

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

**POLICY AND STRATEGY**

**Q1 QUARTERLY PERFORMANCE REPORT**

**ATTACHMENT 2**

**FINANCIAL REPORT 1 JULY – 30  
SEPTEMBER 2020**

**PAGES 49 (including cover)**

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

4.2.1 Q1 Quarterly Performance Report (Cont.)



---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

THIS PAGE HAS BEEN INTENTIONALLY LEFT BLANK

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

## **Contents**

---

### **Financial Report**

CGD – Operating Result (Income Statement)  
Balance Sheet  
Cash Flow Statement  
Capital Expenditure Statement

---

### **Notes to the Financial Statements**

Accounting policies  
Operating income  
Operating expenditure

### **Reference**

**A**  
**B1**  
**B2**

### **Balance Sheet**

Current assets  
Non-current assets  
Current liabilities  
Non-current liabilities  
Net assets and equity

**C**  
**C1**  
**C2**  
**C3**  
**C4**  
**C5**

### **Cash Flow Statement**

**D**

### **Statement of Capital Works**

**E**

### **Capital Expenditure**

**Appendix 1**

### **Investment analysis**

**Appendix 2**

### **Directorate analysis**

**Appendix 3**

### **Operating initiatives**

**Appendix 4**

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

### CGD – Operating Result

For the period 1 July 2020 - 30 September 2020

Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
<b>B1</b>					
Rates and charges	39,325	39,364	(39)	152,325	152,325
Statutory fees and fines	1,446	1,663	(217)	8,426	8,426
User fees	1,739	2,183	(444)	8,068	8,068
Grants - operating	5,704	4,798	906	23,792	29,875
Grants - capital	719	710	9	8,650	3,244
Contributions - monetary	983	500	483	4,058	2,910
Contributions - non-monetary	298	298	-	15,000	15,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	35	34	1	377	377
Other income	871	1,112	(241)	8,268	6,000
<b>Total income</b>	<b>51,120</b>	<b>50,662</b>	<b>458</b>	<b>228,964</b>	<b>226,225</b>
<b>Expenses</b>					
<b>B2</b>					
Employee costs	18,754	20,586	1,832	87,296	84,402
Materials and services	14,954	16,114	1,160	74,908	70,493
Prior year capital expenditure unable to be capitalised (non-cash)	411	-	(411)	-	-
Bad and doubtful debts	(11)	-	11	1,363	1,363
Depreciation	7,855	7,855	-	31,433	31,433
Amortisation - right of use assets	145	-	(145)	-	-
Borrowing costs	745	778	33	3,051	3,051
Other expenses	919	949	30	6,110	5,725
<b>Total expenses</b>	<b>43,772</b>	<b>46,282</b>	<b>2,510</b>	<b>204,161</b>	<b>196,467</b>
<b>Net surplus (deficit)</b>	<b>7,348</b>	<b>4,380</b>	<b>2,968</b>	<b>24,803</b>	<b>29,758</b>

### Overview

The surplus at 30 September 2020 is favourable to budget by \$2.97 million due mainly to the following year to date variances:

- **Employee costs (\$1.83 million)** – mainly in Community Services, City Planning Design and Amenity and Corporate Services due to delay in recruitment and commencement of grant funded projects.
- **Materials and services (\$1.16 million)** - in Engineering Services (Roads and Drains, Asset Management, Fleet Management and Building Maintenance) and Community Services (Leisure Centres and Library and Information Services).
- **Grants – operating (\$906,000)** – due to receipt of unbudgeted grants received earlier than anticipated (Non-Directorate, Greater Dandenong Business and Community Services).

### COVID-19 and 2020-21 impacts

A detailed review of the 2020-21 first quarter impact from COVID-19 stage four restrictions is currently underway and will be adjusted as part of the Mid-Year Budget review.

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**Balance Sheet**  
As at 30 September 2020

	Note	2020-21 ACTUAL 30 Sep 2020 \$'000	2019-20 ACTUAL 30 Jun 2020 \$'000	2020-21 AMENDED BUDGET \$'000	2020-21 ORIGINAL BUDGET \$'000
<b>ASSETS</b>					
<b>Current assets</b>	<b>C1</b>				
Cash and cash equivalents		167,894	154,563	121,876	108,170
Financial assets		-	2,000	-	-
Trade and other receivables		125,359	24,974	27,471	24,120
Other assets		640	4,537	2,815	2,756
Non-current assets classified as held for sale		1,000	1,000	-	-
<b>Total current assets</b>		<b>294,893</b>	<b>187,074</b>	<b>152,162</b>	<b>135,046</b>
<b>Non-current assets</b>	<b>C2</b>				
Property, infrastructure, plant and equipment		2,194,135	2,190,972	2,250,186	2,244,581
Investment property		11,814	11,814	11,814	12,827
Right-of-use assets		853	998	998	-
Intangible assets		124	124	124	-
Other financial assets		-	-	-	230
Trade and other receivables		305	305	305	325
<b>Total non-current assets</b>		<b>2,207,231</b>	<b>2,204,213</b>	<b>2,263,427</b>	<b>2,257,963</b>
<b>Total assets</b>		<b>2,502,124</b>	<b>2,391,287</b>	<b>2,415,589</b>	<b>2,393,009</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>C3</b>				
Trade and other payables		4,771	18,800	21,281	20,670
Trust funds and deposits		13,713	8,425	8,569	39,069
Unearned income		40,497	40,340	40,340	-
Provisions		20,415	19,659	19,659	17,418
Interest-bearing liabilities		2,453	3,255	3,270	3,270
Lease liabilities		571	571	571	-
<b>Total current liabilities</b>		<b>194,454</b>	<b>91,050</b>	<b>93,690</b>	<b>80,427</b>
<b>Non-current liabilities</b>	<b>C4</b>				
Provisions		1,284	1,110	1,110	1,555
Trust funds and deposits		313	311	311	900
Interest-bearing liabilities		56,636	56,636	53,495	53,495
Lease liabilities		351	442	442	-
<b>Total non-current liabilities</b>		<b>58,584</b>	<b>58,499</b>	<b>55,358</b>	<b>55,950</b>
<b>Total liabilities</b>		<b>253,038</b>	<b>149,549</b>	<b>149,048</b>	<b>136,377</b>
<b>NET ASSETS</b>	<b>C5</b>	<b>2,249,086</b>	<b>2,241,738</b>	<b>2,266,541</b>	<b>2,256,632</b>
<b>EQUITY</b>					
Accumulated surplus		913,996	904,579	935,620	955,453
Asset revaluation reserve		1,269,823	1,269,823	1,269,824	1,241,807
Reserves		65,267	67,336	61,097	59,372
<b>TOTAL EQUITY</b>		<b>2,249,086</b>	<b>2,241,738</b>	<b>2,266,541</b>	<b>2,256,632</b>

For comments regarding movements and new line items above, please refer to explanatory notes located at C1 to C5.

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**Cash Flow Statement**

	2020-21 ACTUAL 30 Sep 2020 Inflows/ (Outflows) \$'000	2020-21 ANNUAL AMENDED BUDGET Inflows/ (Outflows) \$'000	2020-21 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges	48,233	151,350	151,986
Statutory fees and fines	1,226	6,161	6,587
User fees	2,125	8,255	8,710
Grants - operating	6,681	25,564	31,642
Grants - capital	1,445	8,650	3,244
Contributions - monetary	1,550	4,058	2,910
Interest received	246	1,500	1,496
Trust funds and deposits taken	7,640	28,144	35,500
Other receipts	680	7,514	5,019
Net GST refund	2,217	12,273	8,900
Employee costs	(19,003)	(87,296)	(83,649)
Materials and services	(20,767)	(85,692)	(86,855)
Trust funds and deposits repaid	(2,103)	(28,000)	(33,500)
Other payments	(950)	(6,721)	(6,298)
<b>Net cash provided by operating activities</b>	<b>29,220</b>	<b>45,760</b>	<b>45,692</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	(16,295)	(74,956)	(43,705)
(Payments) proceeds for investments	2,000	2,000	2,000
Proceeds from sale of property, infrastructure, plant and equipment	49	686	686
<b>Net cash used in investing activities</b>	<b>(14,246)</b>	<b>(72,270)</b>	<b>(41,019)</b>
<b>Cash flows from financing activities</b>			
Finance costs	(748)	(3,051)	(3,051)
Repayment of borrowings	(802)	(3,126)	(3,126)
Interest paid - lease liability	(2)	-	-
Repayment of lease liabilities	(91)	-	-
<b>Net cash provided by (used in) financing activities</b>	<b>(1,643)</b>	<b>(6,177)</b>	<b>(6,177)</b>
Net increase (decrease) in cash and cash equivalents	13,331	(32,687)	(1,504)
Cash and cash equivalents at the beginning of the year	154,563	154,563	109,674
<b>Cash and cash equivalents at the end of the period</b>	<b>167,894</b>	<b>121,876</b>	<b>108,170</b>
<b>Represented by:</b>			
Operating cash	38,958	3,753	(9,846)
Restricted cash	128,936	118,123	118,016
<b>Total</b>	<b>167,894</b>	<b>121,876</b>	<b>108,170</b>

