV trailers for Victoria Police (Public Safety and Security \$184,000), special projects, public arts program and grant funded project costs (Cultural Development \$166,000, Drug Strategy \$175,000 and Aged Care Reform \$107,000).

Note 23 Bad and doubtful debts (\$449,000 unfavourable) – Mainly due to an increased provision for outstanding parking fine debts and sports planning debtors at 30 June 2024.

Note 24 Other expenses (\$859,000 favourable) – Due to lower than anticipated community grants, sponsorship and partnership payments (Community Funding \$298,000), a Regional Assessment Services Surge grant funded amount of \$91,000 incurred in temporary agency staff rather than other expenses (HACC – Home Assessment and Team Leaders \$105,000) combined with a delay in unspent grant funding expected to be returned to the funding body (PYP Linkages \$413,000).

NON-DIRECTORATE

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Rates and charges	25	144,897	144,093	804	144,697	200	143,823
Statutory fees and fines	26	67	-	67	53	14	-
Grants - operating		568	568	-	568	-	12,215
Contributions - non-monetary	27	12,098	7,500	4,598	7,500	4,598	7,500
Fair value adjustments for investment property	28	115	-	115	-	115	-
Other income	29	9,744	6,911	2,833	9,241	503	3,511
Total income		167,489	159,072	8,417	162,059	5,430	167,049
Expenses							
Employee costs	30	1,234	1,586	352	1,821	587	1,293
Materials and services	31	885	998	113	892	7	998
Prior year capital expenditure unable to be capitalised (non-cash)	32	8,055	-	(8,055)	-	(8,055)	-
Bad and doubtful debts		(21)	-	21	-	21	-
Depreciation	33	35,694	34,201	(1,493)	34,202	(1,492)	33,601
Amortisation - intangible assets		24	-	(24)	-	(24)	-
Amortisation - right of use assets		-	598	598	598	598	598
Borrowing costs	34	2,537	2,698	161	2,537	-	2,698
Finance costs - leases		757	22	(735)	52	(705)	22
Asset write offs	35	6,754	-	(6,754)	-	(6,754)	-
Other expenses	36	616	301	(315)	474	(142)	301
Total expenses		56,535	40,404	(16,131)	40,576	(15,959)	39,511
Net surplus (deficit)		110,954	118,668	(7,714)	121,483	(10,529)	127,538

BUSINESS UNITS

	FULL YEAR					ANNUAL ORIGINAL BUDGET
	ACTUAL	MID YEAR BUDGET	VARIANCE	FORECAST	FORECAST vs ACTUALS VARIANCE	
Income						
Corporate Accounting	167,489	159,072	8,417	162,059	5,430	167,049
Total income	167,489	159,072	8,417	162,059	5,430	167,049
Expenses						
Corporate Accounting	56,535	40,404	(16,131)	40,576	(15,959)	39,511
Total expenses	56,535	40,404	(16,131)	40,576	(15,959)	39,511
Net surplus (deficit)	110,954	118,668	(7,714)	121,483	(10,529)	127,538

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-Directorate

Income

Note 25 Rates and charges (\$804,000 favourable) – Higher interest on rate arrears which was expected to decrease under recent legislative changes (\$701,000), supplementary rates (\$70,000) and general rates abandoned (\$25,000). The favourable variances in interest on rates and supplementary rates have been transferred to reserves.

Note 26 Statutory fees and fines (\$67,000 favourable) – Due to unbudgeted election fine income received for the 2020 Council election (Corporate Accounting \$67,000).

Note 27 Contributions – non-monetary (\$4.60 million favourable) – Due to better than anticipated income from gifted assets. The non-monetary contributions primarily relate to land, land under roads, drains, roads, parks open space and streetscapes and recreational leisure and community facilities. The number of subdivisions that are completed vary from year to year and the timing of these asset transfers is outside of Council's control and difficult to predict. This item does not impact the cash result.

Note 28 Fair value adjustments for investment property (\$115,000 favourable) – Represents the adjustment to fair value of investment property assets in accordance with Australian Accounting Standards. These assets are not subject to depreciation and this entry does not impact the cash result.

Note 29 Other income (\$2.83 million favourable) – Due mainly to better than anticipated interest returns on investments due to sustained high interest rates combined with greater cash and investment funds as a result of capital expenditure delays (Corporate Accounting \$2.80 million). This favourable variance has been transferred to reserves.

Expenses

Note 30 Employee costs (\$352,000 favourable) – Mainly due to:

- Lower than anticipated employee entitlement provision expense adjustments for annual and long service leave caused by a decrease in the number of hours owing (\$594,000).
- Reduced fringe benefits tax (\$195,000)

These favourable variances are partly offset by unbudgeted temporary agency staff costs for strategic projects budgeted in materials and services (\$215,000) and a MAV Workcover Scheme (ceased) contribution (\$226,000).

Note 31 Materials and services (\$113,000 favourable) – Due to lower than budgeted expenditure on professional services that was incurred in temporary staff instead (Note 30) (Corporate Accounting \$148,000) and Australia Post charges (Corporate Accounting \$28,000) partly offset by higher bank charges (Corporate Accounting \$63,000).

Note 32 Prior year capital expenditure unable to be capitalised (non-cash) (\$8.05 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 as it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets. This is an accounting entry that does not impact on Council's cash position. It is not included in the budget as it is difficult to predict.

The main contributors to the \$8.05 million result in 2023-24 include the following amounts that cannot be capitalised to the asset register due to the below-mentioned reasons:

- Repairs and maintenance costs (\$2.22 million) for coating works on Abbots Road gas transmission pipeline, drainage pit lids and frames, lintels, pit lifts and adjustments, topsoil and seeding, vehicle aprons, various electrical and other maintenance works.
- Capital expenditure that is under the capitalisation threshold (\$1.95 million) for footpath paving works, kerb and channel, signs, kitchen and canteen appliances and power supply cabling.
- Non-Council assets (\$1.81 million) are assets that are owned by other entities or handed back to respective authorities after the project is completed such as public lighting, undergrounding of power and VicRoads speed humps and traffic signals.
- Not capital in nature (\$1.15 million) relates to studies, surveys, concept plans, preliminary and proposed design, design documentation, tender documentation, concept design development and quantity surveyor services.

Note 33 Depreciation (\$1.5 million unfavourable) – Unfavourable variance is due to the finalisation of fixed asset capitalisations and revaluations for the 2023-24 financial year. This is a non-cash accounting entry.

The increase in depreciation is mainly due to an increase in the value of buildings from revaluations and componentisation of buildings with a change in useful lives. This accounting policy change split building assets into three components: superstructure (100 years), ancillary services (20 years) and fit out (20 years). Previously, building assets were depreciated over 50-100 years. The change in useful lives and the increased value of building assets increased depreciation expense by \$1.71 million from the prior year.

Additionally, Parks, Open Space and Streetscapes (POSS) and Recreational, Leisure and Community Facilities (RLCF) experienced their first revaluation in 2023-24 resulting in an increased value. In addition, a number of assets were reinstated as they had been fully depreciated. These changes meant that depreciation expense for these two asset classes increased by \$867,000 from the prior year.

Note 34 Borrowing costs (\$161,000 favourable) – Due to lower than anticipated borrowing costs due to a delay in drawing down on new borrowings for Keysborough South Community Hub (\$5.12 million has been delayed to 2024-25).

Note 35 Asset write offs (\$6.75 million unfavourable) – Arising mainly from asset renewal and replacement works as part of capital work projects, particularly Roads, Drainage, Bridges and Building renewal programs. This item is not budgeted as it is difficult to predict and is a non-cash accounting entry.

In accordance with Council's Fixed Asset policy, any project renewal will result in a percentage write-off equal to the rebuild portion.

Note 36 Other expenses (\$315,000 unfavourable) – Mainly due to unbudgeted costs incurred in relation to:

- Council by-election and ward boundary review (\$171,000).
- Provision for remediation movement of Council's estimated share of costs to be spent at Spring Valley Landfill over the next ten years in relation to rehabilitation and monitoring (\$90,000).
- Impairment loss relating to parking ticket machine and meter assets which will soon be required to move to cashless functions (\$56,000).

CAPITAL WORKS PROGRAM

OPERATING RESULT

	Notes	FULL YEAR					ANNUAL ORIGINAL BUDGET \$'000
		ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE \$'000	FORECAST \$'000	FORECAST vs ACTUALS VARIANCE \$'000	
Income							
Grants - capital	37	8,282	13,828	(5,546)	13,829	(5,547)	5,316
Contributions - monetary	38	959	2,358	(1,399)	2,406	(1,447)	-
Other income		6	-	6	6	-	-
Total income		9,247	16,186	(6,939)	16,241	(6,994)	5,316
Expenses							
Employee costs		3	-	(3)	-	(3)	-
Materials and services	39	3,900	-	(3,900)	-	(3,900)	-
Other expenses	40	800	-	(800)	-	(800)	-
Total expenses		4,703	-	(4,703)	-	(4,703)	-
Net surplus (deficit)		4,544	16,186	(11,642)	16,241	(11,697)	5,316

Income

Note 37 Grants - capital (\$5.55 million unfavourable) - Unfavourable variance due mainly to grant income not able to be recognised where performance obligations are not yet satisfied at 30 June 2024. The grant income received has been transferred to 'Unearned Income' in the Balance Sheet at 30 June 2024 and will be recognised as income in future years as and when the performance obligations are satisfied (ie. as capital expenditure is spent/incurred on the relevant projects).

The unfavourable income variance relates to numerous grant funded projects/programs and the income expectations will be carried over to 2024-25 to match the associated capital expenditure budget carry over:

- Black Spot Works Program (\$2.51 million)
- Keysborough South Community Hub (\$1.89 million)
- Springvale Reserve (\$553,000)
- Precinct Energy Plant (PEP) Redevelopment (\$454,000)

Note 38 Contributions - monetary (\$1.40 million unfavourable) – Unfavourable variance due to DCP contribution income for the Perry Road (\$1.45 million) project unable to be recognised as the project has not yet been completed at 30 June 2024. This contribution income budget is proposed to be carried over to the 2024-25 financial year.

Expenses

Note 39 Materials and services (\$3.90 million unfavourable) – Comprises current year expenditure in the CIP program that was not able to be capitalised to the asset register because it was not capital in nature, or it did not meet the relevant capitalisation threshold. Relates mainly to operating costs for maintenance (\$1.14 million), professional services (\$1.03 million) and asset purchases not meeting the capitalisation threshold (\$1.49 million).

Note 40 Other expenses (\$800,000 unfavourable) – Represents Council's contributions to assets that are not Council controlled and therefore cannot be capitalised to the asset register but were budgeted in the Capital program. For example, Black Spot Works Program (\$374,000).

APPENDIX 4 - Operating Initiatives

Operating initiative project	2023-24 Actuals \$	2023-24 Budget \$	Variance (Unfav) Fav \$	2023-24 Original Budget \$	Project update 30 June 2024
City Futures					
Concept Plan for Lois Twohig Reserve, Dandenong North	36,364	40,000	3,636	40,000	The engineering consultants commenced work on the Lois Twohig Reserve project in April 2024. The focus of their study is the reserve's retarding basin, the catchment area's drainage and flooding and integrated water management. Options are being developed for integrated water management opportunities which will be incorporated into the development of the draft master plan for Lois Twohig Reserve in the 2024-25 financial year.
Total	36,364	40,000	3,636	40,000	

Notes:

The reporting on operating initiatives excludes the following:

- salary related initiatives
- operating initiatives that add to an existing budget
- ongoing initiatives

APPENDIX 5 – Capital and Operating Carry Overs from 2023-24 to 2024-25

APPENDIX 5A – OPERATING CARRY OVERS

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET \$
				INCOME \$	RESERVES \$	EXPENSE \$	
GRANT FUNDED PROJECTS & PROGRAMS							
CITY FUTURES							
Business Development and Investment							
A1	Noble Park Revitalisation - Calendar of Activations [1837]	Unspent grant	2250	0	0	10,440	10,440
A2	NPR Place Activations	Unspent grant	2250	0	0	59,702	59,702
A3	Community Revitalisation (SPEP)	Unspent grant	0905	0	0	124,349	124,349
A4	Central Dandenong Development Facilitation Study [2461]	Unspent grant	0601	0	0	28,097	28,097
				0	0	222,588	222,588
Transport and Civil Development							
A5	Flood Strategy Action Plan Implementation	Unspent grant	2220	0	0	20,000	20,000
				0	0	20,000	20,000
Infrastructure Services							
A6	Liveable Communities, Liveable Waterways Program - Brady Road [1592]	Unspent grant	2643	0	0	37,700	37,700
A7	Liveable Communities, Liveable Waterways Program - Tirhatuan Nth [1818]	Unspent grant	2643	0	0	32,000	32,000
A8	Peri-Urban Weed Management Program 2023-25 [2563]	Unspent grant	2643	0	0	71,410	71,410
A9	Liveable Communities, Liveable Waterways Program - Fotheringham Billabong [2585]	Unspent grant	2643	0	0	22,000	22,000
A10	Liveable Communities, Liveable Waterways Program - Yarram Creek [1463]	Unspent grant	2643	0	0	19,582	19,582
				0	0	182,692	182,692
Building and Compliance Services							
A11	Local Government Capacity Building Grant (High Risk Waste Sites)	Unspent grant	2605	0	0	197,367	197,367
				0	0	197,367	197,367
				0	0	622,647	622,647
CITY FUTURES							
CEO SERVICES							
Strategic Growth and Advocacy							
A12	Empowering Communities	Unspent grant	3525	0	0	168,050	168,050
A13	NAIDOC week [1249]	Unspent grant	3503	0	0	7,455	7,455
				0	0	168,050	168,050
				0	0	175,505	175,505
CEO SERVICES							

APPENDIX 5A – OPERATING CARRY OVERS

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACT'Y	FUNDING SOURCE			NET \$
				INCOME \$	RESERVES \$	EXPENSE \$	
GRANT FUNDED PROJECTS & PROGRAMS							
COMMUNITY STRENGTHENING							
Community Arts, Cultural & Library							
A14	Pierre Gorman Awards [1039]	Unspent grant	3003	0	0	25,000	25,000
A15	Libraries After Dark [1769]	Unspent grant	3003	0	0	31,303	31,303
A16	PEP Creative Activation Project [1913]	Unspent grant	3504	0	0	95,412	95,412
				0	0	151,715	151,715
Community Care							
A17	Allied Health Brokerage	Unspent grant	3305	0	0	18,130	18,130
A18	PYP Linkages	Unspent grant	3327	0	0	353,187	353,187
				0	0	371,317	371,317
Special Projects							
A19	FY23 Feasibility Study Afghan Community [2234]	Unspent grant	2705	0	0	28,531	28,531
				0	0	28,531	28,531
Community Wellbeing							
A20	Childrens Support Services (3-year-old Kindergarten Planning) [2157]	Unspent grant	2906	(45,000)	0	218,489	173,489
A21	Outreach Support CALD [2460]	Unspent grant	2906	0	0	149,343	149,343
A22	Kindergarten Modelling [1317]	Unspent grant	2906	0	0	142,943	142,943
A23	Essential Enrolment	Unspent grant	2906	0	0	93,965	93,965
A24	Playgrounds Initiative	Unspent grant	2915	0	0	373,028	373,028
A25	Child First	Unspent grant	2917	0	0	308,000	308,000
A26	Preschool Field Officers	Unspent grant	2920	0	0	418,233	418,233
A27	Enhanced Maternal and Child Health Program	Unspent grant	2958	0	0	1,761,123	1,761,123
A28	Best Start	Unspent grant	2959	0	0	98,988	98,988
A29	Drug Strategy	Unspent grant	2960	0	0	382,300	382,300
A30	Maternal and Child Health Additional Support [1910]	Unspent grant	3401	0	0	301,807	301,807
A31	Lactation Consultations	Unspent grant	3401	0	0	15,488	15,488
A32	New Directions - Mothers and Babies	Unspent grant	3406	0	0	35,816	35,816
A33	Sleep and Settling Program	Unspent grant	3449	(835,886)	0	835,886	0
A34	SEMPHN Immunisation Project [1685]	Unspent grant	3489	0	0	96,832	96,832
A35	Healthy Children and Young People	Unspent grant	3524	0	0	88,700	88,700
				(880,886)	0	5,320,941	4,440,055
COMMUNITY STRENGTHENING				(880,886)	0	5,872,504	4,991,618
TOTAL GRANT FUNDED PROJECTS & PROGRAMS				(880,886)	0	6,670,656	5,789,770
GRANTS BUDGETED IN 2024-25 (RECEIVED EARLY)							
CITY FUTURES							
Business Development and Investment							
A36	Community Revitalisation (SPEP)	Early grant	0905	160,000	0	0	160,000
TOTAL GRANTS RECEIVED IN ADVANCE				160,000	0	0	160,000

APPENDIX 5A – OPERATING CARRY OVERS

NO.	DESCRIPTION [Sub Account]	CARRY OVER TYPE	SUB ACTY	FUNDING SOURCE			NET \$
				INCOME \$	RESERVES \$	EXPENSE \$	
OTHER OPERATING CARRY OVERS							
<i>Please refer to Attachment C for additional details on each of the below carry overs.</i>							
CITY FUTURES							
A37	Spring Valley Landfill	Operating initiative	2209	(913,214)	(226,594)	1,139,808	0
A38	Vanity Lane 275 Lonsdale Building Demolition [1629]	Operating initiative	1619	0	(51,421)	51,421	0
A39	Cyclical Tree Pruning [1606]	Contract commitment	2643	0	0	600,000	600,000
				(913,214)	(278,015)	1,791,229	600,000
CORPORATE DEVELOPMENT							
A40	Preventure wearable technology	Operating initiative	1802	0	0	27,164	27,164
A41	Deliberative engagement	Operating initiative	0302	0	0	13,000	13,000
A42	Council-wide Procurement Training & Education	Operating initiative	1504	0	0	20,000	20,000
				0	0	60,164	60,164
COMMUNITY STRENGTHENING							
A43	Contribution to Victoria Police (2 x mobile CCTV trailers)	Operating initiative	3466	0	0	160,000	160,000
				0	0	160,000	160,000
TOTAL OTHER CARRY OVER AMOUNTS				(913,214)	(278,015)	2,011,393	820,164
TOTAL OPERATING CARRY OVERS (Recommended)				(1,634,100)	(278,015)	8,682,049	6,769,934

APPENDIX 5B – CAPITAL CARRY OVERS

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	REASON(S) FOR CARRY OVER	EXPECTED COMPLETION DATE
			RESERVE \$	INCOME \$				
Grant related projects								
B1	Home and Community Care Minor Works	1188	0	(50,000)	50,000	0	Grant related	Jun-25
B2	Black Spot - Brady Road, Dandenong	3404	0	(1,168,902)	1,168,902	0	Grant related	Jun-25
B3	Keysborough South Community Hub - Construction	3548	0	(1,884,386)	1,476,975	(407,411)	Multi-year	Jun-25
B4	Springvale Reserve - multiple projects	3717	0	(552,511)	552,511	0	Grant related	Jun-25
B5	Police Paddocks Reserve Grandstand	3941	0	0	433,660	433,660	Grant related	Jun-25
B6	Ian Street - Streetscape Upgrade Construction (<i>Noble Park Revitalisation</i>)	4027	0	(10,849)	62,763	51,914	Grant related	Sep-24
B7	Hemmings Street Precinct	4032	0	(82,953)	130,043	47,090	Grant related	Jun-25
B8	The Crescent Car Park (<i>Local Roads Community Infrastructure (LRCI) phase 3</i>)	4033	0	0	19,616	19,616	Grant related	Dec-24
B9	Hammond Road - Bridge Renewal (<i>LRCI phase 3</i>)	4034	0	(66,575)	66,575	0	Grant related, Third party	Sep-24
B10	Robert Booth Bess Car Park (<i>LRCI phase 3</i>)	4049	0	(14,243)	14,243	0	Grant related	Dec-24
B11	Optical Fibres Various Locations (<i>LRCI phase 3</i>)	4052	0	(10,028)	10,028	0	Grant related	Dec-24
B12	Railway Parade, Noble Park (<i>Black Spot</i>)	4060	0	(398,425)	410,945	12,520	Grant related	Jun-25
B13	2559-23/24 Browns Road, Noble Park North (<i>Black Spot</i>)	4061	0	(62,450)	68,367	5,917	Grant related	Jun-25
B14	Mudeera Way Artwork (<i>Noble Park Revitalisation</i>)	4062	0	(130,447)	169,228	38,781	Grant related	Jun-25
B15	Lyndale Secondary College Pavilion - Kitchen Upgrade Detailed Design	4067	0	(30,077)	494,877	464,800	Grant related	Jun-25
B16	Precinct Energy Plant (PEP) Redevelopment	4069	0	(454,465)	1,254,465	800,000	Grant related, Multi-year	Jun-25
B17	Callander Road Drain (<i>LRCI phase 2</i>)	4010	0	0	299,791	299,791	Other project, Third party, Community sensitive	Jun-25
B18	Black Spot - Hammond Road Logis	4187	0	(86,354)	86,354	0	Grant related, Multi-year	Jun-25
B19	Black Spot - Athol Road Springvale	4188	0	(311,904)	311,904	0	Grant related, Multi-year	Jun-25
B20	Black Spot - View Road, Springvale	4189	0	(247,584)	247,584	0	Grant related, Multi-year	Jun-25
B21	Black Spot - Woodlee Street, Dandenong	4190	0	(174,423)	174,423	0	Grant related, Multi-year	Jun-25
B22	Railway Parade Shopping Centre	4191	0	(99,833)	99,833	0	Grant related, other projects	Oct-24
			0	(5,836,409)	7,603,087	1,766,678		