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

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

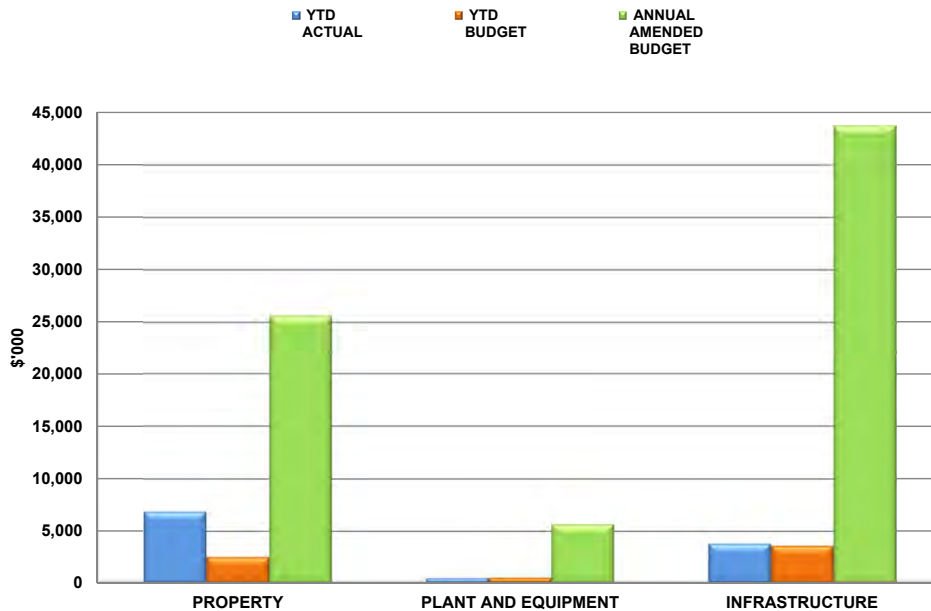


Financial Report for the period 1 July 2020 – 30 September 2020

**Capital Expenditure Statement**

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

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	COMMIT \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
PROPERTY	6,871	2,524	(4,348)	6,400	25,597	13,713
PLANT AND EQUIPMENT	483	566	83	852	5,649	4,769
INFRASTRUCTURE	3,790	3,604	(186)	9,593	43,710	25,223
<b>TOTAL EXPENDITURE</b>	<b>11,145</b>	<b>6,694</b>	<b>(4,451)</b>	<b>16,845</b>	<b>74,956</b>	<b>43,703</b>





---

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

## Notes to the Financial Statements

### A. Accounting Policy Notes

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

- 1. Rate revenue:** Rate revenue (excluding supplementary rates) is accrued evenly over the year, although cash is received in quarterly instalments or a lump sum, depending on how the ratepayer chooses to pay. Rate revenue in the Income Statement is a monthly accrual of the rates determined for the year in July.
- 2. Grants revenue:** Council receives two types of grants, namely a General Purpose Grant (Financial Assistance Grant funding from the Victoria Grants Commission) which is not tied to any programs and Special Purpose Grants for various programs. In accordance with new Accounting Standards, AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-For-Profit Entities', grant income is now generally recognised in the Income Statement to the extent of satisfied performance obligations. Alternatively, grant funding which does not have sufficiently specific performance obligations are recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations are recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent in nature).
- 3. Fees and charges:** Most fees and charges are recognised when cash is received. Generally, where Council raises a debtor's invoice, income is recognised at the point of the invoice and not when cash is received. Car parking permit income relating to a future period at balance date are recognised as unearned income in the Balance Sheet.
- 4. Contributions - cash:** Cash contributions are essentially from developers towards open space works. These monies are treated as income when received. Council is obligated to spend these monies for the purpose for which they are given by the developers. Council also receives external contributions for other capital projects. Cash contributions received are held in reserves and treated as "restricted cash" until they are spent (see **note 9** below).
- 5. Employee costs:** Salaries expenditure is based on fortnightly salaries paid and accruals for salary on-costs such as leave entitlements, superannuation and workcover.
- 6. Capital expenditure:** The two broad areas of capital are the capital improvement program (CIP) (which includes infrastructure and major projects) and 'other' which includes fleet, computers, plant and furniture. Expenditure is recognised as capital if it is significant in value and results in assets which have a useful life in excess of at least one year.
- 7. Budget information:** The Original Budget information contained in the report is the budget approved by Council on 22 June 2020. The year to date budget in this report reflects the Amended Budget as adopted by Council on 14 September 2020. The Amended Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2019-20.
- 8. Cash Flow Statement:** Reflects the actual cash movements during the year.
- 9. Restricted cash:** These are monies set aside for specific purposes and are not readily available for day to day operations or general capital works. They include funds set aside towards meeting long service leave commitments (required by government regulations), statutory reserves (eg. open space contributions) and other funds that are committed towards specific purposes.

4.2.1 Q1 Quarterly Performance Report (Cont.)

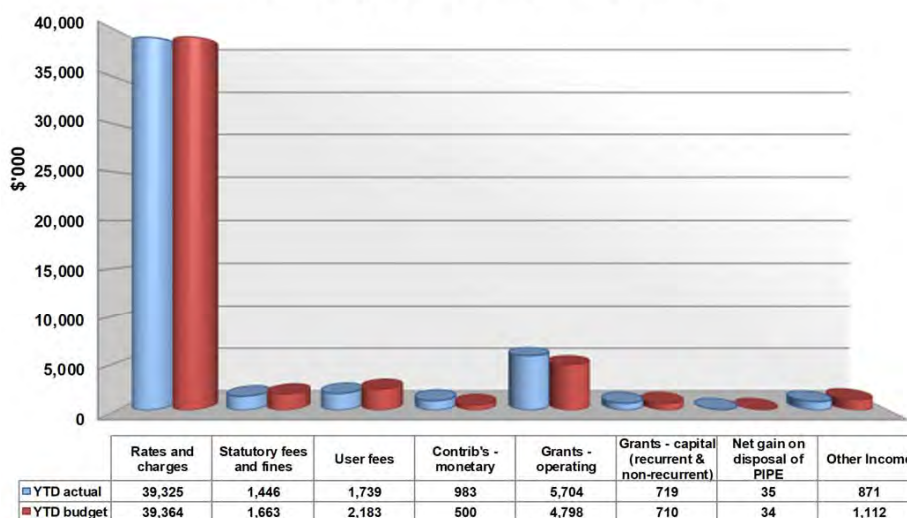


Financial Report for the period 1 July 2020 – 30 September 2020

**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 2020 - 30 September 2020**



Income for the period ended 30 September 2020 is favourable against budget. This is primarily due to the following:

**Grants – operating (\$906,000 favourable)** – Receipt of unbudgeted grant funding for the Work for Victoria fund (Corporate Accounting \$498,000), Community Revitalisation Project (Business Networks \$126,000) and Drug Strategy program (Community Wellbeing \$34,000) combined with additional funding received for Family Day Care (\$347,000) and Child First (\$101,000).

These favourable variances are partly offset by lower than anticipated grant funding based on target achievement for Home and Community Care (\$353,000) and Planned Activity Group (\$57,000).

These items will be considered during the Mid-Year Budget review.

**Contributions – monetary (\$483,000 favourable)** – Favourable variance due to better than anticipated income from public open space contributions (Non-Directorate \$483,000). The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves.

---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

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

**User fees (\$444,000 unfavourable)** – Mainly due to a reduction in the Family Day Care (FDC) administration levy fee income which is offset by higher FDC grant subsidy income (Community Services \$269,000) and unfavourable variances in fee income from parking ticket machines/meters, parking permits and building permits (City Planning, Design and Amenity \$176,000 due to COVID restrictions).

**Other income (\$241,000 unfavourable)** – Due to lower than anticipated interest returns on investments mainly due to lower interest rates (Non-Directorate \$171,000). It is anticipated that a further reduction in interest income for the full year is estimated to be around \$800,000 and will be referred to the Mid-Year Budget Review process.

**Statutory fees and fines (\$217,000 unfavourable)** – Due to lower than anticipated income from parking and animal infringements (Regulatory Services \$119,000), planning applications, local laws, health and food infringements (Building and Compliance Services \$97,000).

*Councils revenue streams continue to be impacted by COVID restrictions in addition to those already factored into the 2020-21 Adopted Budget. A full review of the permanent impact on the 2020-21 Budget is currently being undertaken.*

4.2.1 Q1 Quarterly Performance Report (Cont.)

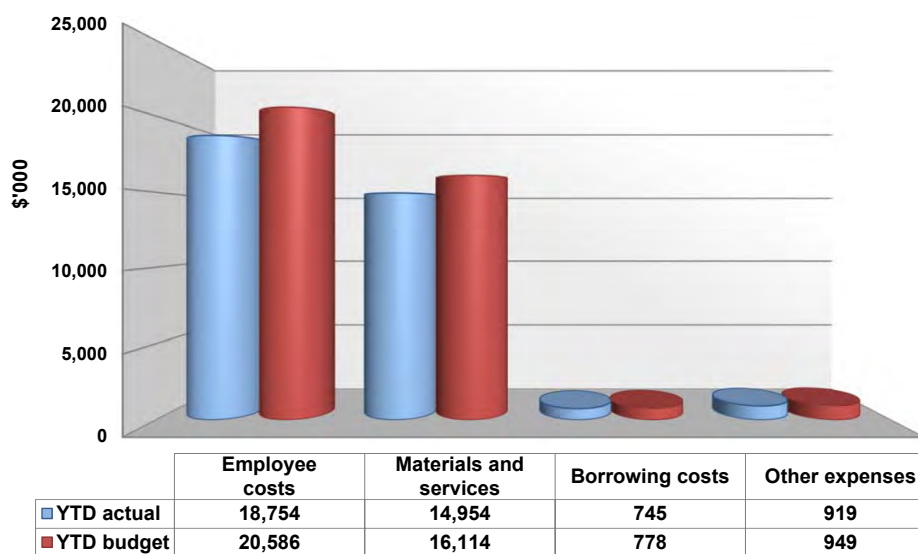


Financial Report for the period 1 July 2020 – 30 September 2020

**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 2020 to 30 September 2020**



Actual expenditure at 30 September 2020 against the budget is favourable by \$2.51 million. The major variances are in employee costs and materials and services.

**Employee costs (\$1.83 million favourable)** – This favourable variance is mainly due to staff recruitment occurring later than planned and a delay in commencement of grant funded projects (Community Services \$1.34 million, City Planning, Design and Amenity \$399,000 and Corporate Services \$146,000). Of the \$1.34 million favourable variance in Community Services, \$626,000 relates to grant funded programs which require an acquittal.

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

Financial Report for the period 1 July 2020 – 30 September 2020

**Materials and services (\$1.16 million favourable)** – The major items contributing to this favourable variance are:

- Contract services (\$623,000) – mainly due to delay in commencement of works and receipt of invoices (Engineering Services \$514,000).
- Utilities (\$426,000) – mainly due to lower than anticipated street lighting costs to date (Engineering Services \$302,000).
- Administration costs (\$290,000) – lower than anticipated expenditure across a range of accounts including promotions, community education, postage/courier, printing/stationery, Council publications, fuel, postage, advertising and events (Community Services \$125,000, Engineering Services \$63,000 and Corporate Services \$51,000).

The favourable variances detailed above are partly offset by an unfavourable variance in insurance premium costs which will be referred to the Mid-Year Budget review (Risk Management \$165,000).

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**

Financial Report for the period 1 July 2020 – 30 September 2020

**C. Balance Sheet**

Council's net assets are valued at \$2.25 billion at 30 September 2020.

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

**Cash and cash equivalents (\$167.89 million)** – Represent the amount held by Council in cash or term deposits. Please note that this amount includes \$128.94 million of funds "restricted" for various purposes. These are detailed in the notes to the cash flows that follow in **section D** and a graphical presentation in **Appendix 2**.

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

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

**Financial assets (\$nil)** – Decrease in financial assets reflects the maturity of \$2 million in investments placed in Green Tailored Deposits with a term of greater than three months (matured in August 2020).

**Trade and other receivables (\$125.36 million)** – This balance includes:

- Rate debtors \$109.73 million.
- Infringement debtors of \$9.17 million (net of provision for doubtful debts).
- General debtors \$6.46 million (net of provision for doubtful debts).

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

**Other assets (\$640,000)** – This balance includes:

- Prepayments \$276,000 - expenses prepaid at 30 September 2020.
- Other deposits \$188,000 – represents \$75,000 deposit for Metropolitan Waste and Resource Recovery Group organic waste processing contract and \$112,000 deposit paid for acquisition of properties at 50 Halpin Way and 235 Lonsdale Street, Dandenong due to be settled by December 2020.
- Accrued income \$176,000 – income earned but cash not yet received at 30 September 2020.

**Non-current assets classified as held for sale (\$1 million)** – This represents the sale of a car park land asset at 2 Mason Street, Dandenong that is anticipated to be settled by December 2020 as part of a three way land swap with Development Victoria (related property acquisition deposit included in 'Other assets' note above).

---

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

### C2. Non-current assets

**Property, infrastructure, plant and equipment (\$2.19 billion)** – Includes Council roads, drains, buildings, plant and other fixed assets. These values are reflected after recognising the depreciation allowed against each asset.

**Investment property (\$11.81 million)** is separately classified from 'Property, infrastructure, plant and equipment' in accordance with Australian Accounting Standards. Any adjustment to the fair value of these assets is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right-of-use assets (\$853,000)** – Represents leased (right-of-use) assets in accordance with the new Accounting Standard AASB 16 'Leases'. Includes property, fleet, IT and office equipment that have been leased under ordinary lease arrangements.

**Intangible assets (\$124,000)** – Represents computer software assets that were transferred from 'Property, infrastructure, plant and equipment' to 'Intangible assets' in 2019-20. These values are reflected after recognising the amortisation expense.

**Other financial assets (\$nil)** – The decrease in this item reflects Council's previous share-holding of \$230,000 in Regional Kitchen Pty Ltd which will not be returned.

**Trade and other receivables (\$305,000)** - \$232,000 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site and a \$73,000 refundable bond paid to Community Chef (which is expected to be returned to Council).

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

**Trade and other payables (\$4.77 million)** – This balance includes trade creditors arising from operations and capital works.

**Trust funds and deposits (\$13.71 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 (\$7.07 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Other deposits (\$2.93 million).
- Road deposits (\$2.43 million).
- Landscape deposits (\$751,000).
- Open space contributions (\$534,000).

**Unearned income (\$40.50 million)** – Represents income not yet earned in accordance with the new Accounting Standards AASB 1058 'Income of Not-For-Profit Entities' and AASB 15 'Revenue from Contracts with Customers' based on specific performance obligations that were not complete at 30 September 2020 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$28.95 million)
- Operating grants (\$6.70 million)
- Capital grants (\$4.77 million)
- Other (\$76,000).

---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**Provisions (\$20.42 million)** – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
  - Long service leave entitlements - \$11.64 million.
  - Annual leave entitlements - \$7.73 million.
  - Rostered days off (RDO) - \$560,000.
- Landfill provision - \$489,000 - 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 (\$2.45 million)** – Represent the remaining repayment of long-term borrowings during 2020-21.

**Lease liabilities (\$571,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2020-21 and mainly comprise of property and information technology related lease obligations.

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

**Provisions (\$1.28 million)** – Represents the provisions estimated to be paid beyond the 2020-21 financial year and comprises long service leave entitlements for employees (\$768,000) and landfill provision for restoration of Spring Valley landfill site (\$515,000) (Council's share is 19.88% of the total future estimated costs).

**Trust funds and deposits (\$313,000)** – Represents deposits that are payable beyond the 2020-21 financial year and comprises landscape deposits of \$278,000 and contractor deposits of \$35,000.

**Interest-bearing liabilities (\$56.64 million)** – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

**Lease liabilities (\$351,000)** – represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months and mainly comprise of property and information technology related lease obligations.



---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

### 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 \$167.89 million at 30 September 2020, an increase of \$13.33 million since 30 June 2020. Total cash and investment holdings are made up of operating cash (\$38.96 million) and restricted cash (\$128.94 million).

Please refer to the next page for a detailed listing of Restricted Cash items, which are set aside for specific purposes.