APPENDIX 5B – CAPITAL CARRY OVERS

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	REASON(S) FOR CARRY OVER	EXPECTED COMPLETION DATE
			RESERVE \$	INCOME \$				
Renewal program projects								
B23	Fleet Renewal Program	1445	0	0	1,037,000	1,037,000	Internal resourcing	Jun-25
B24	Road Reconstruction Program	3231	0	0	2,080,164	2,080,164	Third party	Jun-25
B25	Furniture Renewal Program	3876	0	0	23,000	23,000	Other project, Project scope, Third party, Internal resourcing	Dec-24
B26	Building Renewal Bathroom	3876	0	0	194,000	194,000	Other project, Project scope, Third party, Internal resourcing	Dec-24
B27	Building Renewal Minor Works	3879	0	0	19,000	19,000	Project scope	Jun-25
B28	Building Renewal Kitchen / Equipment	3883	0	0	206,000	206,000	Third party	Aug-24
B29	Building Renewal Aquatic / Leisure	3946	0	0	210,740	210,740	Other project	Dec-24
B30	Guardrail Program	3931	0	0	80,000	80,000	Other project, Third party	Sep-24
B31	Lighting Renewal Program - Parks, Open Space & Streetscapes	4163	0	0	410,550	410,550	Third party, other projects	Aug-24
			0	0	4,260,454	4,260,454		
Project budget transfers								
B32	Vanity Lane 275 Lonsdale <i>Project cancelled. Remaining budget to be carried over to 3906 Dandenong New Art.</i>	1629	(1,584,401)	0	1,984,401	400,000	Other project	Jun-25
B33	Dandenong New Art (DNA 5 Mason Street)	3906	0	0	3,224,896	3,224,896	Project on hold	Jun-25
			(1,584,401)	0	5,209,297	3,624,896		
Capital project carry overs								
B34	Art Gallery PEP Building	1631	(554,265)	0	562,061	7,796	Multi-year, other project	Jun-25
B35	Dandenong Community Hub - Design Development	1869	(836,416)	0	1,731,226	894,810	Project on hold, other project, project scope	Jun-25
B36	Air Fryer Crowe Pavilion	1943	0	0	15,000	15,000	MYB, Third party, other reasons	Jun-25
B37	Active Transportation Infrastructure Investment Program (ATIIP)	3174	0	0	247,913	247,913	Third party	Sep-24
B38	Local Area Traffic Management (LATM) Program - New	3418	0	0	40,213	40,213	Third party	Oct-24
B39	Noble Park Revitalisation	3442	0	0	248,688	248,688	Grant related	Jun-25
B40	Dandenong Market (Market Square)	3793	0	0	38,005	38,005	Other project, Project scope, Third party	Dec-24
B41	Frederick Wachter Reserve - District Playground Construction and Passive Park Upgrade	3849	0	0	73,788	73,788	Third party	Dec-24
B42	Dandenong Wellbeing Centre - Oasis Replacement	3974	0	0	3,289,646	3,289,646	Multi-year	Jun-25
B43	Perry Road - Construction and Widening from Greens Road to Pacific Drive DCP-KR01a (<i>DCP funding</i>)	3992	(311,123)	(1,447,347)	1,758,470	0	Third party, Community sensitive, Multi-year	Sep-24
B44	Merit CRM Replacement	4007	0	0	88,050	88,050	Third party	Jun-25
B45	Alex Wilkie Wetlands	4012	0	0	50,000	50,000	Internal resourcing	Dec-24
B46	Security Program	4104	0	0	40,000	40,000	Third party	Dec-24
B47	Police Paddocks Reserve - Water Main Renewal	4105	0	0	144,100	144,100	Third party	Jun-25
B48	Dandenong Civic Centre - Domestic Hot Water Renewal	4106	0	0	93,280	93,280	Third party	Jun-25

APPENDIX 5B – CAPITAL CARRY OVERS

NO.	PROJECT DESCRIPTION	SUB ACCT	FUNDING SOURCE		EXPEND-ITURE \$	NET TOTAL \$	REASON(S) FOR CARRY OVER	EXPECTED COMPLETION DATE
			RESERVE \$	INCOME \$				
B49	Ross Reserve - Athletics Track Reconstruction	4120	0	0	321,360	321,360	Multi-year, other reasons	Dec-24
B50	Heritage Hill (Laurel Lodge) - Redesign of Stairs	4135	0	0	60,000	60,000	Project scope	Dec-24
B51	Arkwright Drive Wetlands - Contamination and Rehabilitation	4135	0	0	178,006	178,006	Latent conditions, Project scope	Dec-24
B52	Dandenong Market Carpark Bollards	4142	0	0	12,000	12,000	Third party, other projects, project scope, internal resourcing	Aug-24
B53	Dandenong Civic Centre Library Breastfeeding Room, Multi Faith Room and Quiet Study Space Concept Design	4144	0	0	6,700	6,700	Other reason/s	Jun-25
B54	Noble Park - Mobile Library Service	4148	0	0	17,356	17,356	Third party	Aug-24
B55	Hemmings Park - Installation of Radio and Wi-Fi	4153	0	0	10,434	10,434	Third party	Aug-24
B56	Various Locations - Upgrade of People Counters	4154	0	0	31,088	31,088	Project scope	Jun-25
B57	Victoria Avenue - Installation of New Gross Pollutant Trap (GPT)	4156	0	0	238,627	238,627	Other reasons, other projects, project scope	Apr-25
B58	Springvale Reserve - Playground	4157	0	0	46,993	46,993	Grant related	Dec-24
B59	Frederick Wachter Reserve - Multi-court Recreation Space Design	4161	0	0	58,360	58,360	Community sensitive	Dec-24
B60	Dandenong CBD - Road and Pedestrian Street Lights LED Upgrade	4164	0	0	409,204	409,204	Third party	Feb-25
B61	Ian Tatterson Leisure Park - Implemented Digital LED and Wayfinding Signage	4167	0	0	129,689	129,689	Third party	Oct-24
B62	Implementation of the Springvale Revitalisation Action Plan	4175	0	0	250,000	250,000	Multi-year	Jun-25
B63	Dandenong Market - Lift	4184	0	0	175,000	175,000	Other projects	Jun-25
B64	Dandenong Market - Fire Services	4185	0	0	743,003	743,003	Project scope, third party, internal resourcing, other projects	Jun-25
B65	Dandenong Market - CarPark Rectification	4186	0	0	225,000	225,000	Project scope, third party, internal resourcing, other projects	Jun-25
B66	Barry Powell Reserve (East) - Neighbourhood Playground, Park Furniture and Fencing	4195	0	0	618,673	618,673	Community sensitive, project scope	Mar-25
			(1,701,804)	(1,447,347)	11,951,933	8,802,782		
Total capital carry overs			(3,286,205)	(7,283,756)	29,024,771	18,454,810		

KEY:

Projects with a practical completion (PC) date expected by the end of the first quarter of 2024-25.

REASONS FOR CARRY OVER (DELAY DUE TO):**Reason for carry over****Details**

Economic conditions
Project scope
Third party
Other project
Grant related
Community sensitive
Internal resourcing
MYB
Multi-year
On hold

Impacted by economic environment, supply-chain, etc.
Change in project scope/requirements
Dependent on or delayed due to third party or authority
Dependency on other project's progress
Project is grant funded
Community sensitive
Internal resourcing issues
Project was added at Mid-Year Budget
Multi-year project (with insufficient funding available in the next financial year)
Project on hold/will be deferred



4.1.2 2023-24 Annual Financial Statements

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer:	Executive Director Corporate Development
Attachments:	1. Annual Financial Statements 2023-24 [4.3.2.1 - 81 pages] 2. Performance Statement 2023-24 [4.3.2.2 - 15 pages]

Executive Summary

1. The 2023-24 Annual Financial Statements comprise the consolidated financial statements of Council, Dandenong Market Pty Ltd and South East Leisure Pty Ltd. In preparing the consolidated financial statements, all inter-entity balances and transactions have been eliminated in full.
2. The preliminary audit of Council's Annual Financial Statements and Performance Statement for the year ended 30 June 2024 has been completed by the Victorian Auditor-General's Office (VAGO) and reviewed by Council's Audit and Risk Committee.
3. Prior to final certification by VAGO, Council is required to adopt-in-principle the 2023-24 Annual Financial Statements and submit them for certification. As part of the certification process, VAGO may require further minor amendments to the Statements and Council authorisation for the Principal Accounting Officer to make these changes is sought.
4. Council is also required to authorise two Councillors to certify these documents in accordance with the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*. The signed statements will be incorporated in Council's annual report for the year ended 30 June 2024 and the annual report will be presented to Council by 14 October 2024.
5. This report recommends that Council adopts-in-principle the Consolidated Annual Financial Statements and Performance Statement for the year ended 30 June 2024, authorises the Principal Accounting Officer to make changes in certain circumstances and nominates Councillor Formoso (Mayor) and Audit and Risk Committee member Councillor Garad to sign the 2023-24 Consolidated Annual Financial Statements and Performance Statement.



Background

- The agents of the Victorian Auditor-General, RSD Audit, have completed the audit of the Annual Financial Statements and Performance Statement for the year ended 30 June 2024. A draft Audit Closing Report was presented to the Audit and Risk Committee on 12 September 2024. The statements remain interim until signed by the Auditor-General. Consequently, at the time of preparing this report, Council has not received audit clearance from VAGO for the attached Financial and Performance Statements.

Key Points / Issues / Discussion

Signing of Financial Statements and Performance Statement for the year ended 30 June 2024

- The Audit and Risk Committee is satisfied with the statements and recommends to Council that the statements be adopted in principle and referred to VAGO for final certification.
- For the audit to proceed, Council now needs to resolve to (subject to any minor amendments noted under “Consultation” in this report):
 - Approve “in principle” the draft Consolidated Annual Financial Statements and Performance Statement for the year ended 30 June 2024.
 - Authorise two (2) Councillors to sign the 30 June 2024 Consolidated Annual Financial Statements and Performance Statement once any changes recommended or agreed to with the Auditor-General have been made.
- The Financial Statements and Performance Statement for the year ended 30 June 2024 will be incorporated into Council’s Annual Report, which is to be presented at a Council meeting open to the public on 14 October 2024.

Financial Implications

- The draft Financial Statements are consolidated accounts of Council, Dandenong Market Pty Ltd and South East Leisure Pty Ltd. These statements indicate the financial performance for the year and the financial position at 30 June 2024. Whilst the audit has not yet been finalised by VAGO, it is not expected that there will be any major changes as a result.
- The Comprehensive Income Statement highlights that Greater Dandenong City Council’s operating surplus for the year is a consolidated accounting surplus result of \$12.29 million in 2023-24. To reach the total comprehensive income result, Council has recorded a net revaluation increment in fixed asset values of \$124.96 million (across a range of asset classes as detailed in note 9.1 of the attached 2023-24 Financial Report) resulting in a consolidated Comprehensive Income surplus of \$137.25 million in total. Council is reminded that these outcomes are accounting based and do not represent the actual ‘cash’ outcome of Council for the financial year.
- Detailed analysis of operational financial performance for the year ended 30 June 2024 is included in the June 2024 Financial Report and illustrates all significant variations between final outcomes and forecast results and provides a reconciliation to the cash result.



Performance Statement

13. The Performance Statement reports Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*. It contains the results of the prescribed indicators and measures for service performance, financial performance and sustainable capacity indicators. The Performance Statement is also required to be audited, certified and published in the Annual Report 2023-24.

Community and Stakeholder Consultation

14. The agents of the Auditor-General, RSD Audit, have completed the audit of the Annual Financial Statements and Performance Statement for the year ended 30 June 2024. The Audit and Risk Committee met on 12 September 2024 to review in detail the draft Financial Statements and Performance Statement. The meeting was attended by RSD Audit who presented the audit outcomes. No material issues were raised. The Audit and Risk Committee recommends to Council that the statements be adopted-in-principle.
15. The Financial Statements and Performance Statement will be included in Council's Annual Report which will be published on Council's website once audit clearance has been received from VAGO and it has been formally approved by Council.

Links to the Community Vision and Council Plan

16. This report is consistent with the following principles in the Community Vision 2040:
 - Education, training, entrepreneurship and employment opportunities.
 - Sustainable environment.
 - Embrace diversity and multiculturalism.
 - Mind, body and spirit.
 - Art and culture.
17. This report is consistent with the following strategic objectives from the Council Plan 2021-25:
 - A Council that demonstrates leadership and a commitment to investing in the community.

Legislative and Policy Obligations

18. This report has considered Council's legislative and policy obligations (where applicable) as outlined in the Report Considerations section detailed in the front of this Agenda. The applicable obligations considered and applied are:
 - The Overarching Governance Principles of the Local Government Act 2020.
 - Victorian Charter of Human Rights and Responsibilities 2006.
 - Climate Change and Sustainability.



Conclusion

19. It is recommended that Council adopt in principle the Financial Statements and Performance Statement for the year ended 30 June 2024 and advance these statements to VAGO for final certification.

Recommendation

That Council:

1. **APPROVES- IN- PRINCIPLE** the Consolidated Annual Financial Statements and the Performance Statement for the year ended 30 June 2024;
2. **AUTHORISES** the Principal Accounting Officer to make changes to the Financial and Performance Statements, as agreed with the Victorian Auditor-General's Office, that the Audit and Risk Committee be consulted prior to making any material amendment, and that material amendments be communicated to Council as soon as practical; and
3. **NOMINATES** Councillor Formoso (Mayor) and Councillor Garad to sign the 30 June 2024 Consolidated Annual Financial Statements and Performance Statements.

Greater Dandenong City Council

Financial Statements

For the year ended 30 June 2024



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Certification of the Consolidated Financial Statements

In my opinion the accompanying consolidated financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the Australian Accounting Standards and other mandatory professional reporting requirements.

Michelle Hansen CPA
Principal Accounting Officer

Date: 23 September 2024
Dandenong

In our opinion the accompanying consolidated financial statements present fairly the consolidated financial transactions of the Greater Dandenong City Council for the year ended 30 June 2024 and the consolidated financial position of the Council as at that date.

As at the date of signing, we are not aware of any circumstances that would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify the consolidated financial statements in their final form.

Lana Formoso
Mayor

Date: 23 September 2024
Dandenong

Rhonda Garad
Councillor

Date: 23 September 2024
Dandenong

Jacqui Weatherill
Chief Executive Officer

Date: 23 September 2024
Dandenong

Independent Auditor's Report

Comprehensive Income Statement

For the year ended 30 June 2024

	Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Income / Revenue			
Rates and charges	3.1	171,109	163,528
Statutory fees and fines	3.2	11,218	8,917
User fees	3.3	13,844	11,771
Grants - operating	3.4	26,058	41,913
Grants - capital	3.4	8,282	9,763
Contributions - monetary	3.5	3,305	2,393
Contributions - non-monetary	3.5	12,098	14,804
Net gain on disposal of property, infrastructure, plant and equipment	3.6	604	719
Fair value adjustments for investment property	6.4	115	228
Other income	3.7	25,971	22,358
Total income / revenue		272,604	276,394
Expenses			
Employee costs	4.1	102,319	93,472
Materials and services	4.2	102,858	100,788
Depreciation	4.3	35,881	32,849
Amortisation - intangible assets	4.4	44	111
Depreciation - right-of-use assets	4.5	715	726
Allowance for impairment losses	4.6	3,267	2,818
Borrowing costs	4.7	2,575	2,687
Finance costs - leases	4.8	41	52
Other expenses	4.9	12,617	9,515
Total expenses		260,317	243,018
Surplus for the year		12,287	33,376
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation gain	9.1(a)	125,688	57,669
Impairment (loss) reversal of previous revaluation	9.1(a)	(729)	-
Total other comprehensive income		124,959	57,669
Total comprehensive result		137,246	91,045

The above Comprehensive Income Statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2024

	Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1(a)	25,170	75,993
Trade and other receivables	5.1(c)	30,802	31,161
Other financial assets	5.1(b)	172,820	122,869
Inventories	5.2(a)	69	62
Prepayments	5.2(b)	1,222	3,098
Other assets	5.2(c)	5,396	5,355
Total current assets		<u>235,479</u>	<u>238,538</u>
Non-current assets			
Trade and other receivables	5.1(c)	266	273
Property, infrastructure, plant and equipment	6.2	2,644,801	2,508,343
Investment property	6.4	6,690	6,575
Right-of-use assets	5.8	1,169	1,554
Intangible assets	5.2(c)	40	84
Total non-current assets		<u>2,652,966</u>	<u>2,516,829</u>
Total assets		<u>2,888,445</u>	<u>2,755,367</u>
Liabilities			
Current liabilities			
Trade and other payables	5.3(a)	27,816	25,988
Trust funds and deposits	5.3(b)	4,825	6,473
Contract and other liabilities	5.3(c)	56,677	58,880
Provisions	5.5	21,135	21,277
Other interest-bearing liabilities	5.4(b)	99	92
Interest-bearing liabilities	5.4(a)	3,834	3,597
Lease liabilities	5.8	594	548
Total current liabilities		<u>114,980</u>	<u>116,855</u>
Non-current liabilities			
Trust funds and deposits	5.3(b)	2,898	2,112
Provisions	5.5	1,560	1,321
Other interest-bearing liabilities	5.4(b)	285	373
Interest-bearing liabilities	5.4(a)	43,348	46,182
Lease liabilities	5.8	642	1,038
Total non-current liabilities		<u>48,733</u>	<u>51,026</u>
Total liabilities		<u>163,713</u>	<u>167,881</u>
Net assets		<u>2,724,732</u>	<u>2,587,486</u>
Equity			
Accumulated surplus		974,960	969,354
Reserves	9.1(c)	1,749,772	1,618,132
Total equity		<u>2,724,732</u>	<u>2,587,486</u>

The above Balance Sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2024

		Consolidated			
2024	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,587,486	969,354	1,530,252	87,880
Surplus for the year		12,287	12,287	-	-
Net asset revaluation gain	9.1(a)	125,688	-	125,688	-
Impairment (loss) reversal of previous revaluation	9.1(a)	(729)	-	(729)	-
Transfers to other reserves	9.1(b)	-	(17,475)	-	17,475
Transfers from other reserves	9.1(b)	-	10,794	-	(10,794)
Balance at end of the financial year		2,724,732	974,960	1,655,211	94,561

		Consolidated			
2023		Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		2,496,441	955,457	1,472,583	68,401
Surplus for the year		33,376	33,376	-	-
Net asset revaluation gain	9.1(a)	57,669	-	57,669	-
Transfers to other reserves	9.1(b)	-	(26,874)	-	26,874
Transfers from other reserves	9.1(a)	-	7,395	-	(7,395)
Balance at end of the financial year		2,587,486	969,354	1,530,252	87,880

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2024

	Note	Consolidated 2024 Inflows/ (Outflows) \$'000	Consolidated 2023 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		169,741	162,903
Statutory fees and fines		8,550	7,007
User fees		14,065	11,268
Grants - operating		23,777	44,697
Grants - capital		8,240	6,499
Contributions - monetary		4,153	5,189
Interest received		7,919	5,520
Trust funds and deposits taken		33,731	29,580
Other receipts		19,324	20,063
Net GST refund		12,052	11,534
Employee costs		(101,634)	(93,612)
Materials and services		(104,078)	(104,901)
Short-term, low value and variable lease payment		(727)	(756)
Trust funds and deposits repaid		(34,359)	(28,560)
Other payments		(4,963)	(6,289)
Net cash provided by operating activities	9.2	<u>55,791</u>	<u>70,142</u>
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment		(53,271)	(49,214)
Proceeds from sale of property, infrastructure, plant and equipment		628	794
Payments for investments		(338,033)	(290,054)
Proceeds from sale of investments		290,054	317,966
Net cash used in investing activities		<u>(100,622)</u>	<u>(20,508)</u>
Cash flows from financing activities			
Finance costs		(2,591)	(2,706)
Proceeds from borrowings		1,000	-
Repayment of borrowings		(3,597)	(3,484)
Repayment of other interest-bearing liabilities		(81)	(45)
Interest paid - lease liability		(43)	(53)
Repayment of lease liabilities		(680)	(696)
Net cash used in financing activities		<u>(5,992)</u>	<u>(6,984)</u>
Net increase (decrease) in cash and cash equivalents		(50,823)	42,650
Cash and cash equivalents at the beginning of the financial year		75,993	33,343
Cash and cash equivalents at the end of the financial year	5.1(a)	<u>25,170</u>	<u>75,993</u>
Financing arrangements	5.6		

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Statement of Capital Works

For the year ended 30 June 2024

	Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Property			
Land		10	-
Total land		<u>10</u>	<u>-</u>
Buildings		15,412	15,784
Leasehold improvements		-	393
Total buildings		<u>15,412</u>	<u>16,177</u>
Total property	2.1.2	<u>15,422</u>	<u>16,177</u>
Plant and equipment			
Plant, machinery and equipment		2,259	2,235
Fixtures, fittings and furniture		49	124
Computers and telecommunications		940	642
Library books		791	817
Total plant and equipment	2.1.2	<u>4,039</u>	<u>3,818</u>
Infrastructure			
Roads		13,299	10,923
Bridges		343	84
Footpaths and cycleways		700	1,833
Drainage		1,002	3,704
Recreational, leisure and community facilities		9,616	8,329
Parks, open space and streetscapes		5,684	3,548
Off street car parks		66	449
Total infrastructure	2.1.2	<u>30,710</u>	<u>28,870</u>
Sub-total capital works expenditure <i>(Property, infrastructure, plant and equipment)</i>	2.1.2	<u>50,171</u>	<u>48,865</u>
Investment property		-	11
Total capital works expenditure <i>(This includes Property, infrastructure, plant and equipment, Investment property and Intangibles)</i>	2.1.2	<u>50,171</u>	<u>48,876</u>
Represented by:			
New asset expenditure		13,582	6,666
Asset renewal expenditure		21,713	20,207
Asset upgrade expenditure		14,876	19,564
Asset expansion expenditure		-	2,439
Total capital works expenditure		<u>50,171</u>	<u>48,876</u>

The above Statement of Capital Works should be read in conjunction with the accompanying notes.