**Cash flows from operating activities** – net inflow of \$29.22 million.

The major inflows are rates \$48.23 million, grants \$8.13 million, trust funds and deposits taken \$7.64 million, user fees \$2.13 million, monetary contributions \$1.55 million and statutory fees and fines \$1.23 million.

The major outflows are materials and services \$20.77 million, employee costs \$19.00 million and trust funds and deposits repaid \$2.10 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.

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**Cash flows from investing activities** – net outflow of \$14.25 million, including:

- \$16.30 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.
- \$2.00 million of proceeds from funds held at 30 June 2020 in tailored deposits with a maturity of greater than three months.
- \$49,000 proceeds on asset sales mainly relating to the fleet replacement program.

**Cash flows from financing activities** – outflow of \$1.64 million. Council incurred \$748,000 in finance costs on its borrowings and repaid \$802,000 of existing loans. In accordance with the new Accounting Standard AASB 16 'Leases', Council incurred \$2,000 in finance costs on leases and repaid \$91,000 of its leased liabilities as at 30 September 2020.

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

Type	30 Sep 2020	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	20,124	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	10,154	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	1,785	To fund acquisitions of new open space land.
Major projects reserve	26,001	Holds funds realised from the sale of Council's property assets or surplus Council funds that will be utilised for investing in other properties or funding future major projects.
Keysborough South Maintenance Levy	3,077	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	881	This reserve is for the rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	394	These funds are to meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	981	This fund has been created to meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	236	This reserve is to fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	1,086	This reserve is to fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	334	Funds set aside for the aged care reforms.
Future maintenance reserve	214	Contribution funds for future works to address level crossing removal authority defects.
<b>Total reserve funds</b>	<b>65,267</b>	

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

Type	30 Sep 2020	Notes
<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	12,408	Funds set aside to meet long service leave commitments.
Annual leave and other	8,286	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Employee provisions</b>	<b>20,694</b>	
<b>Trust funds and deposits</b>	<b>\$'000</b>	
Fire services property levy (FSPL) collected and due	7,070	Payable to State Revenue Office – legislative requirement.
Open space contributions	534	Pending completion of works.
Landscape deposits	1,029	Pending completion of works.
Road deposits	2,427	Pending completion of works.
Other trust funds and deposits	2,966	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>14,026</b>	
<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	28,949	Pending completion of works by developers.
<b>Other restricted funds</b>	<b>28,949</b>	
<b>Total restricted cash</b>	<b>128,936</b>	

**4.2.1 Q1 Quarterly Performance Report (Cont.)**Financial Report for the period 1 July 2020 – 30 September 2020

---

**Statement of Capital Works**

Total capital expenditure at 30 September 2020 was \$11.15 million. A further \$16.85 million was committed at the end of September. The following **CIP Expenditure Report** contains the expenditure status of each of the approved capital projects.

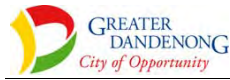
The timing of cash outflows and project completion can differ for capital projects. Commentary on the status of each project with major year to date variances is provided below (i.e. variances greater than \$300,000). Please note that the variances detailed below are the total of all asset classes by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

**Property**

- **3975 86-88 Clow Street, Dandenong (\$2.67 million unfavourable)** – Unbudgeted open space property acquisition which will be funded from the Open Space Acquisition reserve and adjusted in the Mid-Year Budget review.
- **3396 2A Frank Street, Noble Park (\$1.40 million unfavourable)** – Unbudgeted open space property acquisition which will be funded from the Open Space Acquisition reserve and adjusted in the Mid-Year Budget review.

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

# Appendix 1

# Capital Expenditure

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

## CIP Expenditure Report

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL AMENDED BUDGET	ANNUAL ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$
<b>PROPERTY</b>						
<b>Buildings</b>						
3043. Springvale Community Precinct	1,120,792	1,096,000	(24,792)	172,226	2,221,060	500,000
3219. Thomas Carroll Pavilion	-	-	-	10,200	2,457,975	-
3362. Springvale City Hall	-	-	-	-	25,000	25,000
3547. George Andrews Reserve-Bld Modific.	-	-	-	-	330,000	330,000
3548. Keysborough South Community Hub Dev	96,376	118,500	22,125	450,446	3,619,621	2,575,108
3792. Dandenong Mkt Back of House-Coolrm	576,682	577,688	1,006	37,232	720,876	580,000
3793. Dandenong Market Utility Srv Infra	-	-	-	-	100,000	100,000
3802. Building Energy Efficiency Program	90,891	-	(90,891)	-	-	-
3805. Municipal Early Years Infrast. Plan	-	-	-	-	60,164	-
3813. Shalimar Kindergarten MCH	2,825	-	(2,825)	-	-	-
3814. D'nong Nth Senior Citizen Ctr Latha	-	-	-	1,500	477,076	-
3873. Building Renewal Prg.- DDA	-	2,250	2,250	-	45,000	45,000
3874. Building Renewal Prg.- HVAC	30,261	22,150	(8,111)	94,828	310,000	310,000
3876. Building Renewal Prg.- Bathroom	24,861	5,750	(19,111)	74,754	115,000	115,000
3877. Building Renewal Prg.- Flooring	71,071	33,650	(37,421)	-	122,000	122,000
3878. Building Renewal Prg.- Lift Refurb.	41,910	28,375	(13,535)	-	28,375	-
3879. Building Renewal Prg.- Minor Works	73,608	45,000	(28,608)	16,771	45,000	45,000
3880. Building Renewal Prg.- Roof	5,410	18,500	13,090	54,014	275,000	275,000
3883. Building Renewal Prg.- Kitchen & Eq	45,968	25,465	(20,503)	157,707	224,300	224,300
3902. Ross Reserve Pavilion	74,004	57,000	(17,004)	48,420	2,000,000	2,000,000
3904. Building Renewal Prg. - Theatre	107,415	131,400	23,985	109,388	576,000	576,000
3905. Building Renewal Prg. - Window	3,131	-	(3,131)	-	-	-
3906. Greater D'nong Gallery of Art	145,724	150,000	4,276	4,692,733	6,444,993	1,500,000
3908. Oasis/NPAC Design Dev't	54,897	55,000	103	42,178	178,067	-
3945. CCTV Renewal Program	12,620	15,000	2,380	-	30,000	30,000
3946. Building Renewal Prg.-Aquatic & Lei	153,802	117,200	(36,602)	40,945	558,000	558,000
3947. Building Renewal Prg.- Project	-	7,500	7,500	-	150,000	150,000
3948. D'nong Mkt (Fruit & Veg) Floor&Roof	1,800	5,000	3,200	3,500	130,000	130,000
3949. NPAC Redevelopment	38,188	-	(38,188)	320,762	-	-
3950. Robert Booth Baseball Design&Constr	-	-	-	-	20,000	20,000
3951. Ross Res P/grnd-Change Plc Toilet	-	-	-	-	300,000	300,000
3952. S/Vale Library/Civic-Storage&Equip	-	-	-	-	100,000	100,000
3953. Balmoral Ave Car Park	5,400	3,000	(2,400)	31,770	400,000	400,000
3972. Local Roads Community Infrast. Prog.	-	-	-	-	500,000	500,000
3974. D'nong Aquatic & Wellbeing Ctr	-	-	-	35,105	2,000,000	2,000,000
<b>Leasehold Improvements</b>						
3819. Police Paddocks Res. Concept Plan	7,450	-	(7,450)	-	-	-
3941. Police Paddocks Res. Grandstand	-	-	-	-	434,860	-
3954. Police Paddocks Changerooms	8,400	6,000	(2,400)	5,600	202,385	202,385
<b>Land</b>						
3396. 2A Frank St Noble Park	1,404,457	-	(1,404,457)	-	-	-
3975. 86-88 Clow St Dandenong	2,669,526	-	(2,669,526)	-	-	-
3989. DCP - 875 Taylors Road (LRO6b)	4,014	3,500	(514)	-	396,932	-
<b>Total property</b>	<b>6,871,479</b>	<b>2,523,928</b>	<b>(4,347,551)</b>	<b>6,400,077</b>	<b>25,597,684</b>	<b>13,712,793</b>

Please note: **Land** – property purchases at 2A Frank Street, Noble Park and 86-88 Clow Street, Dandenong are both funded from the open space land acquisitions reserve.

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**CIP Expenditure Report**

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL AMENDED BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>PLANT AND EQUIPMENT</b>						
<b>Plant, machinery and equipment</b>						
1445. Fleet Purchases	2,661	133,121	130,460	61,383	2,662,410	2,662,410
1447. Fleet New Program	53,458	-	(53,458)	-	244,000	244,000
<b>Library books</b>						
3104. Library Resources	96,356	106,656	10,300	730,306	859,560	859,560
<b>Computers and telecommunications</b>						
3827. Increase Wi-Fi Cover-Variou Locatn	-	-	-	-	20,000	20,000
3902. Ross Reserve Pavilion	-	-	-	-	45,000	-
3911. Dandenong Stadium Wi-Fi	-	-	-	-	10,000	10,000
3913. People Counters Installation	3,045	-	(3,045)	520	-	-
3914. Asset Management System	209,555	210,000	445	419	915,258	216,612
3918. Drum Theatre Ticketing System	-	-	-	-	137,161	-
3919. Digital Infrastructure (Website)	7,442	-	(7,442)	-	100,000	100,000
3956. 39A Clow-Security Eq,Software&Radio	13,200	15,000	1,800	1,800	15,000	15,000
3957. Audio Visual Equipment Renewal	-	1,250	1,250	-	25,000	25,000
3958. D'nong Civic Ctr-Security Eq&S'ware	79,032	75,000	(4,032)	30,968	110,000	110,000
3959. Emergency Relief Centres-Equipment	3,624	5,000	1,376	656	60,000	60,000
3960. Menzies Ave CCTV	-	-	-	7,370	20,000	20,000
<b>Fixtures, fittings and furniture</b>						
3314. Public hall equipment	15,041	20,000	4,959	18,512	400,000	400,000
3952. S/Vale Library/Civic-Storage&Equip	-	-	-	-	10,000	10,000
3955. MCH Blinds-Chandler & Darren Reserv	-	-	-	-	16,000	16,000
<b>Total plant and equipment</b>	<b>483,413</b>	<b>566,027</b>	<b>82,614</b>	<b>851,935</b>	<b>5,649,389</b>	<b>4,768,582</b>

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

## CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL AMENDED BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>INFRASTRUCTURE</b>						
<b>Parks, open space and streetscapes</b>						
1629. 275 Lonsdale St Dnong-Vanity Lane	-	-	-	90,000	1,175,000	1,175,000
1747. Barry Powell Reserve Master Plan	-	-	-	3,091	99,049	-
1748. Spring Valley Reserve Master Plan	-	-	-	59,091	38,724	-
1761. 6-8 Fifth Ave - Reserve Development	-	-	-	-	100,000	100,000
1762. 90 Gove St - Reserve Development	-	-	-	-	100,000	100,000
1796. Wal Turner Reserve Master Plan	27,730	30,000	2,270	44,015	998,591	-
2117. 89 Douglas Street Noble Park	697	2,500	1,803	-	80,000	80,000
3065. Public Place Recycling Bin Instal.	-	-	-	-	39,192	-
3141. Thomas St Precinct Enhance(Afghan)	-	-	-	-	17,511	-
3192. Douglas st. s/scape improv.proj.	-	-	-	-	1,181,543	-
3248. DCP Keysb. Sth Industrial Buffer	3,768	-	(3,768)	28,886	109,229	-
3272. Indigenous Public Art SCP	2,560	2,600	40	-	61,000	-
3454. Dogs off leash program	29,605	37,500	7,895	22,454	150,000	150,000
3490. Springvale Road Boulevard	1,508	1,600	92	115,486	4,069,601	-
3631. Dandenong Park Master Plan	790,425	800,000	9,575	661,010	2,200,915	1,000,000
3747. Streetscapes - Activity Centres	-	-	-	-	50,000	50,000
3848. Hemmings SC Streetscape	86,284	39,000	(47,284)	211,395	100,000	100,000
3849. Frederick Wachter Res. Master Plan	2,415	1,500	(915)	350	1,310,626	510,000
3853. Parkfield Res. Master Plan Impl.	11,078	2,000	(9,078)	41,168	1,244,901	1,050,000
3854. Burden Park Res. Master Plan Imp.	304,748	300,000	(4,748)	413,964	787,104	20,000
3900. Ross Reserve Plaza/Play/Oval/Path	61,620	60,000	(1,620)	326,666	535,755	-
3929. Act Crt Strat Plan Imp - D'nong	1,500	-	(1,500)	18,480	443,393	-
3930. Act Crt Strat Plan Imp - NPark	6,765	5,000	(1,765)	8,781	50,000	-
3931. Guardrail Upgrade Program	8,670	9,000	330	-	122,081	-
3932. Open Space Infra Renewal Prg	39,755	35,000	(4,755)	55,758	160,000	160,000
3933. Sports Lighting Plan Imp.	4,618	-	(4,618)	72,618	400,000	-
3934. Parking Sensor Implementation	-	-	-	462,427	344,508	-
3936. Glendale Reserve Landscaping	-	-	-	-	150,000	-
3940. Ross Reserve Comm Ctr Car Park	-	-	-	454,024	499,452	-
3943. Keysb Sth Comm Hub Dog Off Leash	-	-	-	-	62,938	-
3967. D'nong Act Ctr- Streetscape	-	-	-	-	25,000	25,000
3968. Norman Luth Reserve Lighting	11,472	2,500	(8,972)	5,020	376,365	376,365
3969. Thomas Carroll-Cricket/Play/Light	-	-	-	-	15,000	15,000
3970. Alan Corrigan Exercise Equipment	-	-	-	-	60,000	60,000
3971. D'nong/D'nong Nth-Sensory Nature Tr	-	-	-	-	100,000	100,000
3973. Signage Renewal Program	-	5,500	5,500	25,320	110,000	110,000
<b>Recreational, leisure and community facilities</b>						
3209. Active Reserves Program	25,998	30,000	4,002	3,807	335,000	335,000
3518. Harmony Square Entrance Protection	-	-	-	-	30,000	-
3794. Tatterson Park Masterplan	43,276	50,000	6,724	365,076	435,671	-
3837. Greaves Res. Tennis Court Resurf.	-	-	-	-	95,276	-
3900. Ross Reserve Plaza/Play/Oval/Path	-	-	-	2,147,404	1,998,252	-
3926. Sports Facilities Plan Imp.	(96)	-	96	-	-	-
3963. Ian Tatterson Leisure Park Cricket	3,178	4,000	822	35,149	60,000	60,000
3964. Warner Reserve Recreation Space	-	-	-	-	350,900	350,900
3965. Red Gum Rest - Shade	-	-	-	89,800	120,000	120,000
3966. Tirhatuan Park - Basketball Court	-	-	-	4,700	175,000	175,000
3969. Thomas Carroll-Cricket/Play/Light	-	-	-	-	430,000	430,000



## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

## CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL AMENDED BUDGET \$	ANNUAL ORIGINAL BUDGET \$
<b>Roads</b>						
1627. Springvale Road Traffic Signals	6,697	-	(6,697)	-	-	-
1629. 275 Lonsdale St Dnong-Vanity Lane	33,536	3,500	(30,036)	51,128	90,000	-
3080. Abbots Road DCP item L102	-	-	-	-	4,806,087	4,806,087
3231. Local Road Upgrade & Reconstruction	14,578	14,600	22	60,103	165,133	-
3373. Municipal wide, Kerb and Channel	30,383	54,450	24,067	160,087	500,000	500,000
3418. Municipal Wide.LATM post audit	9,500	28,675	19,175	477,957	450,000	450,000
3752. Local Road Rehab.Prg-Implement R2R	-	-	-	-	507,817	507,817
3753. Local Road Surf./Rehabit. Prg.	52,511	262,500	209,989	438,786	5,250,000	5,250,000
3828. Activity Centre Proj. Mason St	45,310	33,000	(12,310)	19,390	488,779	-
3831. Bakers Rd, D'nong Nth Alter.Cross	-	-	-	-	26,200	-
3923. Cheltenham Rd/Chandler Rd	222,953	220,000	(2,953)	15,492	241,666	-
3934. Parking Sensor Implementation	-	-	-	-	200,000	200,000
3938. Kerb & Channel Resurfacing Program	544,793	499,800	(44,993)	761,673	1,750,000	1,750,000
3942. Black Spot Works Program	222,677	15,190	(207,487)	15,195	210,676	-
3944. Keysb Sth Comm Hub Access Road	-	-	-	-	2,000,000	2,000,000
3961. Road Reconst Program - Geotechnical	-	-	-	-	50,000	50,000
3962. Bakers Road Service Road	-	-	-	-	180,000	180,000
3972. Local Roads Community Infrs. Prog.	-	-	-	-	517,807	517,807
3990. DCP - Chapel Rd Upg & Traffic Lght	284,964	156,237	(128,727)	9,000	156,237	-
3992. DCP - Perry Road South Upgrade	5,274	-	(5,274)	-	-	-
<b>Bridges</b>						
3185. Municipal Wide - Bridges	-	5,000	5,000	-	100,000	100,000
<b>Footpath and cycleways</b>						
3174. Active Transport Infra.Priority Pat	-	10,000	10,000	-	200,000	200,000
3355. Municipal Wide-Footpath Renewal	284,633	297,500	12,867	179,003	1,400,000	1,400,000
<b>Off street car parks</b>						
3794. Tatterson Park Masterplan	507,069	500,000	(7,069)	1,067,072	1,648,918	-
3901. Ross Reserve Access Road	-	-	-	74,000	174,717	-
3937. Car Park Renewal Program	18,461	14,612	(3,849)	691	153,645	-
<b>Drainage</b>						
3019. Major Drainage Renewal Prg.	18,310	39,500	21,190	41,970	410,000	410,000
3129. Drainage program	-	19,239	19,239	384,745	384,770	-
3939. Drainage Reactive Renewal Program	20,785	12,500	(8,285)	70,436	250,000	250,000
<b>Total infrastructure</b>	<b>3,790,011</b>	<b>3,604,003</b>	<b>(186,008)</b>	<b>9,592,666</b>	<b>43,710,029</b>	<b>25,223,976</b>
<b>GRAND TOTAL</b>	<b>11,144,903</b>	<b>6,693,958</b>	<b>(4,450,945)</b>	<b>16,844,679</b>	<b>74,957,102</b>	<b>43,705,351</b>