Notes to the Consolidated Financial Report

Note

1 OVERVIEW

The Greater Dandenong City Council was established in December 1994 with the amalgamation of the former City of Springvale and former City of Dandenong, and is a body corporate. The Council's main office is located at 225 Lonsdale Street, Dandenong, 3175.

Statement of compliance

These consolidated financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Accounting policy information

1.1 Basis of accounting

These consolidated financial statements for the year ended 30 June 2024 comprise the results of operations for both Council and its wholly owned subsidiaries, namely the Dandenong Market Pty Ltd and South East Leisure Pty Ltd (established 7 July 2021 and commenced operations on 1 July 2022). Refer to Note 6.3 for further details of Council's subsidiaries.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported. Specific accounting policies applied are disclosed in sections where the related balance or financial statement matter is disclosed.

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

Notes to the Consolidated Financial Report

Note

1 Overview (continued)

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings and infrastructure (refer to note 6.2 and 8.4).
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 6.2).
- the determination of employee provisions (refer to note 5.5(a)).
- the determination of landfill provisions (refer to note 5.5(b)).
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of *AASB 15 Revenue from Contracts with Customers* or *AASB 1058 Income of Not-for-Profit Entities* (refer to note 3).
- the determination, in accordance with *AASB 16 Leases*, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to note 5.8).
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation. Disclosure has been made of any material changes to comparatives (refer to note 10). It is noted that there have been no material changes to comparatives.

Goods and Services Tax (GST)

Income and expenses are recognised net of the amount of associated GST. Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the balance sheet.

Notes to the Consolidated Financial Report

Note

2 ANALYSIS OF OUR RESULTS

2.1 Performance against budget

The budget comparison notes compare Council's financial plan, expressed through its annual budget, with actual performance. *The Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variances. Council has adopted a materiality threshold of greater than 10 per cent and greater than \$1 million or where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 26 June 2023 (known as the Adopted Budget). The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

2.1.1 Income / Revenue and expenditure

	Consolidated	Council	Council	Council	Council	Note
	Actual	Actual	Budget	Variance	Variance	2.1.1
	2024	2024	2024		%	Ref
	\$'000	\$'000	\$'000	\$'000		
		(note 6.3)		Fav (Unfav)	Fav (Unfav)	
Income / Revenue						
Rates and charges	171,109	171,211	170,138	1,073	0.6%	
Statutory fees and fines	11,218	11,218	10,865	353	3.2%	
User fees	13,844	9,100	9,214	(114)	(1.2%)	
Grants - operating	26,058	26,014	33,824	(7,810)	(23.1%)	(a)
Grants - capital	8,282	8,282	5,316	2,966	55.8%	(b)
Contributions - monetary	3,305	3,305	2,000	1,305	65.3%	(c)
Contributions - non-monetary	12,098	12,098	7,500	4,598	61.3%	(d)
Net gain on disposal of property, infrastructure, plant and equipment	604	604	746	(142)	(19.0%)	
Fair value adjustments for investment property	115	115	-	115	100.0%	
Other income	25,971	15,452	8,265	7,187	87.0%	(e)
Total income / revenue	272,604	257,399	247,868	9,531	3.8%	
Expenses						
Employee costs	102,319	93,186	95,009	1,823	(1.9%)	
Materials and services	102,858	97,683	80,136	(17,547)	21.9%	(f)
Depreciation	35,881	35,695	33,601	(2,094)	6.2%	
Amortisation - intangible assets	44	24	-	(24)	100.0%	
Depreciation - right of use assets	715	715	598	(117)	19.6%	
Allowance for impairment losses	3,267	3,263	2,245	(1,018)	45.3%	(g)
Borrowing costs	2,575	2,537	2,698	161	(6.0%)	
Finance costs - leases	41	41	22	(19)	86.4%	
Other expenses	12,617	12,170	4,476	(7,694)	171.9%	(h)
Total expenses	260,317	245,314	218,785	(26,529)	12.1%	
Surplus for the year	12,287	12,085	29,083	16,998	58.4%	

Notes to the Consolidated Financial Report

Note

2.1.1 Income / revenue and expenditure (continued)

Explanation of material variations

Ref	Item	Explanation
(a)	Grants - operating	Operating grant income was \$7.81 million lower than budget mainly due to the early receipt of Council's 2023-24 Financial Assistance grant allocation via the Victorian Local Government Grants Commission (VLGGC) in the prior year (2022-23) and no early distribution of the 2024-25 allocation (\$11.65 million). This is partly offset by higher than anticipated Family Day Care grant income due to an expanded program (\$2.64 million) and unbudgeted grant income for various projects which were either advised after the adoption of Council's 2023-24 Budget or relate to grant-funded projects carried over from 2022-23 including Child First (\$472,000), New Directions - Mothers and Babies (\$366,000), Market Street Occasional Child Care Centre (\$338,000) and Refugee Immunisation PRIME (\$301,000).
(b)	Grants - capital	Capital grant income was \$2.97 million favourable to budget mainly due to grant funded projects carried over from the previous financial year (Local Roads Community Infrastructure Program \$1.04 million and two Noble Park Revitalisation projects - Leonard Avenue Streetscape and Ian Street Streetscape \$555,000) as well as funding advised after the adoption of Council's budget (Black Spot Works Program \$1.40 million).
(c)	Contributions - monetary	Monetary contributions were \$1.31 million lower than budget due to a delay in completion of the Perry Road widening project. This resulted in Development Contribution Plan income (DCP) not recognised in the Income Statement (recognised on completion).
(d)	Contributions - non-monetary	These contributions represent assets that are transferred to Council's ownership from developers upon completion of subdivisions. Refer to Note 6.2(a) for further details about contributed assets. In 2023-24, they relate mainly to land, land under roads, drains, roads, parks open space and streetscapes and recreational leisure and community facilities. The number of subdivisions that are completed vary from year to year and the timing of these asset transfers is outside of Council's control and difficult to predict.

Notes to the Consolidated Financial Report

Note

2.1.1 Income / revenue and expenditure (continued)

Explanation of material variations (continued)

Ref	Item	Explanation
(e)	Other income	Other income is \$7.19 million favourable to budget mainly due to \$6.19 million better than expected interest return on investments due to high interest rates and greater cash and investment balances as a result of delayed capital expenditure.
(f)	Materials and services	The unfavourable variance of \$17.55 million is attributable to: <ul style="list-style-type: none"> - \$11.95 million in capital expenditure that was not able to be capitalised to the asset register because it was not capital in nature, it did not meet the capitalisation threshold or it related to non-Council owned assets (\$3.90 million relating to current year capital expenditure and \$8.05 million relating to prior year capital expenditure in work in progress). - higher than anticipated Family Day Care contract services expenditure as a result of an expanded program (\$2.63 million, matched by higher income). - higher park maintenance contract costs particularly for storm events, playgrounds, trees and roadside mowing (\$2.15 million).
(g)	Allowance for impairment losses	The unfavourable variance of \$1.02 million is due to an additional provision for a sundry doubtful debt (\$407,000) and an increase in the provision for doubtful infringement debt assumptions.
(h)	Other expenses	The \$7.69 million unfavourable variance to budget is mainly arising from asset write offs (\$6.75 million) and contributions to non-Council assets as part of several capital works projects (\$538,000), in particular, Black Spot projects. Asset write offs represent the renewal and replacement works as part of capital work projects. In 2023-24, this mainly relates to roads, kerb and channel, buildings, drainage, footpaths, bridges and off-street car parks.

Notes to the Consolidated Financial Report

Note

2.1.2 Capital works

	Consolidated Actual 2024 \$'000	Council Actual 2024 \$'000	Council Budget 2024 \$'000	Council Variance \$'000 <i>Fav (Unfav)</i>	Council Variance % <i>Fav (Unfav)</i>	Note 2.1.2 Ref
Property						
Land	10	10	-	(10)	(100.00%)	
Total land	10	10	-	(10)	(100.00%)	
Buildings	15,412	15,412	26,745	11,333	42.37%	(a)
Total buildings	15,412	15,412	26,745	11,333	42.37%	
Total property	15,422	15,422	26,745	11,323	42.34%	
Plant and equipment						
Plant, machinery and equipment	2,259	2,154	3,141	987	31.42%	(b)
Fixtures, fittings and furniture	49	34	116	82	70.69%	
Computers and telecommunications	940	940	860	(80)	(9.30%)	
Library books	791	791	878	87	9.91%	
Total plant and equipment	4,039	3,919	4,995	1,076	21.54%	
Infrastructure						
Roads	13,299	13,299	9,058	(4,241)	(46.82%)	(c)
Bridges	343	343	-	(343)	(100.00%)	
Footpaths and cycleways	700	700	1,220	520	42.62%	
Drainage	1,002	1,002	1,550	548	35.35%	
Recreational, leisure and community facilities	9,616	9,616	7,551	(2,065)	(27.35%)	(d)
Parks, open space and streetscapes	5,684	5,684	7,137	1,453	20.36%	(e)
Off street car parks	66	66	75	9	12.00%	
Total infrastructure	30,710	30,710	26,591	(4,119)	(15.49%)	
Total capital works expenditure	50,171	50,051	58,331	8,280	14.19%	
Represented by:						
New asset expenditure	13,582	13,462	22,232	8,770	39.45%	(f)
Asset renewal expenditure	21,713	21,713	28,112	6,399	22.76%	(g)
Asset upgrade expenditure	14,876	14,876	7,987	(6,889)	(86.25%)	(h)
Total capital works expenditure	50,171	50,051	58,331	8,280	14.19%	

Notes to the Consolidated Financial Report

Note

2.1.2 Capital works (continued)

Explanation of material variations

Ref	Item	Explanation
(a)	Buildings	The \$11.33 million favourable variance to budget is mainly due to the several large multi-year capital projects combined with some delays, with the remaining budget to be carried over to the 2024-25 financial year: <ul style="list-style-type: none"> - Keysborough South Community Hub (\$3.77 million) - Dandenong Wellbeing Centre (\$3.64 million) - Dandenong New Art (\$1.54 million) - Dandenong Community Hub (\$1.49 million) - Precinct Energy Plant (PEP) Redevelopment (\$527,000) - Lyndale Secondary College (\$350,000).
(b)	Plant, machinery and equipment	The favourable variance of \$987,000 to the budget is mainly due to Fleet team resourcing issues which meant that a number of heavy plant and equipment renewals were not actioned during 2023-24.
(c)	Roads	The unfavourable variance of \$4.24 million to the budget is due to: <ul style="list-style-type: none"> - \$2.47 million in expenditure for the Perry Road widening project which was carried over from the 2022-23 year due to delays caused by service authorities' approvals and materials availability (supply of concrete pipes). - several Black Spot grant funded projects carried over from the 2022-23 year (\$1.06 million).
(d)	Recreational, leisure and community facilities	The unfavourable variance of \$2.07 million to the budget is mainly due to projects that were carried over from the 2022-23 year including Ross Reserve Athletic Soccer Pitch, Frederick Wachter Playground and George Andrews Reserve Field 2 Lighting.
(e)	Parks, open space and streetscapes	Capital expenditure on parks, open space and streetscapes was \$1.45 million lower than the budget mainly due to delays in the following projects that will be carried over to the 2024-25 financial year: <ul style="list-style-type: none"> - Dandenong Indoor Sports Stadium Carpark Lighting and Lonsdale Street Light Sticks (\$411,000) - Dandenong CBD - Road and Pedestrian Street Lights LED Upgrade (\$409,000) - Implementation of the Springvale Revitalisation Action Plan (\$250,000) - Noble Park Revitalisation (\$249,000).

Notes to the Consolidated Financial Report

Note

2.1.2 Capital works (continued)

Explanation of material variations

Ref	Item	Explanation
(f)	New asset expenditure	New asset expenditure was \$8.77 million lower than budget due to the deferral of \$5.12 million in capital expenditure and new borrowings for the Keysborough South Community Hub major project to 2024-25. This is combined with \$5.22 million favourable variance in two other multi-year projects (Dandenong Wellbeing Centre and Dandenong Community Hub) that will be carried over to 2024-25.
(g)	Asset renewal expenditure	Asset renewal expenditure was \$6.40 million lower than budget due to \$4 million in budgeted renewal works for the Ross Reserve Athletics Track spent in asset upgrade. Also contributing are favourable variances in the Fleet renewal program as detailed in 2.1.2(b) and Dandenong Indoor Sports Stadium Carpark Lighting, Lonsdale Street Light Sticks and Dandenong CBD - Road and Pedestrian Street Lights LED Upgrade as per commentary in 2.1.2(e). These projects will be carried over to the 2024-25 financial year.
(h)	Asset upgrade expenditure	Asset upgrade expenditure was \$6.89 million higher than budget due to Ross Reserve Athletics Track which was spent in asset upgrade, but budgeted in asset renewal combined with the Perry Road widening project carry over from 2022-23 discussed in 2.1.2(c) and (g) above.

Notes to the Consolidated Financial Report

Note

2.2 Analysis of Council results by program

During the 2023-24 financial year, Council's organisational structure underwent a transformation to address current and future challenges. A new organisational structure was effective from 30 October 2023 and positions Council as an agile and innovative organisation ready to meet the demands of the future.

<u>New Structure</u>	<u>Former Structure</u>
Chief Executive Office (including Digital Technology and Strategic Growth and Advocacy)	Chief Executive Office
City Futures	City Planning, Design and Amenity Business, Engineering and Major Projects (including Greater Dandenong Business)
Community Strengthening	Community Strengthening
Corporate Development	Corporate Services

2.2.1 Council delivers its functions and activities through the following programs.

Chief Executive Office (CEO)

The Chief Executive Office includes the CEO, Digital Technology and Strategic Growth and Advocacy.

The Chief Executive Office has overall responsibility for the operations of the organisation. Each member of the executive management team reports to the CEO.

The Digital Technology unit is responsible for the provision of cost-effective information and telecommunication solutions to staff and councillors.

Strategic Growth and Advocacy is responsible for Council's organisational strategy and performance; asset management; and advocacy functions. The business units within this department include Asset Management, Community Advocacy, and Corporate Planning and Performance.

City Futures

City Futures is responsible for a large range of Council activities including parks and waste, roads and transport, major projects, sustainability, statutory planning, economic development, and investment attraction. It has a key focus on the development of our built and natural environments and ensuring that Council's activities match the community's future needs for facilities, housing, and sustainability.

The departments which make up City Futures are Business Development and Investment, Chief Engineer and Major Projects, Infrastructure Services, Statutory Planning, Strategic and Environmental Planning, and Transport and Civil Development.

Community Strengthening

Community Strengthening provides direct services to the community across a wide range of programs such as sport and recreation, libraries, youth and families, children's services, festivals and events, support for older people and community safety. This directorate manages Community Amenity, Community Arts, Culture and Libraries; Community Care; Community Wellbeing; and Safe, Active and Connected Communities.

Notes to the Consolidated Financial Report

Note

2.2.1 Council delivers its functions and activities through the following programs (continued)

Corporate Development

Corporate Development covers a broad range of organisational functions including financial planning, marketing and communications, customer service, governance, risk management and organisational development. The departments within this directorate include Financial Services; Governance, Legal and Risk; Communications and Customer Experience; and People and Change.

Non-attributable

The items that cannot be reliably attributable to a directorate. For example furniture, fixtures and fittings that cannot be identified by a location or work in progress that cannot be easily allocated across directorate.

Notes to the Consolidated Financial Report

Note

2.2 Analysis of Council results by program

2.2.2 Summary of income / revenue, expenses, assets and capital expenses by program

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2024					
Chief Executive Office	289	12,329	(12,040)	222	360
City Futures	58,868	119,109	(60,241)	9,370	1,805,030
Community Strengthening	40,924	79,447	(38,523)	24,135	748,158
Corporate Development	157,318	26,375	130,943	569	329,711
Non-attributable*	-	8,054	(8,054)	-	283
Council Total**	257,399	245,314	12,085	34,296	2,883,542
Dandenong Market Pty Ltd	6,886	6,736	150	-	2,685
South East Leisure Pty Ltd	12,646	12,594	52	44	3,297
Consolidated elimination	(4,327)	(4,327)	-	-	(1,079)
Consolidated Total	272,604	260,317	12,287	34,340	2,888,445

	Income / Revenue	Expenses	Surplus/ (Deficit)	Grants included in income / revenue	Total assets
	\$'000	\$'000	\$'000	\$'000	\$'000
2023					
Chief Executive Office	-	813	(813)	-	5
Business, Engineering & Major Projects	54,433	106,661	(52,228)	11,184	1,563,635
City Planning, Design & Amenity	14,792	20,241	(5,449)	670	117,237
Community Strengthening	27,207	62,884	(35,677)	23,369	738,077
Corporate Services	166,602	30,231	136,371	16,434	332,132
Non-attributable*	-	8,981	(8,981)	-	134
Total for Council	263,034	229,811	33,223	51,657	2,751,220
Dandenong Market Pty Ltd	6,146	6,017	129	-	2,138
South East Leisure Pty Ltd	11,464	11,440	24	19	3,344
Consolidation elimination	(4,250)	(4,250)	-	-	(1,335)
Consolidated Total	276,394	243,018	33,376	51,676	2,755,367

* Non-attributable represents income and expense items that are not specifically attributable to one of the directorates.

** During 2023-24, an organisational restructure occurred. Refer to Note 2.2.1.

Notes to the Consolidated Financial Report

Note

Consolidated 2024 \$'000	Consolidated 2023 \$'000
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3 FUNDING FOR THE DELIVERY OF OUR SERVICES

3.1 Rates and charges

Council uses the Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all improvements on it, and is determined by independent valuers and certified by the Valuer General Victoria. The valuation base used to calculate general rates for 2023-24 was \$64.44 billion (\$59.36 billion in 2022-23).

Residential	59,675	58,243
Commercial	12,818	12,242
Industrial	67,494	62,298
Farm	501	458
Cultural and recreational	519	558
Waste management charge - residential	26,185	24,829
Supplementary rates and rates adjustment	999	1,963
Maintenance levy	1,735	1,697
Interest on rates and charges	1,183	1,240
Total rates and charges	171,109	163,528

The date of the general revaluation of land for rating purposes within the municipal district was 1 January 2023 and the valuation was first applied in the rating year commencing 1 July 2023.

Annual rates and charges are recognised as income when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Infringements and costs	6,376	4,933
Court recoveries	2,308	1,661
Building and town planning fees	1,948	1,818
Subdivision	63	146
Land information certificates	128	112
Election fines	67	10
Permits	328	237
Total statutory fees and fines	11,218	8,917

Statutory fees and fines (including parking fees and fines) are recognised as income when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
3.3 User fees		
Aged and health services	1,065	941
Leisure centre and recreation	4,744	3,504
Child care/children's programs	1,821	1,749
Parking	3,278	2,530
Registration and other permits	1,850	2,018
Asset protection fees	508	472
Other fees and charges	578	557
Total user fees	<u>13,844</u>	<u>11,771</u>
User fees by timing of revenue recognition		
User fees recognised over time	278	281
User fees recognised at point in time	13,566	11,490
Total user fees	<u>13,844</u>	<u>11,771</u>

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following:

Summary of grants		
Commonwealth funded grants	17,824	34,361
State funded grants	16,507	17,296
Other grant sources	9	19
Total grants received	<u>34,340</u>	<u>51,676</u>
a) Operating grants		
Recurrent - Commonwealth Government		
Financial Assistance Grants (via Victoria Local Government Grants Commission)*	568	16,258
Family Day Care	7,201	6,534
General Home Care	5,792	6,247
Family, Youth and Children Services	366	352
Libraries	252	261
Immunisation	15	18
Volunteer Services	-	13
	<u>14,194</u>	<u>29,683</u>

* Payments for Financial Assistance Grants received via the Victorian Local Government Grants Commission can vary year on year. Due to an early distribution in the prior year, 2023-24 only reflects the final adjustment to Council's 2023-24 funding allocation, whereas 2022-23 reflects approximately 125% of funding received (that is, 100% of the initial funding estimate for 2023-24 and 25% of 2022-23).