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

# Appendix 2

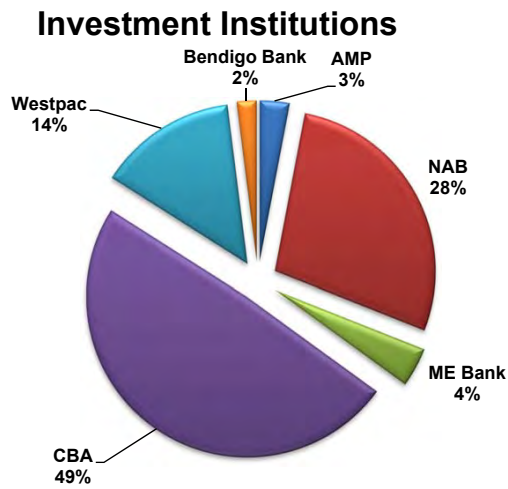
## Investment Analysis

4.2.1 Q1 Quarterly Performance Report (Cont.)



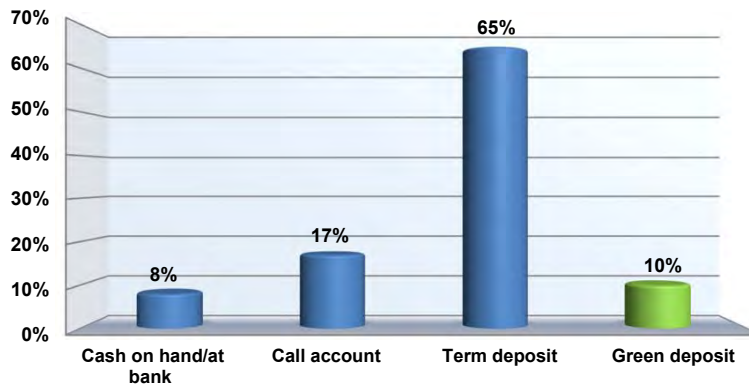
Financial Report for the period 1 July 2020 – 30 September 2020

Cash and Investments



Policy limit - no single institution shall comprise more than 35% of the total investment portfolio, unless the investment is with Council's banker (CBA).

Portfolio Products



**Note: Green deposit:** 10% (or \$17.15 million) was invested at 30 September 2020 in investments that are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

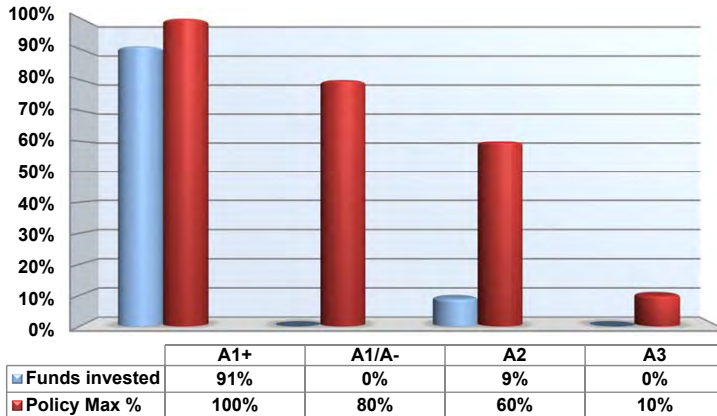
4.2.1 Q1 Quarterly Performance Report (Cont.)



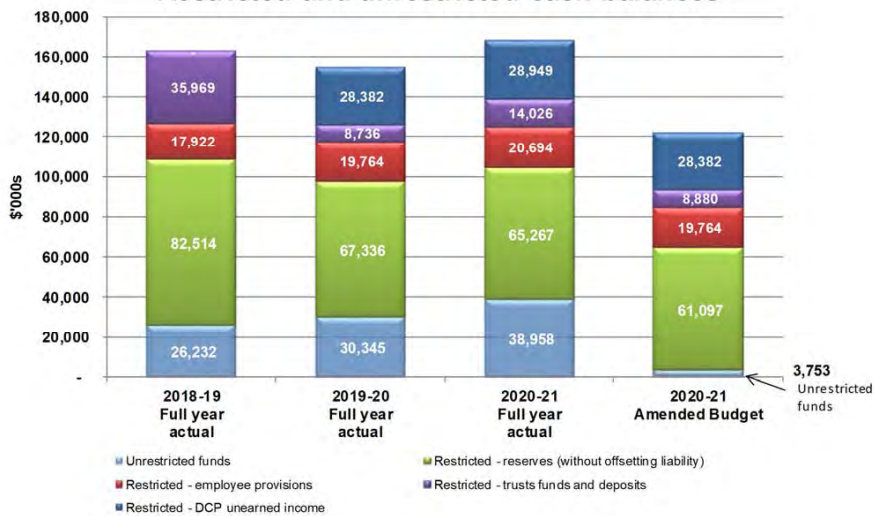
Financial Report for the period 1 July 2020 – 30 September 2020

Cash and Investments

Investment Credit Rating



Restricted and unrestricted cash balances



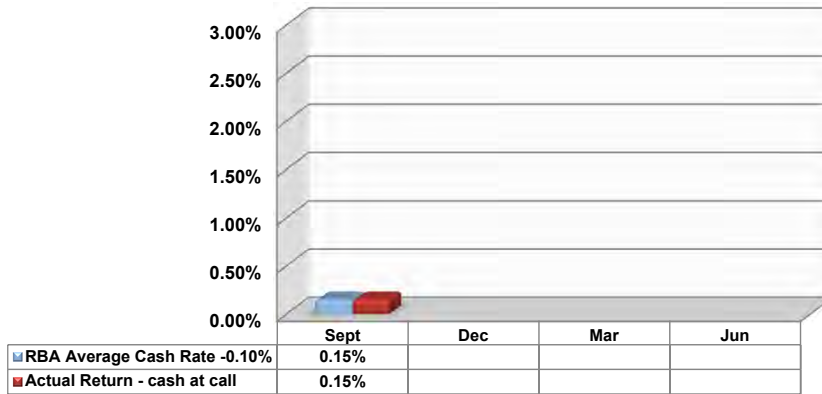
Note - DCP unearned income was previously classified in trust funds and deposits (2018-19 and prior).