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
3.4 Funding from other levels of government (continued)		
a) Operating grants (continued)		
<i>Recurrent - State Government</i>		
Aged Care	1,005	1,018
Maternal and Child Health	2,618	2,374
Family, Youth and Children Services	2,960	2,658
Libraries	1,137	1,178
School Crossing Supervisors	540	524
General Home Care	421	492
Education and Employment	480	350
Community Health	260	232
Open Space and Environment	212	213
Immunisation	86	138
COVID Safety and Support	-	192
Emergency Management	-	87
Volunteer Services	8	8
	<u>9,727</u>	<u>9,464</u>
Total recurrent operating grants	<u>23,921</u>	<u>39,147</u>
<i>Non-recurrent - Commonwealth Government</i>		
Family, Youth and Children Services	50	110
Immunisation	100	126
Community Development	22	-
Libraries	1	-
	<u>173</u>	<u>236</u>
<i>Non-recurrent - State Government</i>		
Community Development	501	488
Immunisation	301	513
Waste Management	68	369
Family, Youth and Children Services	394	284
Maternal and Child Health	166	41
Community Safety	200	200
Open Space and Environment	219	398
COVID Safety and Support	60	90
Aged Care	-	92
South East Leisure	44	19
Other	2	14
Arts and Culture	-	3
	<u>1,955</u>	<u>2,511</u>
<i>Non-recurrent - Other</i>		
Arts and Culture	9	-
Transport and Access	-	19
	<u>9</u>	<u>19</u>
Total non-recurrent operating grants	<u>2,137</u>	<u>2,766</u>
Total operating grants	<u>26,058</u>	<u>41,913</u>

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
3.4 Funding from other levels of government (continued)		
b) Capital grants		
<i>Recurrent - Commonwealth Government</i>		
Roads to Recovery	969	929
<i>Non-recurrent - Commonwealth Government</i>		
Local Roads Community Infrastructure Program	1,044	2,657
Black Spot Program	1,404	828
Parks, Open Space and Streetscapes	40	-
Sports and Recreation	-	28
	<u>2,488</u>	<u>3,513</u>
<i>Non-recurrent - State Government</i>		
Recreational, Leisure and Community Facilities	-	2,903
Parks, Open Space and Streetscapes	1,873	1,681
Buildings and Leaseholds	2,462	337
Noble Park Revitalisation Program	490	400
	<u>4,825</u>	<u>5,321</u>
Total non-recurrent capital grants	<u>7,313</u>	<u>8,834</u>
Total capital grants	<u>8,282</u>	<u>9,763</u>

(c) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with *AASB 15 Revenue from Contracts with Customers*. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the point in time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies *AASB 1058 Income of Not-for-Profit Entities*.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Income recognised under AASB 1058 Income of Not-for-Profit Entities

General purpose	568	16,258
Specific purpose grants to acquire non-financial assets	8,282	9,763
Other specific purpose grants	15,163	15,505

Revenue recognised under AASB 15 Revenue from Contracts with Customers

Specific purpose grants	10,327	10,150
	<u>34,340</u>	<u>51,676</u>

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
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3.4 Funding from other levels of government (continued)

d) Unspent grants for income recognised under AASB 1058

The unspent grant income disclosed below relates to contracts that do not have sufficiently specific performance obligations. The income for these contracts is recognised when Council obtains control of the contribution, which is normally upon receipt. For details of grant funding recognised under AASB 15 and relating to unsatisfied performance obligations and transfers to construct a recognisable non-financial to be controlled by Council, please refer to Note 5.3(c).

Operating

Balance at start of the year	20,866	16,449
Received during the financial year and remained unspent at balance date	5,471	18,672
Received in prior years and spent during the financial year	<u>(20,425)</u>	<u>(14,255)</u>
Balance at year end*	<u>5,912</u>	<u>20,866</u>

Unspent grants are determined and disclosed on a cash basis.

* The large balance of unspent operating grants in the 2023 year relates to the early distribution by the Victoria Local Government Grants Commission of 100% of the Financial Assistance Grants funding for the following financial year (2024: \$0 and 2023: \$12.94 million).

3.5 Contributions

Monetary

Community contributions (for capital works)	16	197
Other contributions	91	25
Total non-developer contributions	<u>107</u>	<u>222</u>
Open space contributions (for future capital works) (note 3.5(a))	2,288	2,171
Development infrastructure levies (for capital works completed)	910	-
Total developer contributions	<u>3,198</u>	<u>2,171</u>
Total monetary contributions	<u>3,305</u>	<u>2,393</u>
Non-monetary	12,098	14,804
Total contributions	<u>15,403</u>	<u>17,197</u>

Contributions of non-monetary assets were received in relation to the following asset classes:

Land	1,640	14,000
Infrastructure	10,458	804
Total non-monetary contributions	<u>12,098</u>	<u>14,804</u>

Monetary and non monetary contributions are recognised as income at their fair value when Council obtains control over the contributed asset.

Additional note:

(a) Public open space contributions received during the financial year are transferred to the Open Space Planning, Development and Improvements Reserve. Refer note 9.1(b).

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
3.6 Net gain on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	628	794
Less carrying amount of assets sold	(24)	(75)
	<u>604</u>	<u>719</u>
Total net gain on disposal of property, infrastructure, plant and equipment	<u>604</u>	<u>719</u>

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest on investments	9,593	5,760
Dandenong Market revenue from operations	6,443	5,967
Investment property rental	1,607	1,553
Other rent	3,915	3,598
Recoveries	1,965	3,431
Other	2,448	2,049
Total other income	<u>25,971</u>	<u>22,358</u>

Interest is recognised as it is earned.

Other income is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
4 THE COST OF DELIVERING SERVICES		
4.1 a) Employee costs		
Wages and salaries	80,172	74,770
WorkCover	2,349	1,435
Casual staff	1,091	1,062
Superannuation	8,885	7,871
Long service leave oncost	1,844	1,707
Fringe benefits tax	392	528
Other	7,586	6,099
Total employee costs	102,319	93,472
b) Superannuation		
Council made contributions to the following funds:		
<u>Defined benefit fund</u>		
Employer contribution to Local Authorities Superannuation Fund (Vision Super)	312	321
	<u>312</u>	<u>321</u>
Employer contributions payable at reporting date.	34	-
<u>Accumulation funds</u>		
Employer contribution to Local Authorities Superannuation Fund (Vision Super)	3,771	3,610
Employer contribution - other funds	4,772	3,908
	<u>8,543</u>	<u>7,518</u>
Employer contributions payable at reporting date.	313	284
Contributions made exclude amounts accrued at balance date. Refer note 9.3 for further information relating to Council's superannuation obligation.		

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
4.2 Materials and services		
Waste management	20,643	20,040
Other contract payments	11,430	10,264
Works in progress (unable to be capitalised)	8,054	8,978
Park maintenance	8,840	8,637
Office administration	6,534	6,271
General maintenance	5,888	7,392
Cleaning services	7,103	6,740
Educator services	7,187	6,559
Consultants and professional services	7,424	6,271
Information technology	5,472	4,797
Utilities	5,218	4,970
Building maintenance	3,546	3,640
Insurance	1,832	2,343
Security services	2,187	1,911
Springvalley landfill rehabilitation and monitoring costs	234	724
Library resources	587	542
Meals for delivery	354	348
Cash collection services	205	201
Property valuation services	120	108
Leisure centre contract	-	52
Total materials and services	<u>102,858</u>	<u>100,788</u>

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

Property	8,559	6,845
Plant and equipment	4,202	3,903
Infrastructure	23,120	22,101
Total depreciation	<u>35,881</u>	<u>32,849</u>

Refer to 6.2 for a more detailed breakdown of depreciation charges.

4.4 Amortisation - intangible assets

Software	44	111
Total amortisation - intangible assets	<u>44</u>	<u>111</u>

4.5 Depreciation - right of use assets

Property	430	416
Vehicles	46	71
IT and office equipment	239	239
Total depreciation - right-of-use assets	<u>715</u>	<u>726</u>

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
4.6 Allowance for impairment losses		
Parking fine debtors	2,268	1,544
Other debtors	995	1,258
Dandenong Market Pty Ltd	3	(6)
South East Leisure Pty Ltd	1	22
Total allowance for impairment losses	<u>3,267</u>	<u>2,818</u>
Movement in allowance for impairment losses in respect of debtors		
Balance at the beginning of the year	2,260	1,376
New allowances recognised during the year	3,267	2,818
Amounts already allowed for and written off as uncollectible	(2,319)	(1,934)
Balance at end of year	<u>3,208</u>	<u>2,260</u>
<p>An allowance for impairment losses in respect of debtors is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.</p>		
4.7 Borrowing costs		
Interest - borrowings	2,537	2,665
Interest - other interest-bearing liabilities	38	22
Interest - other	-	-
Total borrowing costs	<u>2,575</u>	<u>2,687</u>
<p>Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.</p>		
4.8 Finance costs - leases		
Interest - lease liabilities	<u>41</u>	<u>52</u>
Finance costs - leases	<u>41</u>	<u>52</u>
4.9 Other expenses		
Auditors' remuneration - VAGO - audit of the financial statements, performance statement and grant acquittals	123	124
Auditors' remuneration - Internal Audit	171	32
Auditors' remuneration - Other	-	4
Councillors' allowances	514	516
Council elections	129	2
Operating lease / rentals	768	742
Assets written-off	6,754	3,427
Landfill provision	90	144
Impairment loss	56	-
Other expenses	1,357	1,566
Community grants and contributions	<u>2,655</u>	<u>2,958</u>
Total other expenses	<u>12,617</u>	<u>9,515</u>

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
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5 INVESTING IN AND FINANCING OUR OPERATIONS

5.1 Financial assets

(a) Cash and cash equivalents

Cash on hand	14	19
Cash at bank	25,156	25,918
Term deposits	-	50,056
Total cash and cash equivalents	25,170	75,993

(b) Other financial assets

Current

Term deposits	172,820	122,869
Total current other financial assets	172,820	122,869

Total other financial assets

	172,820	122,869
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Total cash and cash equivalents and other financial assets	197,990	198,862
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Cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (note 5.3(b))	7,723	8,585
Total restricted funds	7,723	8,585
Total unrestricted cash and cash equivalents	190,267	190,277

Council further restricts its cash and cash equivalents by the following intended allocations:

Intended allocations *	Council 2024 \$'000	Council 2023 \$'000
Although not externally restricted the following amounts have been allocated for specific future purposes by Council:		
Employee provisions (note 5.5 (a))	21,591	21,584
Development Contribution Plans (DCP) unearned income (note 5.3 (c))	44,104	43,256
Statutory and other reserves (note 9.1(b))	94,561	87,880
Cash held to fund carried forward operational projects **	7,048	20,893
Cash held to fund carried forward capital works (net) **	21,741	17,802
Total funds subject to intended allocations	189,045	191,415
Council's unrestricted cash and cash equivalents	1,222	(1,138)

* Users of the financial report should refer to note 9.1(b) for details of funds held in reserve and note 5.7 for details of existing Council commitments.

** Cash amounts held to fund carried forward projects are exclusive of associated reserve funding.

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

Other financial assets including term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
5.1 Financial assets (continued)		
(c) Trade and other receivables		
Current		
<i>Statutory receivables</i>		
Rates debtors	15,960	15,325
Infringement debtors	10,884	10,342
Allowance for expected credit loss - infringements	(1,522)	(1,035)
Other statutory debtors	291	539
Allowance for expected credit loss - other debtors	(88)	(69)
Net GST receivable	1,854	2,012
<i>Non statutory receivables</i>		
Other debtors	5,021	5,203
Allowance for expected credit loss - other debtors	(1,598)	(1,156)
Total current trade and other receivables	<u>30,802</u>	<u>31,161</u>
Non-current		
<i>Non statutory receivables</i>		
Narre Warren landfill - financial contribution	192	200
Other debtors - refundable deposit	74	73
Total non-current trade and other receivables	<u>266</u>	<u>273</u>
Total trade and other receivables	<u>31,068</u>	<u>31,434</u>

Short term receivables are carried at invoice amount. An allowance for expected credit losses is recognised based on past experience and other objective evidence of expected losses. Long term receivables are carried at amortised cost using the effective interest rate method.

i) Ageing of receivables

The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:

Current (not yet due)	986	1,610
Past due by up to 30 days	297	307
Past due between 31 and 180 days	982	526
Past due between 181 and 365 days	122	792
Past due by more than 1 year	1,302	1,085
Total trade and other receivables	<u>3,689</u>	<u>4,320</u>

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
5.1 Financial assets (continued)		
c) Trade and other receivables (continued)		
ii) Ageing of individually impaired receivables		
<p>At balance date, other debtors representing financial assets with a nominal value of \$1.43 million (2023: \$1.02 million) were impaired. The amount of the allowance raised against these debtors was \$1.43 million (2023: \$1.02 million). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.</p>		
Ageing of all impaired trade and other receivables (excluding statutory receivables)		
Current (not yet due)	56	63
Past due by up to 30 days	16	4
Past due between 31 and 180 days	31	37
Past due between 181 and 365 days	83	372
Past due by more than 1 year	1,412	680
Total trade and other receivables	<u>1,598</u>	<u>1,156</u>
5.2 Non-financial assets		
a) Inventories		
Inventories held for distribution	69	62
Total inventories	<u>69</u>	<u>62</u>
<p>Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.</p>		
b) Prepayments		
Prepayments	1,222	3,098
Total prepayments	<u>1,222</u>	<u>3,098</u>
c) Other assets		
Accrued income	4,729	4,796
Other	667	559
Total other assets	<u>5,396</u>	<u>5,355</u>

Notes to the Consolidated Financial Report

Note	Consolidated 2024 \$'000	Consolidated 2023 \$'000
5.2 Non-financial assets (continued)		
(c) Intangible assets		
Software	40	84
Total intangible assets	<u>40</u>	<u>84</u>
 <i>Software</i>		
Gross carrying amount		
Balance at 1 July 2023	3,050	3,050
Transfer from work in progress	-	-
Other additions	-	-
Balance at 30 June 2024	<u>3,050</u>	<u>3,050</u>
Accumulated amortisation and impairment		
Balance at 1 July 2023	(2,966)	(2,855)
Amortisation expense	(44)	(111)
Balance at 30 June 2024	<u>(3,010)</u>	<u>(2,966)</u>
Net book value at 30 June 2023	<u>84</u>	<u>195</u>
Net book value at 30 June 2024	<u>40</u>	<u>84</u>

Intangible assets with finite lives are amortised as an expense on a systematic basis over the asset's useful life (3 years for Computer Software). Amortisation is generally calculated on a straight line basis, at a rate that allocates the asset value, less any estimated residual value over its estimated useful life. Estimates of the remaining useful lives and amortisation method are reviewed at least annually, and adjustments made where appropriate.

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
5.3 Payables, trust funds and deposits and contract and other liabilities		
(a) Trade and other payables		
Current		
<i>Non-statutory payables</i>		
Trade payables	17,454	16,756
Accrued expenses	10,124	9,051
<i>Statutory payables</i>		
Net GST payable	238	181
Total current trade and other payables	<u>27,816</u>	<u>25,988</u>
(b) Trust funds and deposits		
Current		
Fire services property levy	877	932
Road deposits	429	576
Landscape deposits	1,044	1,167
Open space contributions	212	446
Other refundable deposits	2,263	3,352
Total current trust funds and deposits	<u>4,825</u>	<u>6,473</u>
Non-current		
Other refundable deposits	2,898	2,112
Total non-current trust funds and deposits	<u>2,898</u>	<u>2,112</u>
Total trust funds and deposits	<u>7,723</u>	<u>8,585</u>
<p>Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.</p>		
Purpose and nature of items		
<p>Fire Services Property Levy - Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.</p>		
<p>Road and landscape deposits - are taken by Council as a form of surety during the maintenance period of a development or held due to outstanding works identified after the maintenance period which have not been addressed by the contracted builder or developer.</p>		
<p>Refundable deposits - Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities.</p>		
(c) Contract and other liabilities		
Contract liabilities		
Current		
Grants received in advance - operating grants *	8,162	10,012
Grants received in advance - capital grants *	2,177	3,568
Unearned income / revenue - Development Contribution Plans (DCP) *	44,104	43,256
Other	2,234	2,044
Total contract liabilities	<u>56,677</u>	<u>58,880</u>

* Movement reconciliations for 2024 provided on the following pages.

Notes to the Consolidated Financial Report

Note

5.3 (c) Contract and other liabilities (continued)

Contract liabilities

Contract liabilities reflect consideration received in advance from customers in respect of operating grants with sufficiently specific performance obligations. For example, Home and Community Care grant funding to perform a set number of service hours or meals for clients. Contract liabilities are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

Revenue from contracts (AASB 15)	Consolidated 2024				
	Opening balance	Income received during current year	Income refunded	Income recognised due to satisfied obligations	Closing balance of unsatisfied obligations
	\$'000	\$'000	\$'000	\$'000	\$'000
Operating grants					
Home and Community Care *	9,190	6,404	(1,296)	(6,988)	7,310
Family, Youth and Children	796	3,301	-	(3,262)	835
Parks and Open Space	8	-	-	-	8
Other	18	68	-	(77)	9
	10,012	9,773	(1,296)	(10,327)	8,162

Performance obligations under the above operating grants are based on the contract agreement and generally relate to the number of service hours or meals provided.

* The most significant item above relates to grants received by Council's Community Care department from the Commonwealth Government for the Commonwealth Home Support Program (CHSP) and the Victorian Government for the Home and Community Care (HACC) Program for Younger People (PYP). The \$7.31 million relates to unsatisfied performance obligations from 2019-20, 2020-21, 2021-22 and 2022-23. These funds were received under an agreement that was initially to end in 2019 but due to delays in implementing the new Aged Care Reform Agenda Council has been receiving one year contract extensions for the 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24 years. The current contract extension now finishes 30 June 2025. The Commonwealth Government recently announced that they are delaying the implementation of the new In Home Support Program until 1 July 2027.

Other liabilities

Council receives grant consideration from a variety of funding bodies to support the construction of nominated property and infrastructure assets. Grant consideration is recognised as income following specific guidance under AASB 1058 as the asset is constructed. Income is recognised to the extent of costs incurred-to-date because the costs of construction most closely reflect the stage of completion of the asset. As such, Council has deferred recognition of a portion of the grant consideration received as a liability for outstanding obligations.

The table on the following page outlines the various capital grants Council has recognised as income under AASB 1058 based on the stage of completion of the asset.

Notes to the Consolidated Financial Report

Note

5.3 (c) Contract and other liabilities (continued)

The closing balance of transfers received to construct a recognisable non-financial asset to be controlled by Council represents a liability (unearned income) arising from the transfer at balance date.

Transfers to construct a recognisable non-financial asset to be controlled by Council (AASB 1058)	Consolidated 2024				
	Opening balance	Income received and/or accrued	Income refunded	Income recognised due to satisfied obligations	Closing balance of unsatisfied obligations
	\$'000	\$'000	\$'000	\$'000	\$'000
Capital grants					
Alex Wilkie Reserve	-	55	-	-	55
Black Spot Works Program	69	1,335	-	(1,404)	-
Home and Community Care Minor Equipment	50	-	-	-	50
Keysborough South Community Hub	1,026	1,200	-	(1,841)	385
Local Roads Community Infrastructure (LRCI)	490	768	-	(1,044)	214
Lyndale Secondary College Pavilion	-	72	-	(50)	22
Noble Park Revitalisation	557	80	(16)	(490)	131
Open Space and Streetscapes (Ian, Hemmings and Frank Streets)	236	120	-	(313)	43
Other	-	7	-	34	41
Parkfield Reserve Tennis Court	-	247	-	-	247
Police Paddocks	152	20	-	(172)	-
Redevelopment of former Precinct Energy Plant (PEP)	727	-	-	(273)	454
Roads to Recovery	108	861	-	(969)	-
Safe System Pedestrian Infrastructure	-	175	-	-	175
Springvale Reserve (various)	-	1,487	-	(1,487)	-
Sportsground Lighting (George Andrews, Lois Twohig, Rowley Allan and Greaves reserves)	153	380	-	(173)	360
Thomas Carroll Reserve Pavilion and Lighting	-	100	-	(100)	-
	3,568	6,907	(16)	(8,282)	2,177

Council's obligations under the above transfers are to construct a Property, Infrastructure, Plant and Equipment asset and this obligation is considered to be satisfied as the capital project expenditure to construct the asset is progressively incurred.

Notes to the Consolidated Financial Report

Note

5.3 (c) Unearned income / revenue (continued)

	Consolidated 2024				
	Opening balance	Income deferred during current year	Income recognised due to satisfied obligations	Developer reimbursements	Closing balance of unsatisfied obligations
	\$'000	\$'000	\$'000	\$'000	\$'000
Transfers to construct a recognisable non-financial asset to be controlled by Council (AASB 1058)					
Development Contribution Plans (DCP)					
Keysborough Residential DCP	28,825	21	-	-	28,846
Dandenong Industrial DCP (Keysborough & Lyndhurst)	14,431	2,928	(910)	(1,191)	15,258
	43,256	2,949	(910)	(1,191)	44,104

The satisfaction of DCP obligations depends on development activity and the construction of assets by developers. Income / revenue is recognised on practical completion of the asset.

	Consolidated 2024	Consolidated 2023
	\$'000	\$'000
5.4 Interest-bearing liabilities		
(a) Interest-bearing loans and borrowings		
<i>Current</i>		
Other borrowings - secured	3,834	3,597
	<u>3,834</u>	<u>3,597</u>
<i>Non-current</i>		
Other borrowings - secured	43,348	46,182
	<u>43,348</u>	<u>46,182</u>
Total interest-bearing liabilities	<u>47,182</u>	<u>49,779</u>
Borrowings are secured over the general rates of Council.		
(b) Other Interest-bearing loans and borrowings		
<i>Current</i>		
Other borrowings - secured	99	92
	<u>99</u>	<u>92</u>
<i>Non-current</i>		
Borrowings - secured	285	373
	<u>285</u>	<u>373</u>
Total other interest-bearing loans and borrowings	<u>384</u>	<u>465</u>

Other interest-bearing loans and borrowings relates to a finance lease entered into by South East Leisure Pty Ltd to lease and subsequently purchase gym equipment. Council is a guarantor to this finance lease.

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
5.4 Interest-bearing liabilities (continued)		
(c) Maturity profile		
The maturity profile for Council's borrowings is:		
Not later than one year	3,933	3,689
Later than one year and not later than five years	12,592	16,139
Later than five years	31,041	30,416
	<u>47,566</u>	<u>50,244</u>

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities based on contractual repayment terms at every balance date.

Notes to the Consolidated Financial Report

Note

5.5 Provisions

	Employee \$'000	Consolidated Landfill restoration \$'000	Total \$'000
2024			
Balance at beginning of the financial year	21,584	1,014	22,598
Additional provisions	9,142	443	9,585
Amounts used	(9,110)	(234)	(9,344)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(25)	(119)	(144)
Balance at the end of the financial year	<u>21,591</u>	<u>1,104</u>	<u>22,695</u>
<i>Provisions - current</i>	20,906	229	21,135
<i>Provisions - non-current</i>	685	875	1,560
	<u>21,591</u>	<u>1,104</u>	<u>22,695</u>
2023			
Balance at beginning of the financial year	22,114	870	22,984
Additional provisions	8,083	324	8,407
Amounts used	(8,290)	(158)	(8,448)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(323)	(22)	(345)
Balance at the end of the financial year	<u>21,584</u>	<u>1,014</u>	<u>22,598</u>
<i>Provisions - current</i>	20,983	294	21,277
<i>Provisions - non-current</i>	601	720	1,321
	<u>21,584</u>	<u>1,014</u>	<u>22,598</u>
		Consolidated 2024 \$'000	Consolidated 2023 \$'000
(a) Employee provisions			
<i>Current provisions expected to be wholly settled within 12 months</i>			
Annual leave		8,017	7,924
Long service leave		1,005	1,124
Other		620	533
		<u>9,642</u>	<u>9,581</u>
<i>Current provisions expected to be wholly settled after 12 months</i>			
Annual leave		477	538
Long service leave		10,787	10,864
		<u>11,264</u>	<u>11,402</u>
Total current employee provisions		<u>20,906</u>	<u>20,983</u>
<i>Non-current</i>			
Long service leave		685	601
Total non-current employee provisions		<u>685</u>	<u>601</u>
<i>Aggregate carrying amount of employee provisions:</i>			
Current		20,906	20,983
Non-current		685	601
Total aggregate carrying amount of employee provisions		<u>21,591</u>	<u>21,584</u>

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Notes to the Consolidated Financial Report

Note

5.5 Provisions (continued)

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement. Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability and measured at present value.

	Consolidated 2024	Consolidated 2023
Key assumptions:		
- discount rate	4.20%	4.05%
- index rate	3.50%	3.50%
- settlement rate long service leave (years)		
long service leave (years)	7	7
(b) Landfill restoration	\$'000	\$'000
Current	229	294
Non-current	875	720
Total provision for landfill restoration	1,104	1,014

The former Springvalley landfill has been closed to the receipt of refuse since December 1998. The former landfill is located between Clarke Road and Springvale Road and the premises was used as a landfill for disposal of waste from 1993 to 1999 under a licence issued by the Environmental Protection Authority (EPA). The landfill is owned by the Greater Dandenong City Council and is used as recreational open space. Under the terms of a licence agreement with the Environmental Protection Authority (EPA) and Pollution Abatement notices, Council is required to monitor, progressively rehabilitate and conduct rectification works.

Council is obligated to restore the former Springvalley landfill site to a particular standard. The forecast life of the site is based on current estimates of remaining capacity and the forecast rate of infill. The provision for landfill rehabilitation has been calculated based on the present value of the expected cost of works to be undertaken including site aftercare and monitoring costs. The expected cost of works has been estimated based on current understanding of work required to progressively rehabilitate the sites to a suitable standard. Accordingly, the estimation of the provision required is dependent on the accuracy of the forecast timing of the work, work required and related costs.

Council reviews the landfill restoration provision on an annual basis, including the key assumptions listed below.

Notes to the Consolidated Financial Report

Note

5.5 Provisions (continued)

The Greater Dandenong City Council shares the commitment for rehabilitation and aftercare management of the landfill with other stakeholder Council's. Council's interest or share of the costs is 19.88%. In the financial report for 30 June 2024, Council has an amount of \$1.10 million (30 June 2023 \$1.01 million) as a provision for the restoration of the Springvalley Road landfill site which includes aftercare costs to meet EPA obligations.

	Consolidated 2024	Consolidated 2023
Key assumptions:		
- discount rate	4.26%	4.05%
- index rate	3.00%	3.50%
- settlement rate	15 years	15 years

5.6 Financing arrangements

Bank overdraft	2,500	2,500
Credit card facilities	200	200
Interest-bearing liabilities - secured	47,182	49,779
Other interest-bearing liabilities - secured	384	465
Total facilities	<u>50,266</u>	<u>52,944</u>
Used facilities	<u>47,611</u>	<u>51,188</u>
Unused facilities	<u>2,655</u>	<u>1,756</u>

Notes to the Consolidated Financial Report

Note

5.7 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of note and presented inclusive of the GST payable.

(a) Commitments for expenditure

	Consolidated				Total \$'000
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	
2024					
Operating					
Animal pound services	151	107	-	-	258
Building maintenance services	2,893	212	307	-	3,412
Cleaning services	1,109	1,084	1,945	-	4,138
Dandenong Market Pty Ltd commitments	2,569	2,145	2,160	362	7,236
Festivals and events	200	200	805	-	1,205
Garbage collection (incl. garden waste)	10,080	7,912	16,661	142	34,795
Hard waste and dumped rubbish	562	500	850	-	1,912
Meals for delivery	230	-	-	-	230
Open space management	128	-	-	-	128
Other contracts	1,318	345	1,001	-	2,664
Parking management	55	-	-	-	55
Recycling	3,326	3,382	5,004	-	11,712
Renewable electricity	489	489	1,466	-	2,444
South East Leisure Pty Ltd commitments	1,042	1,082	30	-	2,154
Works (roads and drains) services	441	119	-	-	560
Total operating commitments	24,593	17,577	30,229	504	72,903
Capital					
Buildings	13,245	5	4	-	13,254
Drainage	953	-	-	-	953
Parks, open space and streetscapes	1,267	1,525	5,803	-	8,595
Roads	317	-	-	-	317
Total capital commitments	15,782	1,530	5,807	-	23,119
Total commitments 2024	40,375	19,107	36,036	504	96,022

Notes to the Consolidated Financial Report

Note

5.7 Commitments

(a) Commitments for expenditure (continued)

	Consolidated				Total \$'000
	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	
2023					
Operating					
Animal pound services	290	-	-	-	290
Building maintenance services	5,234	3,972	-	-	9,206
Cleaning services	2,949	801	107	-	3,857
Dandenong Market Pty Ltd commitments	2,486	2,569	4,257	-	9,312
Garbage collection (incl. garden waste)	6,936	7,144	18,421	3,839	36,340
Hard waste and dumped rubbish	925	-	-	-	925
Meals for delivery	440	-	-	-	440
Open space management	1,117	-	-	-	1,117
Other contracts	859	95	-	-	954
Parking management	70	30	-	-	100
Recycling	2,384	1,900	4,477	-	8,761
Renewable electricity	610	610	1,830	120	3,170
South East Leisure Pty Ltd commitments	1,054	1,078	1,096	72	3,300
Works (roads and drains) services	617	601	222	-	1,440
Total operating commitments	25,971	18,800	30,410	4,031	79,212
Capital					
Buildings	891	120	190	-	1,201
Drainage	92	-	-	-	92
Parks, open space and streetscapes	2,797	4,475	-	-	7,272
Roads	5,224	621	-	-	5,845
Total capital commitments	9,004	5,216	190	-	14,410
Total commitments 2023	34,975	24,016	30,600	4,031	93,622

(b) Operating lease receivables

The Council has entered into commercial property leases on selected properties. These properties are held under operating leases and have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually.

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

	Consolidated	
	2024 \$'000	2023 \$'000
Not later than one year	1,034	1,306
Later than one year and not later than five years	1,827	1,555
Later than five years	200	51
	3,061	2,912

Notes to the Consolidated Financial Report

Note

5.8 Leases

At inception of a contract, Council assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- Council has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- Council has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Under *AASB 16 Leases*, Council as a not-for-profit entity has elected not to measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Consolidated Financial Report

Note

5.8 Leases (continued)

<i>Right-of-use assets</i>	Property	Consolidated		Total
		Vehicles	IT and Office Equip.	
	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2023	959	68	527	1,554
Additions/lease modifications	274	-	56	330
Depreciation charge	(430)	(45)	(240)	(715)
Balance at 30 June 2024	803	23	343	1,169

<i>Lease liabilities</i>	Consolidated 2024	Consolidated 2023
	\$'000	\$'000
Maturity analysis - contractual undiscounted cash flows:		
Less than one year	622	586
One to five years	658	1,079
Total undiscounted lease liabilities as at 30 June	1,280	1,665
Lease liabilities included in the Balance Sheet at 30 June:		
Current	594	548
Non-current	642	1,038
Total lease liabilities	1,236	1,586

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of \$10,000). This includes IT and office related equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

	Consolidated 2024	Consolidated 2023
	\$'000	\$'000
Expenses relating to:		
Leases of low value assets	768	742
Total	768	742

Non-cancellable lease commitments - short-term and low-value leases

Commitments for minimum lease payments for short-term and low-value leases are payable as follows:

Within one year	389	657
Later than one year but not later than five years	373	864
Total lease commitments	762	1,521

Notes to the Consolidated Financial Report

Note

6 ASSETS WE MANAGE

Note content:

- 6.1 Non-current assets classified as held for sale
- 6.2 Property, infrastructure, plant and equipment
 - (a) Summary of Property, Infrastructure, Plant and Equipment
 - (b) Summary of Work in Progress (WIP)
 - (c) Property
 - (d) Plant and Equipment
 - (e) Infrastructure
 - (f) Recognition
 - (g) Depreciation
 - (h) Valuation
 - (i) Reconciliation of Specialised Land

- 8.4* Fair value measurement

** This note includes additional details about the fair value hierarchy and impairment of assets.*

6.1 Non-current assets classified as held for sale

Non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets and related liabilities are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

There are no non-current assets classified as held for sale at 30 June 2024.

Notes to the Consolidated Financial Report

Note 6.2 Property, infrastructure, plant and equipment

Consolidated

(a) SUMMARY OF PROPERTY, INFRASTRUCTURE, PLANT AND EQUIPMENT (net carrying amount)

	Carrying amount 30 June 2023	Acquisitions	Contributions	Revaluation	Depreciation	Impairment (loss) / reversal	Disposals	Write Offs	Transfers	Carrying amount 30 June 2024
<i>(Related FS note)</i>		<i>Stmnt Cap Works</i>	<i>(Note 3.5)</i>	<i>(Note 9.1(a))</i>	<i>(Note 4.3)</i>	<i>(Note 4.9 and 9.1(a))</i>	<i>(Note 3.6)</i>	<i>(Note 4.2 & 4.9)</i>		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Land	1,339,926	-	1,640	62,633	-	-	-	-	-	1,404,199
Buildings	334,985	1,410	-	1,903	(8,559)	(729)	-	(1,547)	3,456	330,919
Plant and equipment	12,338	3,294	-	-	(4,202)	-	(24)	(4)	805	12,207
Infrastructure	772,567	15,404	10,458	61,152	(23,120)	(56)	-	(5,204)	20,187	851,388
Work in progress (WIP)	48,527	30,063	-	-	-	-	-	(8,054)	(24,448)	46,088
Total carrying amount	2,508,343	50,171	12,098	125,688	(35,881)	(785)	(24)	(14,809)	-	2,644,801

(b) SUMMARY OF WORK IN PROGRESS

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Property	16,577	13,970	(4,214)	(1,255)	25,078
Plant and equipment	316	730	(233)	(83)	730
Infrastructure	31,634	15,363	(20,001)	(6,716)	20,280
Total	48,527	30,063	(24,448)	(8,054)	46,088

Notes to the Consolidated Financial Report

Note 6.2 Property, infrastructure, plant and equipment

Consolidated

(c) PROPERTY

	* Land - specialised	* Land under roads - specialised #	Land - non-specialised	Total land	Buildings - specialised	Leasehold improvements	Total buildings	Work in progress	TOTAL PROPERTY
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At cost 1 July 2023	-	48,119	-	48,119	-	3,740	3,740	16,577	68,436
At fair value 1 July 2023	1,103,122	-	188,685	1,291,807	569,631	-	569,631	-	1,861,438
Accumulated depreciation at 1 July 2023	-	-	-	-	(236,478)	(1,908)	(238,386)	-	(238,386)
	1,103,122	48,119	188,685	1,339,926	333,153	1,832	334,985	16,577	1,691,488
Movements in fair value/cost									
Additions	-	-	-	-	1,410	-	1,410	13,970	15,380
Contributed assets	1,530	110	-	1,640	-	-	-	-	1,640
Revaluation increments (decrements)	14,846	44,152	3,635	62,633	(1,897)	-	(1,897)	-	60,736
Fair value/cost of assets written off	-	-	-	-	(3,188)	-	(3,188)	(1,255)	(4,443)
Transfers in (out)	-	-	-	-	3,456	-	3,456	(4,214)	(758)
	16,376	44,262	3,635	64,273	(219)	-	(219)	8,501	72,555
Movements in accumulated depreciation									
Depreciation	-	-	-	-	(8,438)	(121)	(8,559)	-	(8,559)
Accumulated depreciation of write offs	-	-	-	-	1,641	-	1,641	-	1,641
Impairment (loss)/reversal in revaluation reserve	-	-	-	-	(729)	-	(729)	-	(729)
Revaluation (increments) decrements	-	-	-	-	3,800	-	3,800	-	3,800
	-	-	-	-	(3,726)	(121)	(3,847)	-	(3,847)
At cost 30 June 2024	-	-	-	-	-	3,740	3,740	25,078	28,818
At fair value 30 June 2024	1,119,498	92,381	192,320	1,404,199	569,412	-	569,412	-	1,973,611
Accumulated depreciation at 30 June 2024	-	-	-	-	(240,204)	(2,029)	(242,233)	-	(242,233)
Carrying amount	1,119,498	92,381	192,320	1,404,199	329,208	1,711	330,919	25,078	1,760,196

* Refer to note 6.2(i) for a reconciliation of specialised land at fair value.

Land under road assets are now recorded at fair value and the revaluation in 2023-24 is the first revaluation for this asset class. Please refer to note 10 Change in Accounting Policy for further details.

Notes to the Consolidated Financial Report

Note 6.2 Property, infrastructure, plant and equipment

Consolidated

(d) PLANT AND EQUIPMENT

	Plant, machinery and equipment	Fixtures, fittings and furniture	Computers and telecomm's	Library books	Work in progress	TOTAL PLANT AND EQUIPMENT
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2023	16,879	9,337	7,833	10,970	316	45,335
Accumulated depreciation at 1 July 2023	(10,045)	(7,896)	(6,090)	(8,650)	-	(32,681)
	6,834	1,441	1,743	2,320	316	12,654
Movements in cost						
Additions	2,253	66	191	784	730	4,024
Cost of assets disposed	(1,408)	-	-	-	-	(1,408)
Cost of assets written off	-	(200)	-	-	(83)	(283)
Transfers in (out)	-	99	706	-	(233)	572
	845	(35)	897	784	414	2,905
Movements in accumulated depreciation						
Depreciation	(2,190)	(398)	(832)	(782)	-	(4,202)
Accumulated depreciation of disposals	1,384	-	-	-	-	1,384
Accumulated depreciation of write offs	-	196	-	-	-	196
	(806)	(202)	(832)	(782)	-	(2,622)
At fair value 30 June 2024	17,724	9,302	8,730	11,754	730	48,240
Accumulated depreciation at 30 June 2024	(10,851)	(8,098)	(6,922)	(9,432)	-	(35,303)
Carrying amount	6,873	1,204	1,808	2,322	730	12,937

Notes to the Consolidated Financial Report

Note 6.2 Property, infrastructure, plant and equipment

(e) INFRASTRUCTURE

Consolidated

GRAND TOTAL
PROPERTY,
PLANT &
EQUIP,
INFRAST.
\$'000

	Roads	Bridges	Footpaths and cycleways	Drainage	Recreational, leisure and community facilities	Parks, open space and streetscapes	Off street car parks	Work in progress	TOTAL INFRA- STRUCTURE	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At cost 1 July 2023	-	-	-	-	51,776	53,831	-	31,634	137,241	251,012
At fair value 1 July 2023	559,766	75,642	106,543	477,964	-	-	19,782	-	1,239,697	3,101,135
Accumulated depreciation at 1 July 2023	(275,291)	(25,039)	(41,253)	(172,104)	(25,323)	(26,868)	(6,859)	-	(572,737)	(843,804)
	284,475	50,603	65,290	305,860	26,453	26,963	12,923	31,634	804,201	2,508,343
Movements in fair value/cost										
Additions	6,757	343	357	502	6,040	1,405	-	15,363	30,767	46,147
Contributed assets	1,502	-	60	1,556	2,702	4,710	-	-	10,530	12,170
Revaluation increments	-	8,642	-	80,619	8,773	8,107	-	-	106,141	166,877
Fair value/cost of assets disposed	-	-	-	-	-	-	-	-	-	(1,408)
Fair value/cost of assets written off	(7,317)	(494)	(396)	(910)	(8,925)	(15,273)	(798)	(6,716)	(40,829)	(45,555)
Transfers in (out)	6,607	118	1,754	1,427	6,087	4,024	170	(20,001)	186	-
	7,549	8,609	1,775	83,194	14,677	2,973	(628)	(11,354)	106,795	178,231
Movements in accumulated depreciation										
Depreciation	(9,356)	(967)	(2,343)	(4,901)	(2,877)	(2,308)	(368)	-	(23,120)	(35,881)
Accumulated depreciation of contributed assets	(47)	-	-	(25)	-	-	-	-	(72)	(72)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	1,384
Accumulated depreciation of write offs	4,022	158	122	372	8,747	15,106	382	-	28,909	30,746
Revaluation (increments) decrements	-	(2,954)	-	(34,154)	(4,291)	(3,590)	-	-	(44,989)	(41,189)
Impairment (loss)/reversal in revaluation reserve	-	-	-	-	-	-	-	-	-	(729)
Impairment (loss)/reversal in operating result	-	-	-	-	-	(56)	-	-	(56)	(56)
	(5,381)	(3,763)	(2,221)	(38,708)	1,579	9,152	14	-	(39,328)	(45,797)
At cost 30 June 2024	-	-	-	-	-	-	-	20,280	20,280	97,338
At fair value 30 June 2024	567,315	84,251	108,318	561,158	66,453	56,804	19,154	-	1,463,453	3,437,064
Accumulated depreciation at 30 June 2024	(280,672)	(28,802)	(43,474)	(210,812)	(23,744)	(17,716)	(6,845)	-	(612,065)	(889,601)
Carrying amount	286,643	55,449	64,844	350,346	42,709	39,088	12,309	20,280	871,668	2,644,801

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(f) Recognition

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. Refer also to Note 8.4 for further disclosure regarding fair value measurement.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in note 6.2(g) have been applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Land under roads

Council recognises all land under roads acquired after 30 June 2008 at fair value (2022-23: cost). Council does not recognise land under roads that it controlled prior to that period in its financial report.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold, the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Leasehold improvements

Leasehold improvements are recognised at cost and are amortised over the unexpired period of the lease or the estimated useful life of the improvement, whichever is the shorter. At balance date, leasehold improvements are amortised over a 5 to 30 year period.

(g) Depreciation

All asset classes except land, land under roads and art works, having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are depreciated on the basis that they are assessed as having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(g) Depreciation (continued)

Asset recognition thresholds and depreciation periods

Depreciation periods used are listed below and are consistent with the prior year unless marked with an *.

Council has also set a threshold limit for all classes of assets, which means that all assets with a value equal or greater than this threshold are recognised in these financial statements.

	Depreciation period (years)	Threshold limit \$'000
<i>Property</i>		
Land		
Land	N/A	-
Land under roads	N/A	-
Buildings		
Building components:		
Superstructure	100	* 10
Ancillary services	* 20	5
Fitout and fittings	* 20	5
Leasehold improvements	Lease term	5
<i>Plant and equipment</i>		
Plant and equipment		
Heavy plant and equipment	7	3
Buses, quads and trailers	10	3
Light plant and equipment, passenger and light commercial vehicles	5	3
Fixtures, fittings and furniture		
Fixtures, fittings, furniture and equipment	6	3
Musical instruments	20	3
Art works	N/A	3
Computers and telecommunications		
Hand held devices / mobile phones	5	3
Hardware and equipment	5	3
Library resources	5	-
<i>Infrastructure</i>		
Roads		
Seal	12-20	20
Substructure	100	20
Kerb and channel	15-80	5
Local Area Traffic Management (LATM) devices	5-30	2
On-street car parks	20-100	5
Bridges	20-100	5
Footpaths and cycleways	10-50	5
Drainage		
Pipes	100	5
Pits	100	2
Gross pollutant traps	50	5

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(g) Depreciation (continued)

Asset recognition thresholds and depreciation periods

	Depreciation period (years)	Threshold limit \$'000
<i>Infrastructure (continued)</i>		
Recreational, leisure and community facilities		
Recreational equipment and facilities, minor outdoor electronic screens, signs and scoreboards. Sportsgrounds, grass (turf), courts, hardstand, other ground surfaces. Minor structures (sporting, shade structures and retaining walls), irrigation, sportsfield drainage, controllers, sensors, water tanks/pumps.	10-20	3
Major outdoor LED screens	5	3
Playgrounds	15	3
Outdoor pools	50	3
Parks, open space and streetscapes		
Open space furniture, fencing, bollards and gates.	10-50	3
Flood prevention - retarding/detention basins	20	3
Surface drainage - unformed open drains, water quality devices - wetlands, rain gardens and bioretention swales.	10	3
Surface drainage - formed open drains. Public art.	50	3
Signs, parking meters, ticket machines and equipment.	10-20	3
Lighting, landscaping, passive grass/surface and gardens.	10-20	3
Off street car parks	20-100	5

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(h) Valuation

Valuation of land and buildings

The last formal valuation of land and buildings at 1 January 2024 was undertaken by qualified independent valuers, Patel Dore Valuers Pty Ltd. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

The net revaluation increment of \$1.90 million for Council's building assets is a minor revaluation movement in 2023-24 (0.6%). The buildings asset class was last revalued at 31 May 2023 via an indexed revaluation which resulted in a \$35 million increase. The financial impact on the buildings revaluation following the componentisation of building assets, increased the accumulated depreciation adjustment in the revaluation by \$974,000.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the Comprehensive Income Statement.