4.2.1 Q1 Quarterly Performance Report (Cont.)

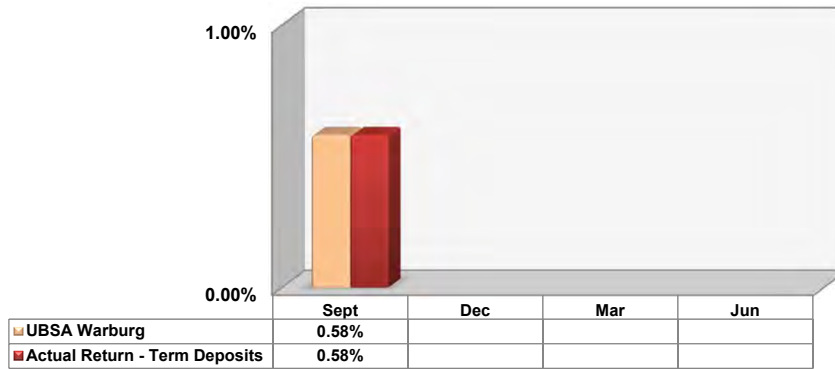


Financial Report for the period 1 July 2020 – 30 September 2020

**Benchmark Indicator - Cash at Call**



**Benchmark Indicator - Term/Green Deposits**

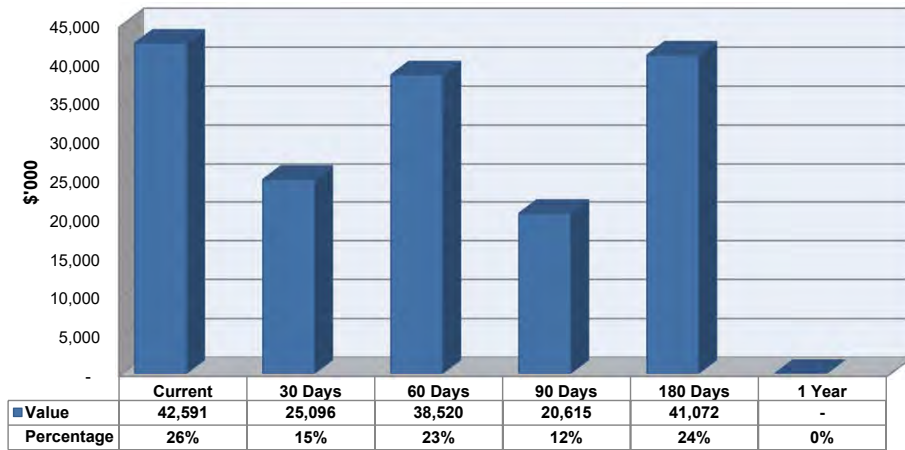


**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

**Portfolio Length**



---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

---

# Appendix 3

## Directorate Analysis

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

Total Operating Results

CGD BY DIRECTORATE

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Chief Executive Office	-	-	-	-	-
Greater Dandenong Business	126	35	91	196	196
Corporate Services	431	430	1	2,691	2,691
Engineering Services	6,065	6,007	58	27,043	24,776
City Planning Design and Amenity	2,814	3,165	(351)	13,244	13,218
Community Services	3,719	3,819	(100)	20,617	20,602
Non-Directorate <sup>(a)</sup>	37,257	36,511	746	154,774	160,898
Capital Works Program	723	710	13	10,708	4,154
<b>Total income</b>	<b>51,135</b>	<b>50,677</b>	<b>458</b>	<b>229,273</b>	<b>226,535</b>
<b>Expenses</b>					
Chief Executive Office	147	141	(6)	788	788
Greater Dandenong Business	951	1,024	73	4,709	4,299
Corporate Services	7,034	7,118	84	23,280	23,280
Engineering Services	12,024	12,648	624	68,050	64,637
City Planning Design and Amenity	3,527	3,976	449	18,335	18,256
Community Services	10,324	12,138	1,814	51,458	47,828
Non-Directorate <sup>(a)</sup>	9,780	9,252	(528)	37,850	37,689
Capital Works Program	-	-	-	-	-
<b>Total expenses</b>	<b>43,787</b>	<b>46,297</b>	<b>2,510</b>	<b>204,470</b>	<b>196,777</b>
<b>Net surplus (deficit)</b>	<b>7,348</b>	<b>4,380</b>	<b>2,968</b>	<b>24,803</b>	<b>29,758</b>

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

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



4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**CEO DIRECTORATE**

**OPERATING RESULT**

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Other income	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-
<b>Expenses</b>					
Employee costs	147	140	(7)	586	586
Materials and services	-	-	-	96	96
Other expenses	-	1	1	106	106
<b>Total expenses</b>	<b>147</b>	<b>141</b>	<b>(6)</b>	<b>788</b>	<b>788</b>
<b>Net surplus (deficit)</b>	<b>(147)</b>	<b>(141)</b>	<b>(6)</b>	<b>(788)</b>	<b>(788)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
CEO	-	-	-	-	-
<b>Total income</b>	-	-	-	-	-
<b>Expenses</b>					
CEO	147	141	(6)	788	788
<b>Total expenses</b>	<b>147</b>	<b>141</b>	<b>(6)</b>	<b>788</b>	<b>788</b>
<b>Net surplus (deficit)</b>	<b>(147)</b>	<b>(141)</b>	<b>(6)</b>	<b>(788)</b>	<b>(788)</b>

**Notes:**

No comments required for this directorate.

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**GREATER DANDENONG BUSINESS GROUP**

**OPERATING RESULT**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
User fees		-	-	-	6	6
Grants - operating	1	126	-	126	-	-
Other income		-	35	(35)	190	190
<b>Total income</b>		<b>126</b>	<b>35</b>	<b>91</b>	<b>196</b>	<b>196</b>
<b>Expenses</b>						
Employee costs	2	626	679	53	2,846	2,806
Materials and services		324	339	15	1,682	1,365
Other expenses		1	6	5	181	128
<b>Total expenses</b>		<b>951</b>	<b>1,024</b>	<b>73</b>	<b>4,709</b>	<b>4,299</b>
<b>Net surplus (deficit)</b>		<b>(825)</b>	<b>(989)</b>	<b>164</b>	<b>(4,513)</b>	<b>(4,103)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Greater Dandenong Business Executive	-	-	-	(1)	(1)
Business Networks	126	1	125	50	50
Activity Centres Revitalisation	-	-	-	6	6
Major Projects	-	33	(33)	135	135
Economic Development	-	1	(1)	6	6
<b>Total income</b>	<b>126</b>	<b>35</b>	<b>91</b>	<b>196</b>	<b>196</b>
<b>Expenses</b>					
Greater Dandenong Business Executive	95	101	6	424	424
Business Networks	182	195	13	884	747
Activity Centres Revitalisation	226	229	3	1,375	1,102
Major Projects	123	114	(9)	550	550
Economic Development	325	385	60	1,476	1,476
<b>Total expenses</b>	<b>951</b>	<b>1,024</b>	<b>73</b>	<b>4,709</b>	<b>4,299</b>
<b>Net surplus (deficit)</b>	<b>(825)</b>	<b>(989)</b>	<b>164</b>	<b>(4,513)</b>	<b>(4,103)</b>

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

---

**Greater Dandenong Business Group**

**Income**

**Note 1 Grants - operating (\$126,000 favourable)** – Unbudgeted grant received from the Department of Jobs, Precincts and Regions (Community Revitalisation Project (\$120,000)). This grant will be offset against corresponding expenditure and adjusted in the Mid-Year Budget review.

**Expenditure**

**Note 2 Employee costs (\$53,000 favourable)** – The favourable variance is primarily due to vacant positions (Economic Development \$51,000).

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**CORPORATE SERVICES DIRECTORATE**

**OPERATING RESULT**

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Statutory fees and fines	18	28	(10)	111	111
User fees	(1)	5	(6)	21	21
Other income	414	397	17	2,559	2,559
<b>Total income</b>	<b>431</b>	<b>430</b>	<b>1</b>	<b>2,691</b>	<b>2,691</b>
<b>Expenses</b>					
Employee costs	3	3,176	3,326	150	14,134
Materials and services		3,482	3,452	(30)	7,479
Other expenses		376	340	(36)	1,667
<b>Total expenses</b>	<b>7,034</b>	<b>7,118</b>	<b>84</b>	<b>23,280</b>	<b>23,280</b>
<b>Net surplus (deficit)</b>	<b>(6,603)</b>	<b>(6,688)</b>	<b>85</b>	<b>(20,589)</b>	<b>(20,589)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Corporate Services Executive	-	-	-	-	-
Communications and Customer Service	(8)	70	(78)	559	559
Governance	380	310	70	1,748	1,748
Information Technology	-	-	-	-	-
Financial Services	46	45	1	363	363
People and Procurement Services	13	5	8	21	21
<b>Total income</b>	<b>431</b>	<b>430</b>	<b>1</b>	<b>2,691</b>	<b>2,691</b>
<b>Expenses</b>					
Corporate Services Executive	134	144	10	609	609
Communications and Customer Service	1,127	1,379	252	6,188	6,188
Governance	712	833	121	3,248	3,248
Information Technology	2,382	2,305	(77)	5,186	5,186
Financial Services	713	674	(39)	2,889	2,889
People and Procurement Services	1,966	1,783	(183)	5,160	5,160
<b>Total expenses</b>	<b>7,034</b>	<b>7,118</b>	<b>84</b>	<b>23,280</b>	<b>23,280</b>
<b>Net surplus (deficit)</b>	<b>(6,603)</b>	<b>(6,688)</b>	<b>85</b>	<b>(20,589)</b>	<b>(20,589)</b>

---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

### Corporate Services Directorate

#### Expenditure

**Note 3 Employee costs (\$150,000 favourable)** – The favourable variance is primarily due to vacant positions and a reduction in the use of casuals (Call and Service Centres \$89,000, Civic Facilities \$77,000, Records Management \$14,000 and Organisational Development Executive \$11,000) and timing of delivery of programs (Occupational, Health and Safety \$17,000).