Any significant movements in the unobservable inputs for land will have a significant impact on the fair value of these assets.

The date and type of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2024 are as follows:

	<i>Non-specialised</i>		<i>Specialised</i>	Date of last valuation	Type of valuation
	Level 1	Level 2	Level 3		
	\$'000s	\$'000s	\$'000s		
Land	-	192,320	1,119,498	01-Jan-24	Full
Land under roads	-	-	92,381	01-Jan-24	Full
Buildings *	-	-	329,208	01-Jan-24	Full
Total written down value	-	192,320	1,541,087		

* Buildings at fair value excludes leasehold improvements which are valued at cost.
Additional details about the fair value hierarchy (Levels 1-3) can be found in Note 8.4.

Valuation of Infrastructure

Valuation of infrastructure assets at fair value has been determined in accordance with a Council valuation or using an appropriate index.

The valuation is at fair value based on current replacement cost less accumulated depreciation at the date of valuation.

The date and type of the current valuation is detailed in the following table. The indexed revaluations that were conducted in the current year used CPI index as the basis of the valuation.

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(h) Valuation

Valuation of Infrastructure (continued)

Details of Council's infrastructure and information about the fair value hierarchy as at 30 June 2024 are as follows:

	<i>Non-specialised</i>		<i>Specialised</i>	Date of valuation	Type of valuation
	Level 1	Level 2	Level 3		
	\$'000s	\$'000s	\$'000s		
Roads	-	-	286,643	May-23	Full
Bridges	-	-	55,449	Jun-24	Index
Footpaths and cycleways	-	-	64,844	May-23	Full
Drainage	-	-	350,346	May-24	Full
Recreational, leisure and community facilities	-	-	42,709	May-24	Index
Parks, open space and streetscapes	-	-	39,088	May-24	Index
Off street car parks	-	-	12,309	May-23	Full
Total written down value	-	-	851,388		

The drainage asset class was subject to a Council valuation and revalued at 31 May 2024. The revaluation increment was \$46.5 million or 15.2% on the opening carrying amount. The bridges asset class was subject to an indexed revaluation at 30 June 2024 based on a CPI index since the last revaluation in March 2022. This resulted in a \$5.69 million revaluation increment (11.2% on opening carrying amount).

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads are valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restrictions of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 98%. Where there is an assessed advantage, land values have been increased by 3% to 55%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently, land values range between \$2 and \$7,250 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and range from \$340 to \$66,000 per square metre. The remaining useful lives of specialised buildings are determined on the basis of the current condition of buildings and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the current replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 1 year to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

Note - 'Work in progress' is valued at cost.

Notes to the Consolidated Financial Report

Note

6.2 Property, infrastructure, plant and equipment (continued)

(i) Reconciliation of specialised land at fair value *

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Parks and reserves	648,055	711,740
Floodway	7,615	7,000
Public use	23,160	23,550
Industrial	112,746	52,080
Other	420,303	308,752
Total specialised land	1,211,879	1,103,122

* 2023 excluded land under roads which was previously valued at cost. From 2024, land under roads are valued at fair value and are included in specialised land at fair value in this disclosure note (mainly affects the increased industrial and other categories).

Notes to the Consolidated Financial Report

Note

6.3 Investments in associates, joint arrangements and subsidiaries

a) Principles of consolidation

The consolidated financial statements of Council incorporate all entities controlled by Council as at 30 June 2024, and their income and expenses for that part of the reporting period in which control existed. Subsidiaries are all entities over which Council has control. Council controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Council. They are deconsolidated from the date that control ceases.

Where dissimilar accounting policies are adopted by entities and their effect is considered material, adjustments are made to ensure consistent policies are adopted in these financial statements.

Entities consolidated into Council are Dandenong Market Pty Ltd and South East Leisure Pty Ltd.

Reconciliation of Council, it's subsidiaries and consolidated accounts

Dandenong Market Pty Ltd

Dandenong Market Pty Ltd (DMPL) is a wholly owned subsidiary company of the Greater Dandenong City Council, established in 2012. DMPL is managed in accordance with the terms set out in a Management Service Agreement which was updated and approved by Council on the 25 August 2021. This Agreement took effect from 1 July 2021 and continues until 30 June 2026. The Management Service Agreement runs concurrently with the Lease Agreement (50 years) and provides for annual agreement extensions at Council's discretion.

The current economic impacts including higher interest rates and cost of living pressures have driven business confidence down. DMPL revenues continue to be under pressure and costs continue to inflate. Council provided DMPL with a letter of support ensuring the long-term viability of the Market. A return is budgeted in 2024-25.

South East Leisure Pty Ltd

South East Leisure Pty Ltd (SEL) is another wholly owned subsidiary company of the Greater Dandenong City Council, established in 2021 and commenced operations from 1 July 2022. SEL manages and operates four leisure centres on the terms set out in a Management Services Agreement dated September 2021 from 1 July 2022 through to 30 June 2032:

- Dandenong Oasis
- Noble Park Aquatic Centre (NPAC)
- Springers Leisure Centre
- Dandenong Stadium.

Council also granted a lease to SEL in respect of each of the four major leisure facilities which runs concurrently with the Management Services Agreement for the next 10 years.

Council provided SEL with a letter of support ensuring the long-term viability of the leisure centre operations.

Notes to the Consolidated Financial Report

Note

6.3 a) Principles of consolidation (continued)

The following Comprehensive Income Statement, Balance Sheet and Statement of Cash Flows has been provided to show the individual financial positions of the Council, The Dandenong Market Pty Ltd, South East Leisure Pty Ltd and consolidated accounts for the 2023-24 financial year. These financial statements should be read in conjunction with the accompanying notes in the financial report.

Comprehensive Income Statement

For the year ended 30 June 2024

Consolidated

	Council	DMPL	SEL	Consolidation Adjustment	Consolidated Accounts
	2024	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Income / revenue					
Rates and charges	171,211	-	-	(102)	171,109
Statutory fees and fines	11,218	-	-	-	11,218
User fees	9,100	-	4,748	(4)	13,844
Grants - operating	26,014	-	44	-	26,058
Grants - capital	8,282	-	-	-	8,282
Contributions - monetary	3,305	-	-	-	3,305
Contributions - non-monetary	12,098	-	-	-	12,098
Net gain on disposal of property, infrastructure, plant and equipment	604	-	-	-	604
Fair value adjustments for investment property	115	-	-	-	115
Other income	15,452	6,886	7,854	(4,221)	25,971
Total income / revenue	257,399	6,886	12,646	(4,327)	272,604
Expenses					
Employee costs	93,186	1,716	7,417	-	102,319
Materials and services	97,683	4,424	4,732	(3,981)	102,858
Depreciation	35,695	31	155	-	35,881
Amortisation - intangible assets	24	-	20	-	44
Depreciation - right of use assets	715	-	-	-	715
Allowance for impairment losses	3,263	3	1	-	3,267
Borrowing costs	2,537	-	38	-	2,575
Finance costs - leases	41	-	-	-	41
Other expenses	12,170	562	231	(346)	12,617
Total expenses	245,314	6,736	12,594	(4,327)	260,317
Surplus for the year	12,085	150	52	-	12,287
Other comprehensive income					
Items that will not be reclassified to surplus or deficit in future periods					
Net asset revaluation gain	125,688	-	-	-	125,688
Impairment (loss) reversal of previous revaluation	(729)	-	-	-	(729)
Total comprehensive result	137,044	150	52	-	137,246

Notes to the Consolidated Financial Report

Note

6.3 a) Principles of consolidation (continued)

Balance Sheet As at 30 June 2024 Consolidated

	Council	DMPL	SEL	Consolidation Adjustment	Consolidated Accounts
	2024	2024	2024	2024	2024
	\$'000	\$'000	\$'000	\$'000	\$'000
Assets					
Current assets					
Cash and cash equivalents	21,577	2,442	1,151	-	25,170
Trade and other receivables	30,254	194	1,407	(1,053)	30,802
Other financial assets	172,820	-	-	-	172,820
Inventories	-	-	69	-	69
Prepayments	1,172	3	47	-	1,222
Other assets	5,405	17	-	(26)	5,396
Total current assets	231,228	2,656	2,674	(1,079)	235,479
Non-current assets					
Trade and other receivables	266	-	-	-	266
Property, infrastructure, plant and equipment	2,644,188	29	584	-	2,644,801
Investment property	6,690	-	-	-	6,690
Right-of-use assets	1,169	-	-	-	1,169
Intangible assets	1	-	39	-	40
Total non-current assets	2,652,314	29	623	-	2,652,966
Total assets	2,883,542	2,685	3,297	(1,079)	2,888,445
Liabilities					
Current liabilities					
Trade and other payables	25,837	981	1,201	(203)	27,816
Trust funds and deposits	4,254	571	-	-	4,825
Contract and other liabilities	56,518	38	997	(876)	56,677
Provisions	20,847	80	208	-	21,135
Other interest-bearing liabilities	-	-	99	-	99
Interest-bearing liabilities	3,834	-	-	-	3,834
Lease liabilities	594	-	-	-	594
Total current liabilities	111,884	1,670	2,505	(1,079)	114,980
Non-current liabilities					
Trust funds and deposits	2,898	-	-	-	2,898
Provisions	1,475	8	77	-	1,560
Other interest-bearing liabilities	-	-	285	-	285
Interest-bearing liabilities	43,348	-	-	-	43,348
Lease liabilities	642	-	-	-	642
Total non-current liabilities	48,363	8	362	-	48,733
Total liabilities	160,247	1,678	2,867	(1,079)	163,713
Net assets	2,723,295	1,007	430	-	2,724,732
Equity					
Accumulated surplus	973,523	1,007	430	-	974,960
Reserves	1,749,772	-	-	-	1,749,772
Total equity	2,723,295	1,007	430	-	2,724,732

Notes to the Consolidated Financial Report

Note

6.3 a) Principles of consolidation (continued)

Statement of Cash Flows For the year ended 30 June 2024 Consolidated

	Council 2024 \$'000	DMPL 2024 \$'000	SEL 2024 \$'000	Consolidation Adjustment 2024 \$'000	Consolidated Accounts 2024 \$'000
Cash flows from operating activities					
Rates and charges	169,843	-	-	(102)	169,741
Statutory fees and fines	8,550	-	-	-	8,550
User fees	9,321	-	4,748	(4)	14,065
Grants - operating	23,733	-	44	-	23,777
Grants - capital	8,240	-	-	-	8,240
Contributions - monetary	4,153	-	-	-	4,153
Interest received	7,885	35	-	(1)	7,919
Trust funds and deposits taken	33,614	-	-	117	33,731
Other receipts	6,848	7,556	7,454	(2,534)	19,324
Net GST refund / (payment)	13,100	(245)	(121)	(682)	12,052
Employee costs	(92,488)	(1,743)	(7,402)	(1)	(101,634)
Materials and services	(97,550)	(5,079)	(5,198)	3,749	(104,078)
Short-term, low value and variable lease payments	(725)	(2)	-	-	(727)
Trust funds and deposits repaid	(34,299)	-	-	(60)	(34,359)
Other payments	(4,518)	-	-	(445)	(4,963)
Net cash provided by operating activities	55,707	522	(475)	37	55,791
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(53,150)	(8)	(114)	1	(53,271)
Proceeds from sale of property, infrastructure, plant and equipment	628	-	-	-	628
Payments for investments	(338,033)	-	-	-	(338,033)
Proceeds from sale of investments	290,054	-	-	-	290,054
Net cash used in investing activities	(100,501)	(8)	(114)	1	(100,622)
Cash flows from financing activities					
Finance costs	(2,553)	-	-	(38)	(2,591)
Proceeds from borrowings	1,000	-	-	-	1,000
Repayment of borrowings	(3,597)	-	-	-	(3,597)
Repayment of other interest-bearing liabilities	-	-	(81)	-	(81)
Interest paid - lease liability	(43)	-	-	-	(43)
Repayment of lease liabilities	(680)	-	-	-	(680)
Net cash used in financing	(5,873)	-	(81)	(38)	(5,992)
Net increase in cash and cash equivalents	(50,667)	514	(670)	-	(50,823)
Cash and cash equivalents at the beginning of the financial year	72,244	1,928	1,821	-	75,993
Cash and cash equivalents at the end of the financial year	21,577	2,442	1,151	-	25,170

Notes to the Consolidated Financial Report

Note

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
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6.3 Investments in associates, joint arrangements and subsidiaries

(b) Community Asset Committee

All entities controlled by Council that have material revenues, expenses, assets or liabilities, such as committees of management, have been included in this financial report. Any transactions between these entities and Council have been eliminated in full.

At balance date there were no committees of management controlled by the Council.

6.4 Investment property

Balance at beginning of financial year	6,575	6,336
Additions	-	11
Fair value adjustments	115	228
Balance at end of financial year	<u>6,690</u>	<u>6,575</u>

Valuation of investment property

Investment property, comprising retail complexes, are held to generate long-term rental yields. Investment property is measured initially at cost, including transaction costs. Costs incurred subsequent to initial acquisition are capitalised when it is probable that future economic benefit in excess of the originally assessed performance of the asset will flow to the Council. Subsequent to initial recognition at cost, investment property is carried at fair value, determined annually by independent valuers. Changes to fair value are recorded in the Comprehensive Income Statement in the period that they arise. Investment property are not subject to depreciation. Rental income from the leasing of investment properties is recognised in the Comprehensive Income Statement on a straight line basis over the lease term.

Valuation of investment property has been determined in accordance with an independent valuation by Patel Dore Valuers who have recent experience in the location and category of the property being valued. The valuation is at fair value, based on the current market value for the property.

Notes to the Consolidated Financial Report

Note 7 People and relationships

7.1 Council and key management remuneration

(a) Related parties

Parent entity

City of Greater Dandenong

Subsidiaries

Dandenong Market Pty Ltd - detailed in note 6.3

South East Leisure Pty Ltd - detailed in note 6.3

(b) Key Management Personnel

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of City of Greater Dandenong. The Councillors, Chief Executive Officer, Executive Directors and Executive Managers are deemed KMP.

Details of KMP at any time during the year are:

Councillors	Consolidated 2024 No.	Consolidated 2023 No.
From 1 July 2023 to Current		
Councillor Lana Formoso *		
		Mayor, 10 October 2023 - current
		Deputy Mayor, 10 November 2022 to 9 October 2023
Councillor Richard Lim		Deputy Mayor, 10 November 2023 - Current
Councillor Eden Foster *		Mayor, 10 November 2022 - 9 October 2023
Councillor Jim Memeti		
Councillor Sophie Tan		
Councillor Angela Long		
Councillor Sean O'Reilly		
Councillor Loi Truong		
Councillor Tim Dark		
Councillor Bob Milkovic		
Councillor Rhonda Garad		
Councillor Phillip Danh **		Elected 19 March 2024
Total number of Councillors	12	11

* At a Meeting on Monday 9 October, Cr Eden Foster formally advised her colleagues and the community that she had been selected as the Labor Party's preferred candidate to contest the by-election for the Victorian Government electorate seat of Mulgrave and took a leave of absence. Councillor Foster was elected to the seat of Mulgrave in November 2023.

Deputy Mayor Councillor Lana Formoso performed the role of Mayor during Councillor Foster's leave of absence (from 9 October 2023) until formally elected as Mayor on 16 November 2023.

** Cr Phillip Danh is the new representative on Greater Dandenong City Council, after a by-election was held to fill an extraordinary vacancy. The vacancy happened due to the resignation of Eden Foster.

Notes to the Consolidated Financial Report

7.1 Council and key management remuneration (continued)

(b) Key Management Personnel (continued)

	Consolidated 2024 No.	Consolidated 2023 No.
Other key management personnel		
Jody Bosman - Director City Planning, Design and Amenity - 1 July 2023 to 27 October 2023		
Paul Kearsley - Director Business, Engineering and Major Projects - 1 July 2023 to 27 October 2023		
Michelle Hansen - Executive Manager Finance and Information Technology - 1 July 2023 to 27 October 2023		
Kylie Sprague - Executive Manager Media and Communications - 1 July 2023 to 27 October 2023		
Martin Fidler - Director Community Strengthening		
Andrew Foley - Executive Director Corporate Development - commenced 11 January 2024		
Peta Gillies - Executive Director Community Strengthening		
Sanjay Manivasagasivam - Executive Director City Futures - commenced 5 February 2024		
Marjan Hajjari - Executive Manager Strategic Growth and Advocacy - commenced 5 February 2024		
Total number of other Key Management Personnel	9	8
Chief Executive Officer		
Jacqui Weatherill	1	1
Total key management personnel	22	20
During the financial year Council underwent an organisational restructure effective from 30 October 2023. Refer to Note 2.2.1.		
Dandenong Market Board Members		
Board Members	6	5
Executives	3	4
Total number of Dandenong Market Board Members	9	9
South East Leisure Board Members		
Board Members	5	5
General Managers	4	4
Chief Executive Officer	1	1
Total number of South East Leisure Board Members	10	10

(c) Remuneration of Key Management Personnel

Remuneration comprises employee benefits including all forms of consideration paid, payable or provided by Council, or on behalf of the Council, in exchange for services rendered. Remuneration of Key Management Personnel and Other senior staff is disclosed in the following categories.

Short-term employee benefits include amounts such as wages, salaries, annual leave or sick leave that are usually paid or payable on a regular basis, as well as non-monetary benefits such as allowances and free or subsidised goods or services.

Other long-term employee benefits include long service leave, other long service benefits or deferred compensation.

Post-employment benefits include pensions, and other retirement benefits paid or payable on a discrete basis when employment has ceased.

Termination benefits include termination of employment payments, such as severance packages.

Notes to the Consolidated Financial Report

7.1 Council and key management remuneration (continued)

(c) Remuneration of Key Management Personnel (continued)

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Total remuneration of key management personnel was as follows:		
Short-term benefits	3,779	4,028
Long-term benefits	50	64
Post employment benefit	353	334
Termination benefits	620	-
	4,802	4,426

The numbers of key management personnel, whose total remuneration from Council and any related entities fall within the following bands:

	No.	No.
\$1 - \$9,999	1	-
\$10,000 - \$19,999	3	-
\$20,000 - \$29,999	6	8
\$30,000 - \$39,999	7	8
\$40,000 - \$49,999	5	2
\$50,000 - \$59,999	1	1
\$60,000 - \$69,999	-	3
\$70,000 - \$79,999	1	1
\$80,000 - \$89,999	-	1
\$90,000 - \$99,999	1	-
\$100,000 - \$109,999	1	-
\$110,000 - \$119,999	-	2
\$120,000 - \$129,999	1	1
\$130,000 - \$139,999	1	-
\$150,000 - \$159,999	-	2
\$160,000 - \$169,999	3	-
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	2	3
\$190,000 - \$199,999	1	-
\$200,000 - \$209,999	1	-
\$220,000 - \$229,999	-	1
\$230,000 - \$239,999	1	1
\$240,000 - \$249,999	1	1
\$280,000 - \$289,999	-	1
\$310,000 - \$319,999	-	1
\$320,000 - \$329,999	1	-
\$330,000 - \$339,999	-	1
\$400,000 - \$409,999	-	1
\$410,000 - \$419,999	1	-
\$420,000 - \$429,999	1	-
\$600,000 - \$609,999	1	-
Total	41	40

Notes to the Consolidated Financial Report

7.1 Council and key management remuneration (continued)

(d) Remuneration of other senior staff

Other senior staff are officers of Council, other than Key Management Personnel, whose total remuneration exceeds \$170,000 and who report directly to a member of

The number of Senior Officers are shown below in their relevant income bands:
Income range:

	Consolidated 2024 No.	Consolidated 2023 No.
\$170,000 - \$179,999	-	1
\$180,000 - \$189,999	-	3
\$190,000 - \$199,999	3	4
\$200,000 - \$209,999	2	4
\$210,000 - \$219,999	4	-
\$220,000 - \$229,999	1	2
\$230,000 - \$239,999	2	1
\$240,000 - \$249,999	1	-
\$250,000 - \$259,999	1	-
	14	15
Total remuneration for the reporting year for Senior Officers included above, amounted to:	\$'000 3,061	\$'000 3,165

* Due to a definitional change the comparative figures in this note may not align with the previous year's annual report, which included disclosure of senior officers as defined in the *Local Government Act 1989*.

7.2 Related party disclosure

(a) Transactions with related parties

(i) During 2023-24 Council entered into the following transactions with related parties Dandenong Market Pty Ltd (DMPL) and South East Leisure Pty Ltd (SEL).

	Consolidated 2024 Excl GST \$'000	Consolidated 2023 Excl GST \$'000
Dandenong Market Pty Ltd		
Received from DMPL		
Rent received	264	-
Other charges	103	103
Total received	367	103
Paid to DMPL		
Contributions for festival/events	82	130
Payment for gift vouchers	2	24
Payment for other items	315	22
Total paid	399	176

Councillor Memeti has a financial interest in a stall at Dandenong Market. The financial arrangements are at arms length based on commercial terms. A number of related parties have minority shareholdings in public companies, which have dealings with the Council from time to time.

Notes to the Consolidated Financial Report

7.2 Related party disclosure (continued)

(a) Transactions with related parties (continued)

	Consolidated 2024 Excl GST \$'000	Consolidated 2023 Excl GST \$'000
South East Leisure Pty Ltd		
Received from SEL		
Other reimbursements	4	8
Total received	4	8
Paid to SEL		
Management fee	3,406	3,161
Payment for other items	135	45
Total paid	3,541	3,206

(b) Outstanding balances with related parties

The following transaction was outstanding at 30 June

Other reimbursements	20	2
	20	2

(c) Loans to/from related parties

On the 26 September 2022, Council resolved to serve as a guarantor for the finance lease facility in favour of South East Leisure Pty Ltd. The amount outstanding at 30 June 2024 is \$496,706.

(d) Commitments to/from related parties

Dandenong Market Pty Ltd

Under the Management Services Agreement with Dandenong Market Pty Ltd (DMPL) an extension has been exercised up to 30 June 2026.

A commitment for rent of the Market premises is as follows

	322	238
	322	238

South East Leisure Pty Ltd

Under the Management Services Agreement Council appoints South East Leisure Pty Ltd to provide management services to Council, Council is required to pay a Management Fee under the terms and conditions of the Management Services Agreement which ends 30 June 2032.

A commitment to pay a Management Fee to South East Leisure Pty Ltd

	3,505	2,492
	3,505	2,492

Notes to the Consolidated Financial Report

Note

8 MANAGING UNCERTAINTIES

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

The following are potential contingent asset to be considered by Council.

Developer contributions

Greater Dandenong acquires infrastructure assets, such as local roads, footpaths, kerb and channel and drains etc, from developers, as subdivisional contributions. The amount and value of assets acquired depends on the size of the development and the level of growth within the municipality. Developers construct infrastructure assets which are vested with Council when Council issues a Statement of Compliance. These assets are brought to account as revenue (Contributions – Non Monetary Assets) and capitalised. At reporting date, developers had commenced construction of assets that will eventually be transferred to the Council subject to Council issuing a Statement of Compliance. Council cannot reliably measure the value of the assets involved prior to completion and the timing of recognition.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
 - it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - the amount of the obligation cannot be measured with sufficient reliability.

The following are potential contingencies to be considered by Council.

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 9.3. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Notes to the Consolidated Financial Report

Note

8.1 (b) Contingent liabilities (continued)

Development Contribution Plans (DCP)

Council has three sites that are subject to formal development contribution plans, two are in Keysborough and one in Lyndhurst. All three sites are covered by a DCP.

A DCP provides the framework for the provision and funding of infrastructure to facilitate the set development area and the purpose of a DCP is to provide a "fair distribution of costs for works and services, including roads, traffic management and community facilities to all the proper servicing in the area".

New development in each of the areas is required to meet its share of the total cost of delivering the required infrastructure works – as measured by its projected share of usage – through development contributions collected under the DCP's. The balance of works not covered by development contributions has been agreed to be funded by Council. The total value of these works is estimated to be around \$13.1 million.

Landfills

The Greater Dandenong City Council may be liable for the consequences of disposing refuse at a number of legacy landfill sites. A legacy site refers to a landfill that has been decommissioned and is no longer receiving waste. At balance date Council is unable to assess whether there are any financial implications.

Legal actions

Council is presently involved in a number of confidential legal matters, which are being conducted through Council's solicitors. The estimated potential financial effect of these matters may be up to \$1.0 million (\$1.5 million as at 30 June 2023).

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required. Since 30 June 2021, Council has paid \$1.36 million in adjustment payments (2023-24: \$32,260, 2022-23: \$33,500). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members. The 30 June 2024 marks the three-year anniversary of the schemes cessation. Early estimates indicate Council's contribution in the event a deficiency is between \$154,000 and \$232,000 respectively.

Notes to the Consolidated Financial Report

Note

8.1 (c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the Balance Sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that right will be exercised. Details of guarantees that Council has provided, that are not recognised in the Balance Sheet are disclosed below.

As at 30 June 2024, Council's maximum potential exposure is as follows:

Entities	Amount outstanding 30 June 2024 \$'000	Amount outstanding 30 June 2023 \$'000	Date commenced
Keysborough Bowls Club Inc.	31	48	18 May 2015
Total Guarantees for loans to other entities	31	48	

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2024 reporting period. Council assesses the impact of these new standards. In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-10 Amendments to Australian Accounting Standards - Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities to modify AASB 13 Fair Value Measurement. AASB 2022-10 amends AASB 13 Fair Value Measurement for fair value measurements of non-financial assets of not-for-profit public sector entities not held primarily for their ability to generate net cash inflows. The AASB 13 modifications:

- are applicable only to not-for-profit public sector entities;
- are limited to fair value measurements of non-financial assets not held primarily for their ability to generate net cash inflows;
- are to be applied prospectively for annual periods beginning on or after 1 January 2024;
- would not necessarily change practice for some not-for-profit public sector entities; and
- do not indicate that entities changing practice in how they measure relevant assets made an error in applying the existing requirements of AASB 13.

In December 2022 the Australian Accounting Standards Board (AASB) issued AASB 2022-6 Amendments to Australian Accounting Standards - Non-current Liabilities with Covenants. AASB 2022-6 amends AASB 101 Presentation of Financial Statements to improve the information an entity provides in its financial statements about long term liabilities with covenants where the entity's right to defer settlement of those liabilities for at least twelve months after the reporting period is subject to the entity complying with conditions specified in the loan arrangement. The amendments in AASB 2022-6 are effective for annual periods beginning on or after 1 January 2024.

Council will assess any impact of the modifications to AASB 101 ahead of the 2024-25 reporting period.

Notes to the Consolidated Financial Report

Note

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Interest rate risk arises primarily from long term loans and borrowings at fixed rates which exposes us to fair value interest rate risk. We do not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 2020*. We manage interest rate risk by adopting an investment policy that ensures:

- diversification of investment product
- monitoring of return on investment and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in the Balance Sheet. Particularly significant area of credit risk exists in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- we have a policy for establishing credit limits for the entities we deal with
- we may require collateral where appropriate and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

Notes to the Consolidated Financial Report

Note

8.3 (c) Credit risk (continued)

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal. Rates debtors are secured by a charge over the rateable property. Council has assessed that 14% of parking infringement debts owing to Council are unlikely to be collected and has raised a provision for doubtful debts over those debts based on an assessment of collectability. The collection of long overdue parking infringement debts is managed by Fines Victoria.

Refer note 5.1 for financial assets which are determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when Council provides a guarantee for another party. Details of Council's contingent liabilities are disclosed in note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any allowance for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements we will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks Council:

- has a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained.
- has readily accessible standby facilities and other funding arrangements in place.
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments.
- monitors budget to actual performance on a regular basis, and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed in the face of the Balance Sheet and the amounts related to financial guarantees disclosed in note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at note 5.4.

Unless otherwise stated, the carrying amount of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1% and - 1% in market interest rates (AUD) from year-end rates of 4.35%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Consolidated Financial Report

Note

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. *AASB 13 'Fair value measurement'*, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, works in progress, leasehold improvements are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. For assets valued at cost, the carrying amount is considered to approximate fair value given short useful lives. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 2 to 5 years. The valuation is performed either by experienced council officers or independent experts. The following table sets out the frequency of revaluations by asset class.

Notes to the Consolidated Financial Report

Note

8.4 Fair value measurement (continued)

Asset class	Revaluation frequency
Land	1 to 2 years
Buildings	1 to 2 years
Roads	4 to 5 years
Bridges	4 to 5 years
Footpaths and cycleways	4 to 5 years
Drainage	4 to 5 years
Off street car parks	4 to 5 years

Where the assets are revalued, the revaluation increases are credited directly to the asset revaluation reserve except to the extent that an increase reverses a prior year decrease for that class of asset that had been recognised as an expense in which case the increase is recognised as revenue up to the amount of the expense. Revaluation decreases are recognised as an expense except where prior increases are included in the asset revaluation reserve for that class of asset in which case the decrease is taken to the reserve to the extent of the remaining increases. Within the same class of assets, revaluation increases and decreases within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the asset's carrying value. Any excess of the asset's carrying value over its recoverable amount is expensed to the Comprehensive Income Statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

The impairment adjustments at 30 June 2024 include two buildings: an uninhabitable building and a fire-damaged building (total impairment loss of \$729,000 in the asset revaluation reserve in Note 9.1(a)) and 60 parking meter assets which will become obsolete in 2025 due to advances in card payment security technology (impairment loss of \$56,000 in other expenses in Note 4.9).

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

8.6 Adjustments directly to equity

There were no adjustments to opening equity balances in the 2023-24 financial year.

Notes to the Consolidated Financial Report

Note

9 OTHER MATTERS

9.1 Reserves

	Balance at beginning of reporting period \$'000	Increase (decrease) \$'000	Reversal of previous valuations for assets disposed \$'000	Impairment loss (credited against previous increments)/ reversal \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves					
2024					
Property					
Land	963,143	62,633	-	-	1,025,776
Buildings	74,677	1,903	-	(729)	75,851
	<u>1,037,820</u>	<u>64,536</u>	<u>-</u>	<u>(729)</u>	<u>1,101,627</u>
Infrastructure					
Roads	216,246	-	-	-	216,246
Bridges	26,141	5,688	-	-	31,829
Footpaths and cycleways	22,752	-	-	-	22,752
Drainage	223,964	46,465	-	-	270,429
Off street car parks	3,329	-	-	-	3,329
Parks, open space and streetscapes	-	4,516	-	-	4,516
Recreational, leisure and community facilities	-	4,483	-	-	4,483
	<u>492,432</u>	<u>61,152</u>	<u>-</u>	<u>-</u>	<u>553,584</u>
Total asset revaluation reserves	<u>1,530,252</u>	<u>125,688</u>	<u>-</u>	<u>(729)</u>	<u>1,655,211</u>
2023					
Property					
Land	963,143	-	-	-	963,143
Buildings	39,838	34,839	-	-	74,677
	<u>1,002,981</u>	<u>34,839</u>	<u>-</u>	<u>-</u>	<u>1,037,820</u>
Infrastructure					
Roads	196,658	19,588	-	-	216,246
Bridges	26,141	-	-	-	26,141
Footpaths and cycleways	19,035	3,717	-	-	22,752
Drainage	223,964	-	-	-	223,964
Off street car parks	3,804	(475)	-	-	3,329
	<u>469,602</u>	<u>22,830</u>	<u>-</u>	<u>-</u>	<u>492,432</u>
Total asset revaluation reserves	<u>1,472,583</u>	<u>57,669</u>	<u>-</u>	<u>-</u>	<u>1,530,252</u>

The asset revaluation reserve is used to record increments and decrements on the revaluation of non-current assets, as described in accounting policy note 6.2(h).

Notes to the Consolidated Financial Report

Note

	Balance at beginning of reporting period \$'000	Transfer to accumulated surplus \$'000	Transfer from accumulated surplus \$'000	Balance at end of reporting period \$'000
9.1 Reserves (continued)				
<i>(b) Other reserves</i>				
2024				
Insurance reserve	469	-	-	469
Re-vegetation reserves	229	(29)	-	200
Open space - planning, development and improvements	2,309	(841)	2,288	3,756
Open space - acquisitions	6,000	(10)	10	6,000
Keysborough South maintenance levy	2,581	(1,308)	1,735	3,008
Major projects reserve	42,566	(2,172)	8,914	49,308
General reserve	2,662	(245)	1,738	4,155
Council funded development contributions reserve	19,546	(4,421)	1,189	16,314
Spring Valley landfill rehabilitation	3,148	(36)	951	4,063
Springvale Activity Precinct - parking and development	235	-	-	235
Dandenong Activity Precinct - parking and development	3,074	(711)	650	3,013
Future maintenance reserve	4,341	(301)	-	4,040
Grants in Advance	720	(720)	-	-
Total other reserves	87,880	(10,794)	17,475	94,561
2023				
Insurance reserve	325	-	144	469
Re-vegetation reserves	280	(51)	-	229
Open space - planning, development and improvements	2,942	(2,804)	2,171	2,309
Open space - acquisitions	6,000	(1,989)	1,989	6,000
Keysborough South maintenance levy	2,330	(1,446)	1,697	2,581
Major projects reserve	26,218	-	16,348	42,566
General reserve	1,102	(6)	1,566	2,662
Council funded development contributions reserve	19,505	(363)	404	19,546
Spring Valley landfill rehabilitation	2,985	(168)	331	3,148
Springvale Activity Precinct - parking and development	235	-	-	235
Dandenong Activity Precinct - parking and development	1,866	(296)	1,504	3,074
Future maintenance reserve	4,613	(272)	-	4,341
Grants in Advance	-	-	720	720
Total other reserves	68,401	(7,395)	26,874	87,880

Notes to the Consolidated Financial Report

Note

9.1 Reserves (continued)

(b) Other reserves (continued)

Nature and purpose of other reserves:

Insurance reserve

The insurance reserve has been created to meet large and unexpected policy excesses on multiple insurance claims.

Re-vegetation reserves

The purpose of this reserve fund is to meet native re-vegetation requirements on Council's reserves.

Open space - planning, development and improvements

Funds set aside in this reserve will be utilised exclusively for allocation towards enhancing the City's open space via planning, development and improvements.

Open space - acquisitions

Funds set aside in this reserve will be utilised exclusively for open space land acquisitions.

Keysborough South maintenance levy

This reserve has been established to ensure full accountability of the levies received for the Keysborough and Somerfield Estates reflecting costs of maintaining an additional 15% open space beyond that of traditional estates.

Major projects reserve

The major projects reserve holds proceeds from the sale of Council's property assets or surplus Council funds and will be utilised for investing in other properties or funding future major projects.

General reserve

This reserve relates to financial impacts of future aged care sector reforms and fixed term contracts in community service programs.

Council funded development contributions reserve

The reserve for Council funded development contribution plans holds funds in respect of Council's contribution to the two major developments in Dandenong South (C87) and Keysborough (C36).

Spring Valley landfill rehabilitation reserve

The purpose of this reserve is to rehabilitate the Spring Valley landfill site at Clarke Road, Springvale South.

Springvale Activity Precinct - parking and development reserve

The purpose of the reserve is to fund development in the Springvale Activity Centre.

Dandenong Activity Precinct - parking and development reserve

The purpose of the reserve is to fund development in the Dandenong Activity Centre.

Future maintenance reserve

This reserve holds contribution funds for future works to address level crossing removal authority defects.

		Consolidated 2024 \$'000	Consolidated 2023 \$'000
(c) Total reserves summary	Note		
Asset revaluation reserve	9.1(a)	1,655,211	1,530,252
Other reserves	9.1(b)	94,561	87,880
Total reserves		1,749,772	1,618,132

Notes to the Consolidated Financial Report

Note

9.2 Reconciliation of cash flows from operating activities to surplus

	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Surplus for the year	12,287	33,376
Non-cash adjustments:		
Depreciation	35,881	32,849
Amortisation intangible assets	44	111
Depreciation right of use assets	715	726
Impairment loss	56	-
Gain on disposal of property, infrastructure, plant and equipment	(604)	(719)
Fair value adjustments for investment property	(115)	(228)
Contributions of non-monetary assets	(12,098)	(14,804)
Works in progress (unable to be capitalised)	8,054	8,978
Assets written-off	6,754	3,427
Borrowing costs	2,575	2,687
Finance cost - leases	41	52
Other interest bearing liabilities net present value adjustment	-	(59)
Change in assets and liabilities		
Increase)/decrease in trade and other receivables	366	(973)
Increase in prepayments/other assets	(137)	(866)
Increase/(decrease) in trust funds and deposits taken/repaid	(862)	1,196
Increase in trade and other payables	4,947	1,717
Increase/(decrease) in contract and other liabilities	(2,203)	3,058
Increase/(decrease) in provisions	97	(386)
Increase in inventories	(7)	-
Net cash provided by operating activities	55,791	70,142

Notes to the Consolidated Financial Report

Note

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Obligations for contributions to the Fund are recognised as an expense in Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2024, this was 11.0% as required under Superannuation Guarantee (SG) legislation (2023:10.5%)).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Council in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of *AASB 119 - Employee Benefits*.

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. A triennial actuarial investigation for the Defined Benefit category as at 30 June 2023 was conducted and completed by 31 December 2023. The vested benefit index (VBI) of the Defined Benefit category as at 30 June 2023 was 104.1%. Council was notified of the 30 June 2023 VBI during August 2023. The financial assumptions used to calculate the 30 June 2023 VBI

- Net investment returns	5.70% pa
- Salary information	3.50% pa
- Price inflation (CPI)	2.80% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2023 actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Consolidated Financial Report

Note

9.3 Superannuation (continued)

Employer contributions

(a) Regular contributions

On the basis of the results of the 2023 triennial actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2024, this rate was 11.0% of members' salaries (10.5% in 2022/23). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2023 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 98% from 26 July 2024 (previously 97%).

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

The 2023 triennial actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. A full investigation was conducted as at 30 June 2023.

The Fund's actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

	2023 (Triennial) \$ million	2022 (Interim) \$ million
- A VBI surplus	84.7	44.6
- A total service liability surplus	123.6	105.8
- A discounted accrued benefits surplus	141.9	111.9

Notes to the Consolidated Financial Report

Note

9.3 Superannuation (continued)

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2023.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses as at 30 June 2023.

The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to 30 June 2023.

The 2024 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund's position as at 30 June 2024 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2024.

The VBI of the Defined Benefit category was 105.4% as at 30 June 2024. The financial assumptions used to calculate the 30 June 2024 VBI were:

- Net investment returns	5.60% pa
- Salary information	3.50% pa
- Price inflation (CPI)	2.70% pa

Council was notified of the 30 June 2024 VBI during August 2024.

Because the VBI was above 100%, the Defined Benefit category was in a satisfactory financial position at 30 June 2024 and it is expected that the actuarial investigation will recommend that no change will be necessary to the Defined Benefit category's funding arrangements from prior years.

The 2020 triennial investigation

The last triennial actuarial investigation conducted prior to 30 June 2023 was at 30 June 2020. This actuarial investigation was completed by 31 December 2020. The financial assumptions for the purposes of that investigation was:

	2020 Triennial investigation	2023 Triennial investigation
- Net investment return	5.6% pa	5.7% pa
- Salary inflation	2.5% pa for the first two years and 2.75% pa thereafter	3.5% pa
- Price inflation	2.0% pa	2.8% pa

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2024 are detailed below:

Scheme	Type of scheme	Rate	Consolidated 2024 \$'000	Consolidated 2023 \$'000
Vision Super	Defined benefits	11.0% (2023: 10.5%)	312	321
Vision Super	Accumulation	11.0% (2023: 10.5%)	3,771	3,610
Other funds	Accumulation	11.0% (2023: 10.5%)	4,772	3,908

Notes to the Consolidated Financial Report

Note

9.3 Superannuation (continued)

In addition to the above contributions, Council has paid \$0 unfunded liability payments to Vision Super in 2023-24 (2022-23: \$0).

There were \$347,000 contributions outstanding and no loans issued from or to the above schemes as at 30 June 2024.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2025 is \$322,000.

10 Change in Accounting Policy

Asset classes (3) changed from cost to fair value valuation basis

Land under roads

Up to 30 June 2023 Council valued Land Under Road (LUR) assets at cost. In 2023-24, a change in accounting policy occurred to measure LUR assets at fair value. The 2023-24 revaluation of LUR is therefore the first revaluation conducted of Council's LUR assets and was an independent valuation by Patel Dore Pty Ltd (Council's contract valuer).

The financial impact of this change in accounting policy was a \$44.2 million increase in asset value and asset revaluation reserve.

Parks, open space and streetscapes (POSS) and Recreational, leisure and community facilities (RLCF)

These infrastructure asset classes were also previously valued at cost and weren't subject to revaluations. The revaluation that occurred during 2023-24 was the first time that these two asset classes have been revalued and was based on an inflation index which saw a revaluation increment of \$4.5 million for both asset classes.

Greater Dandenong City Council

Performance Statement

For the year ended 30 June 2024



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Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

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Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Michelle Hansen CPA
Principal Accounting Officer

Date: 23 September 2024
Dandenong

In our opinion, the accompanying performance statement of the Greater Dandenong City Council for the year ended 30 June 2024 presents fairly the results of Council's performance in accordance with the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

At the date of signing, we are not aware of any circumstances that would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2020* to certify this performance statement in its final form.

Lana Formoso
Mayor

Date: 23 September 2024
Dandenong

Rhonda Garad
Councillor

Date: 23 September 2024
Dandenong

Jacqui Weatherill
Chief Executive Officer

Date: 23 September 2024
Dandenong

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Victorian Auditor-General's Office Audit Report

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 1 - Description of municipality

The City of Greater Dandenong encompasses an area of 129 kilometres in Melbourne's south-east, approximately 35 kilometres from the central business district. Greater Dandenong has a population of over 163,000 people and is the most multicultural municipality in Australia, with residents from over 150 different birthplaces. This adds a wealth of diversity to the city through a range of cultural experiences. The city has a vibrant economy in both the retail and manufacturing sectors and is renowned as the manufacturing hub of Victoria. The wholesale trade, health care, and retail trade sectors also provide a significant proportion of employment opportunities.

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 2 – Service performance indicators

Service / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Material Variations and Comments
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	1.52	2.27	3.82	N/A	4.60	Visits to Council's aquatic centres have continued to increase and operations weren't impacted by capital works improvement projects as they were in 2023.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions / Number of animal management prosecutions] x 100	100.0%	100.0%	100.0%	N/A	100.0%	Council continues to achieve 100% success.
Food Safety Health and safety <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x 100	100.0%	100.0%	100.0%	N/A	100.0%	
Governance Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with the consultation and engagement efforts of Council]	60	59	59	60	58	Audited indicator commencing 2024. Whilst lower than target, Council continues to perform better than the metropolitan and state-wide averages.

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 2 – Service performance indicators (continued)

Service Performance Indicators (continued) For the year ended 30 June 2024					
Service / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations and Comments
Libraries Participation <i>Library membership</i> [percentage of the population that are registered library members] x 100	N/A	N/A	N/A	33.47%	Audited indicator commencing 2024.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x 100	73.54%	72.31%	70.31%	72.81%	
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x 100	78.15%	83.33%	81.30%	74.17%	

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 2 – Service performance indicators (continued)

Service / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Material Variations and Comments
Roads Condition <i>Sealed local roads below the intervention level</i> [Percentage of sealed local roads that are below the renewal intervention level set by Council and not requiring renewal]	80.94%	94.58%	98.37%	95.00%	97.82%	Audited indicator commencing 2024.
Statutory Planning Service standard <i>Planning applications decided within the relevant required time</i> [Percentage of planning application decisions made within the relevant required time]	86.78%	89.93%	78.97%	83.00%	81.64%	Audited indicator commencing 2024.
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	47.81%	47.96%	45.25%	47.00%	47.71%	

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 3 – Financial performance indicators

For the year ended 30 June 2024

Dimension / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Material Variations and Comments
Efficiency										
Expenditure level <i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,122.88	\$3,108.28	\$3,354.91	\$3,196.69	\$3,561.83	\$3,396.60	\$3,461.38	\$3,529.76	\$3,601.87	The target for 2023-24 is based on adopted budget estimates which do not factor in carry over expenditure from the prior year primarily relating to unspent grants. The actual result for 2023-24 includes expenditure relating to unspent grants.
Revenue level <i>Average rate per property assessment</i> [General rates and Municipal charges / Number of property assessments]	\$1,889.44	\$1,925.49	\$1,972.70	N/A	\$2,053.24	\$2,124.72	\$2,179.32	\$2,241.36	\$2,302.31	
Liquidity										
Working capital <i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x 100	190.05%	200.03%	205.57%	161.77%	206.67%	153.91%	147.48%	150.15%	153.34%	The 2023-24 actual result was greater than the target due mainly to delayed capital expenditure. The forecast working capital ratio for forthcoming years is projected to decrease as closing cash holdings return to normal levels. Council's cash reserves will also be drawn down to fund major capital projects including Keysborough South Community Hub and Dandenong Wellbeing Centre.

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 3 – Financial performance indicators (continued)

For the year ended 30 June 2024

Dimension / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Material Variations and Comments
Liquidity Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x 100	113.27%	(29.51%)	15.01%	N/A	(21.56%)	24.50%	22.72%	21.31%	21.99%	The negative indicator result for 2023-24 is due to \$172.8 million in investments that are required to be classified as 'other financial assets' as the term deposit period exceeds 90 days. Future years are not comparable as they do not project capital expenditure delays or unspent grants.
Obligations Loans and borrowings <i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x 100	37.58%	34.33%	30.74%	N/A	27.84%	37.34%	53.89%	56.59%	50.82%	The upwards trend in future years relates to planned borrowings to fund major capital projects including the Dandenong Wellbeing Centre and Keysborough South Community Hub.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x 100	4.11%	3.99%	3.81%	N/A	3.63%	4.10%	5.62%	6.98%	7.30%	The upwards trend in future years relates to planned borrowings to fund major capital projects detailed above.

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 3 – Financial performance indicators (continued)

For the year ended 30 June 2024

Dimension / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Material Variations and Comments
Obligations (continued)										
Indebtedness										
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x 100	33.06%	30.54%	26.05%	N/A	23.29%	30.86%	44.27%	46.28%	41.55%	The reduction in this ratio result is mainly due to improved own-source revenue as a result of better interest returns on investments, parking fines and recoveries and parking permits and fee income compared to the prior year. The upwards trend in future years relates to planned borrowings to fund major capital projects.
Asset renewal and upgrade										
<i>Asset renewal and upgrade compared to depreciation</i> [Asset renewal and asset upgrade expense / Asset depreciation] x 100	90.33%	110.26%	121.50%	107.43%	102.50%	105.57%	216.88%	118.71%	90.09%	Whilst renewal improved slightly from the prior year, upgrade capital works decreased due to the completion of a number of capital projects over the last 12 months, namely, Ross Reserve pavilion, Thomas Carroll pavilion, Abbots Road and Callander Road. The forecast ratio results in 2025 and 2026 are due to increased renewal works associated with the replacement of Dandenong Oasis (Dandenong Wellbeing Centre major project).

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 3 – Financial performance indicators (continued)

For the year ended 30 June 2024

Dimension / indicator / measure [formula]	Results 2021	Results 2022	Results 2023	Target 2024	Results 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Material Variations and Comments
Operating position Adjusted underlying result <i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x 100	1.43%	6.39%	3.04%	N/A	(4.50%)	4.50%	4.12%	4.02%	3.87%	The negative 2024 ratio result is primarily due to lower operating grants due to the timing of Financial Assistance grant distributions combined with higher employee costs and materials and services costs resulting in a lower underlying surplus. There was no early distribution of the Financial Assistance grants in 2023-24. Future years forecast normal annual distributions.
Stability Rates concentration <i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x 100	70.70%	68.79%	68.32%	72.02%	72.20%	71.22%	72.04%	72.67%	73.21%	
Rates effort <i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x 100	0.30%	0.31%	0.27%	N/A	0.26%	0.26%	0.26%	0.27%	0.27%	

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 4 – Sustainable capacity indicators

For the year ended 30 June 2024

<i>Indicator / measure</i> [formula]	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations and Comments
Population <i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$1,248.17	\$1,293.37	\$1,445.16	\$1,497.72	The increase in expenses for 2024 is mainly due to higher employee costs due to the staff payrise linked to the 3.5% rate cap, a 0.5% increase in the superannuation guarantee charge, higher workcover premium, training/conferences and use of temporary agency staff.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$6,198.26	\$6,772.05	\$7,343.30	\$7,570.52	The increase in the 2024 ratio result is mainly due to asset revaluations to fair value for the drainage, bridges, recreational leisure and community facilities and parks, open space and streetscape asset classes during 2023-24.
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	242.95	235.17	228.47	234.73	

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 4 – Sustainable capacity indicators

For the year ended 30 June 2024

<i>Indicator / measure</i> [formula]	Results 2021	Results 2022	Results 2023	Results 2024	Material Variations and Comments
Own-source revenue <i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$1,021.92	\$1,095.59	\$1,221.10	\$1,268.07	The increase in own-source revenue is mainly attributable to better interest returns on investments due to high interest rates and investment balances combined with increased parking infringements, recoveries and permit fee income.
Recurrent grants <i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$204.26	\$235.45	\$252.02	\$151.96	The decrease in the 2024 ratio result is due to the timing of Financial Assistance grant distributions. The prior year includes approximately 125%, comprising 25% of 2022-23 and 100% of 2023-24, however, there was no early distribution in 2023-24. As a result, recurrent grants appear to have decreased by \$15 million.
Disadvantage <i>Relative Socio-Economic Disadvantage</i> [Index of Relative Socio-Economic Disadvantage by decile]	1.00	1.00	1.00	1.00	
Workforce turnover <i>Percentage of staff turnover</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x 100	18.4%	17.1%	12.9%	12.5%	

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Section 5. Notes to the accounts

5.1 Basis of preparation

Council is required to prepare and include a performance statement within its annual report. The performance statement includes the results of the prescribed service performance, financial performance and sustainable capacity indicators and measures together with a description of the municipal district and an explanation of material variations in the results and notes to the accounts. This statement has been prepared to meet the requirements of the *Local Government Act 2020* and *Local Government (Planning and Reporting) Regulations 2020*.

Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics or the Council's satisfaction survey provider).

The performance statement presents the actual results for the current year and the previous three years, along with the current year's target, if mandated by the *Local Government (Planning and Reporting) Regulations 2020*. Additionally, for the prescribed financial performance indicators and measures, the performance statement includes the target budget for the current year and the results forecast for the period 2024-25 to 2027-28 as published in Council's Budget and Long Term Financial Plan (copies can be obtained by contacting Council).

The *Local Government (Planning and Reporting) Regulations 2020* requires explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

Important note:

The financial indicator information included in the Performance Statement relates to the 2023-24 results of Council. It does not represent Consolidated results.

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

5.2 Definitions

Key term	Definition
Aboriginal children	means a child who is an Aboriginal person
Aboriginal person	has the same meaning as in the Aboriginal Heritage Act 2006
adjusted underlying revenue	means total income other than: <ul style="list-style-type: none"> • non-recurrent grants used to fund capital expenditure; and • non-monetary asset contributions; and • contributions to fund capital expenditure from sources other than those referred to above
adjusted underlying surplus (or deficit)	means adjusted underlying revenue less total expenditure
annual report	means an annual report prepared by a council under section 98 of the Act
asset renewal expenditure	means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability
asset upgrade expenditure	means expenditure that— (a) enhances an existing asset to provide a higher level of service; or (b) extends the life of the asset beyond its original life
critical non-compliance outcome notification	means a notification received by council under section 19N(3) or (4) of the Food Act 1984 , or advice given to council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
current assets	has the same meaning as in the Australian Accounting Standards
current liabilities	has the same meaning as in the Australian Accounting Standards
food premises	has the same meaning as in the Food Act 1984
intervention level	means the level set for the condition of a road beyond which a council will not allow the road to deteriorate and will need to intervene
local road	means a sealed or unsealed road for which the council is the responsible road authority under the Road Management Act 2004
major non-compliance outcome notification	means a notification received by a council under section 19N(3) or (4) of the Food Act 1984, or advice given to council by an authorized officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken
MCH	means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age
non-current assets	means all assets other than current assets
non-current liabilities	means all liabilities other than current liabilities

Performance Statement

For the year ended 30 June 2024

City of Greater Dandenong

Key term	Definition
non-recurrent grant	means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Financial Plan
own-source revenue	means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)
population	means the resident population estimated by council
rate revenue	means revenue from general rates, municipal charges, service rates and service charges
recurrent grant	means a grant other than a non-recurrent grant
relative socio-economic disadvantage	in relation to a municipal district, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipal district is located according to the Index of Relative Socio-Economic Disadvantage of SEIFA
residential rates	means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
restricted cash	means cash, cash equivalents and financial assets, within the meaning of the Australian Accounting Standards, not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year
SEIFA	means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet site
unrestricted cash	means all cash and cash equivalents other than restricted cash

5.3 Other matters

Overview of 2024

During the financial year, Council experienced better than anticipated interest returns on investments with the sustained high interest rates and greater cash and investments caused by delays in some multi-year major capital projects. The 2023-24 financial year was governed by a rate cap of 3.5% to reflect the high inflationary pressures being experienced by organisations and families alike. As a result, employee costs also increased at a similar rate along with a number of other factors including higher workcover premiums, a superannuation rate increment, greater training investment and higher overtime to ensure staff safety. Council was also impacted by the significant storm event experienced in Melbourne in February 2024 resulting in unexpected reactive maintenance works to ensure community safety and amenity.



4.2 OTHER

4.2.1 List of Registered Correspondence to Mayor and Councillors

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Manager Governance, Legal & Risk

Attachments: 1. Correspondence Received 2 - 13 September 2024 [4.2.1.1 - 2 pages]

Officer Recommendation

That the listed items for the period 2 – 13 September 2024 provided in Attachment 1 to this report be received and noted.

Executive Summary

1. Subsequent to past Council resolutions in relation to the listing of registered incoming correspondence addressed to the Mayor and Councillors, Attachment 1 to this report provides a list of this correspondence for the period 2 – 13 September 2024.

Objective

CONNECTED. COLLABORATIVE. COMMUNITY.

Correspondences addressed to the Mayor and Councillors received between 02/09/24 & 13/09/24 - for officer action - total = 2

Correspondence Name	Correspondence Dated	Date Record Created	Objective ID	User Currently Assigned
Rates and Charges Hardship Application from local resident.	02-Sep-24	02-Sep-24	fA327869	Finance Department
Notification of Assembly - Protest at the office of Julian Hill MP in relation to the prolonged problem of asylum seekers without permanent visas. Protest will be held at 45 Robinson Street Dandenong on 16/09/2024.	12-Sep-24	12-Sep-24	fA328668	Mayor & Councillors Office

NB: Users assigned may have changed by the time of the Council Meeting. Correct at time of report production only.

Objective

CONNECTED. COLLABORATIVE. COMMUNITY.

Correspondences addressed to the Mayor and Councillors received between 02/09/24 & 13/09/24 - for information only - total = 2

Correspondence Name	Correspondence Dated	Date Record Created	Objective ID	User Currently Assigned
Parking fine complaint.	05-Sep-24	05-Sep-24	A11303156	Mayor & Councillors Office
Congratulations to Mayor Cr Lana Formoso on her term as Mayor of Greater Dandenong City Council from Noble Park Community Centre (NPCC).	12-Sep-24	12-Sep-24	A11329606	Mayor & Councillors Office

NB: Users assigned may have changed by the time of the Council Meeting. Correct at time of report production only.



4.2.2 Report on Matters Discussed at Councillor Briefing Sessions and Pre-Council Meetings

The recommended decision is not a decision as defined in Section 69 of the *Local Government Act 2020*, or a significant decision within the meaning of Council's Election Period (Caretaker) Policy.

Responsible Officer: Executive Director Corporate Development
Attachments: Nil

Officer Recommendation

That:

- a) the information contained in this report be received and noted; and
- b) the information discussed at the above listed at the Councillor Briefing Session on 2 September 2024 that was declared confidential under section 3(1) of the *Local Government Act 2020* in Item 3 below remains confidential until further advisement unless that information forms the subject of a subsequent Council report.

Executive Summary

1. As part of Council's ongoing efforts to improve transparency in Council processes, matters discussed at Councillor Briefing Sessions & Pre-Council Meetings (other than those matters designated to be of a confidential nature) are reported on at Council meetings.
2. The matters listed in this report were presented to Councillor Briefing Sessions & Pre-Council Meetings during the period 26 August – 16 September 2024.

Background

3. The Executive Team and associated staff at Greater Dandenong City Council host Councillor Briefing Sessions and Pre-Council Meeting on a regular basis (weekly) to inform Councillors about the work officers are undertaking, share information, obtain feedback and discuss strategies and options for current and future work.
4. To ensure transparency in this process matters discussed at Councillor Briefing Sessions and Pre-Council Meetings (other than those matters designated to be confidential under the *Local Government Act 2020*) are reported on at Council meetings. This report represents matters discussed at the Councillor Briefing Sessions & Pre-Council Meetings during the period 26 August – 16 September 2024.

**Matters Presented for Discussion**

Item	Councillor Briefing Session/Pre-Council Meeting
<p>1</p> <p>General Discussion</p> <p>Councillors and council officers briefly discussed the following items:</p> <ul style="list-style-type: none">a. Payble payment platform;b. Upcoming community events;c. Cessation of Meals on Wheels program by Western Health; andd. Agenda items for the Council Meeting of 26 August 2024.	<p>Pre-Council Meeting (PCM) – 26 August 2024</p>
<p>2</p> <p>Young Leaders Presentation</p> <p>Councillors were informed of the activities of the Young Leaders program for 2024.</p>	<p>Councillor Briefing Session (CBS) – 2 September 2024</p>
<p>3</p> <p>Contract No. 2324-25 CCTV Inspections and Cleaning of Stormwater Pipes, Pits, Gross Pollutant Traps (GPTs) & Associated Maintenance Works - CONFIDENTIAL</p>	<p>CBS – 2 September 2024</p>
<p>4</p> <p>Keysborough South Community Hub – Draft Strategic Plan 2024-2026</p> <p>Councillors were updated on the outcomes of the community consultation relating to the draft KSCH Strategic Plan, Strategic Plan vision, objectives and measures; and related next steps.</p>	<p>CBS – 2 September 2024</p>
<p>5</p> <p>End Of Year Cash Result 2023-24 & Capital Works Program Performance</p> <p>Councillors were briefed on the upcoming audited 2023-24 Financial Statements and the end of June 2024 Financial Report.</p> <p>A presentation was provided to Councillors on the outcomes achieved in delivering the 2023-24 capital works program, including details of the proposed amounts to be carried forward for completion to the 2024-25 financial year.</p>	<p>CBS – 2 September 2024</p>
<p>6</p> <p>Community Safety Strategic Framework</p> <p>Councillors were provided with an overview of the Community Safety Strategic Framework.</p>	<p>CBS – 2 September 2024</p>
<p>7</p> <p>Legal Panel Renewal Report</p> <p>Councillors were provided with an overview of the intent to continue with its current legal panel for a further 12 months.</p>	<p>CBS – 2 September 2024</p>



8	General Discussion Councillors and council officers briefly discussed the following items: <ul style="list-style-type: none">a. Recent weather events;b. AI project rollout;c. I Cook Matter; andd. Agenda items for the Council Meeting of 9 September 2024.	CBS – 2 September 2024
9	General Discussion Councillors and council officers briefly discussed the following items: <ul style="list-style-type: none">a. Australia Day awards nomination reminder;b. Upcoming Advocacy matters;c. Sandown community sessions; andd. Agenda items for the Council Meeting of 9 September 2024.	Pre-Council Meeting (PCM) – 9 September 2024
10	Caretaker Period Discussion/Q&A Councillors were provided with an overview of the upcoming Caretaker period and were invited to ask questions.	Councillor Briefing Session (CBS) – 16 September 2024
11	Service Planning Framework 2025-2029 Councillors were updated on the preferred methodology and timeframe for delivering the Service Planning Project.	CBS – 16 September 2024
12	Update on CX strategy Councillors were presented with the proposed transformation of the service delivery model.	CBS – 16 September 2024
13	Council Plan 2025-29 Consultation Update Councillors were updated on the recent community consultation activities undertaken as part of the Our City, Our Future project to develop the new Council Plan 2025-29.	CBS – 16 September 2024
14	General Discussion Councillors and council officers briefly discussed the following items: <ul style="list-style-type: none">a. Update on community safety framework;b. Launch of AI in customer service; andc. Agenda items for the Council Meeting of 23 September 2024.	CBS – 16 September 2024

Apologies

5. Councillor Angela Long submitted an apology for the Pre-Council Meeting on 26 August 2024.
6. Councillor Angela Long submitted an apology for the Councillor Briefing Session on 26 August 2024.
7. Councillor Bob Milkovic submitted an apology for the Pre-Council Meeting on 9 September 2024



Legislative and Policy Obligations

8. Section 9 of the *Local Government Act 2020* (LGA2020) states that a Council must in the performance of its role give effect to the overarching governance principles.
9. Reporting on matters discussed at Councillor Briefing Sessions and Pre-Council Meetings gives effect to the overarching governance principles (in particular, section 9(i) of the *Local Government Act 2020*) in that the transparency of Council actions and information is ensured.



5 NOTICES OF MOTION

A Notice of Motion is a notice setting out the text of a motion proposed to be moved at the next relevant meeting. It must be in writing, signed by a Councillor, and be lodged with the Chief Executive Officer in sufficient time for them to give each Councillor at least 72-hours notice of such notice.

The guidelines for submitting a notice of motion to a Council meeting are included in the current Governance Rules.



6 REPORTS FROM COUNCILLORS/DELEGATED MEMBERS AND COUNCILLORS' QUESTIONS

The principal purpose of this item in the Council Meeting Agenda is for Councillors to report on their attendance, observations or important matters arising from their liaison or representation with groups for which the Councillor has been formally appointed by Council. In accordance with the documented 'protocol' that applies to either liaisons or representatives, Councillors should raise matters of importance during this item. Other matters may also be reported.

If a Councillor chooses to speak, the name of the conference/event and the Councillor will be noted in the Minutes for that meeting. If a Councillor requires additional information on the conference/event to be listed in the Minutes, they must submit it in writing to a Governance staff member by 12.00pm the day following this Council Meeting.

Question time is provided to enable Councillors to address questions to members of Council staff. The guidelines for asking questions at a Council meeting are included in the current Governance Rules.

Councillors have a total of 15 minutes each to report on their attendances at meetings, conferences or events and to ask questions of Council staff.



7 URGENT BUSINESS

No business may be admitted as urgent business unless it:

- a) relates to or arises out of a matter which has arisen since distribution of the Agenda; and
- b) cannot safely or conveniently be deferred until the next ordinary meeting and unless agreed to by a majority of those Councillors present at the meeting.



8 CLOSE OF BUSINESS