This favourable variance is partly offset by the retirement of a staff member (Property Revenue \$32,000) and staff yet to take leave (Information Technology Executive \$16,000).

## ORDINARY COUNCIL MEETING - MINUTES

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

## ENGINEERING SERVICES DIRECTORATE

### OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Rates and charges	5,631	5,607	24	22,438	22,438
Statutory fees and fines	4	51	104	(53)	413
User fees	135	128	7	607	607
Grants - operating	61	15	46	15	15
Contributions - monetary	1	-	1	-	-
Asset sales	49	49	-	686	686
Other income	137	104	33	2,884	617
<b>Total income</b>	<b>6,065</b>	<b>6,007</b>	<b>58</b>	<b>27,043</b>	<b>24,776</b>
<b>Expenses</b>					
Employee costs	5	4,386	4,287	(99)	18,082
Materials and services	6	7,594	8,317	723	49,467
Carrying amount of assets sold	15	15	-	309	309
Other expenses	29	29	-	192	115
<b>Total expenses</b>	<b>12,024</b>	<b>12,648</b>	<b>624</b>	<b>68,050</b>	<b>64,637</b>
<b>Net surplus (deficit)</b>	<b>(5,959)</b>	<b>(6,641)</b>	<b>682</b>	<b>(41,007)</b>	<b>(39,861)</b>

### BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Engineering Services Executive	-	-	-	-	-
Infrastructure Services	5,758	5,706	52	25,777	23,510
City Projects and Asset Improvement	5	2	3	19	19
Infrastructure Planning	302	299	3	1,247	1,247
<b>Total income</b>	<b>6,065</b>	<b>6,007</b>	<b>58</b>	<b>27,043</b>	<b>24,776</b>
<b>Expenses</b>					
Engineering Services Executive	-	-	-	-	-
Infrastructure Services	9,411	9,873	462	54,808	51,698
City Projects and Asset Improvement	2,034	2,267	233	11,243	10,940
Infrastructure Planning	579	508	(71)	1,999	1,999
<b>Total expenses</b>	<b>12,024</b>	<b>12,648</b>	<b>624</b>	<b>68,050</b>	<b>64,637</b>
<b>Net surplus (deficit)</b>	<b>(5,959)</b>	<b>(6,641)</b>	<b>682</b>	<b>(41,007)</b>	<b>(39,861)</b>

---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

### Engineering Services Directorate

#### Income

**Note 4 Statutory fees and fines (\$53,000 unfavourable)** – Unfavourable variance due to lower than anticipated fee income from subdivisions, plan checking and property/stormwater information requests (Civil Development and Design \$52,000).

#### Expenditure

**Note 5 Employee costs (\$99,000 unfavourable)** – Favourable variance due to delay in recruitment and lower temporary agency staff costs (Parks Services \$102,000, CIP Implementation \$33,000, Asset Management System implementation \$28,000 and Asset Protection \$15,000).

This favourable variance is partly offset by a job share arrangement resulting in unbudgeted EFT (City Improvement Executive \$47,000), higher than anticipated temporary agency staff costs due to contract issues of public amenity cleaning (Cleansing \$197,000) and leave yet to be taken combined with higher overtime to date (Asset Management \$12,000).

**Note 6 Materials and services (\$723,000 favourable)** - Favourable variance due to:

- Timing of works and delay in receipt of invoices from contractors (Roads and Drains \$412,000 and Building Maintenance \$216,000).
- Lower than anticipated street lighting costs partly offset by earlier asset condition audit costs (Asset Management \$199,000).
- Lower than anticipated fuel and fleet related costs to date (proactive maintenance, consumables, electrical) (Fleet Management \$128,000). The fuel savings are expected to be permanent and will be adjusted in the Mid-Year Budget review.
- Lower than anticipated building maintenance and operational costs for the Springvale Community Hub due to COVID-19 restrictions on opening (\$44,000).

These favourable variances are partly offset by works commenced ahead of schedule (Parks \$107,000), higher costs for garden waste disposal and domestic recycling (Waste Services \$88,000) and higher asset protection reinstatement costs which are offset by higher recovery income received (Asset Protection \$79,000),

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**CITY PLANNING, DESIGN & AMENITY**

**OPERATING RESULT**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Rates and charges		-	-	-	-	-
Statutory fees and fines	7	1,377	1,532	(155)	7,701	7,701
User fees	8	1,326	1,501	(175)	4,961	4,961
Grants - operating		110	110	-	494	468
Other income		1	22	(21)	88	88
<b>Total income</b>		<b>2,814</b>	<b>3,165</b>	<b>(351)</b>	<b>13,244</b>	<b>13,218</b>
<b>Expenses</b>						
Employee costs	9	2,888	3,287	399	13,670	13,670
Materials and services		648	634	(14)	3,220	3,141
Bad and doubtful debts		(11)	-	11	1,353	1,353
Other expenses	10	2	55	53	92	92
<b>Total expenses</b>		<b>3,527</b>	<b>3,976</b>	<b>449</b>	<b>18,335</b>	<b>18,256</b>
<b>Net surplus (deficit)</b>		<b>(713)</b>	<b>(811)</b>	<b>98</b>	<b>(5,091)</b>	<b>(5,038)</b>

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
City Planning, Design and Amenity Exec.	-	-	-	-	-
Building Services	973	1,139	(166)	2,236	2,236
Planning and Design	367	328	39	1,743	1,733
Regulatory Services	1,474	1,698	(224)	9,265	9,249
<b>Total income</b>	<b>2,814</b>	<b>3,165</b>	<b>(351)</b>	<b>13,244</b>	<b>13,218</b>
<b>Expenses</b>					
City Planning, Design and Amenity Exec.	122	109	(13)	481	481
Building Services	822	818	(4)	3,511	3,511
Planning and Design	1,180	1,304	124	5,637	5,571
Regulatory Services	1,403	1,745	342	8,706	8,693
<b>Total expenses</b>	<b>3,527</b>	<b>3,976</b>	<b>449</b>	<b>18,335</b>	<b>18,256</b>
<b>Net surplus (deficit)</b>	<b>(713)</b>	<b>(811)</b>	<b>98</b>	<b>(5,091)</b>	<b>(5,038)</b>



---

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

### City Planning, Design and Amenity Directorate

#### Income

**Note 7 Statutory fees and fines (\$155,000 unfavourable)** – Unfavourable variance is due mainly to the COVID-19 stage four restrictions resulting in lower activity in the following areas:

- Parking infringements (Parking Management \$107,000).
- Health and food infringements (Health \$43,000).
- Lodgement permit, property information and fine income (Building \$35,000).
- Animal infringements (Animal Management \$22,000).
- Planning compliance fines (Planning Compliance \$19,000).

This variance is partly offset by higher than anticipated income from planning applications (Statutory Planning \$62,000).

**Note 8 User fees (\$175,000 unfavourable)** – Unfavourable variance is due mainly to the COVID-19 stage four restrictions resulting in lower activity in the following areas:

- Car park ticket machines and employee recovery (Parking Management \$67,000 and Car Parks \$24,000).
- Streatrader fees (Health \$28,000).
- Building permits and inspection fees (Building \$40,000 and Statutory Planning \$21,000).

#### Expenditure

**Note 9 Employee costs (\$399,000 favourable)** – Favourable variance due to a delay in filling vacant positions (Statutory Planning \$88,000, Public Safety and Security \$67,000, General Law Enforcement \$64,000, Building \$34,000, Animal Management \$32,000, Strategic Design and Sustainability Planning \$32,000, Planning Compliance \$20,000 and Regulatory Services Administration \$15,000) and lower salary costs for school crossings due to closure of schools under COVID-19 stage four restrictions (School Crossing Supervisors \$53,000).

This favourable variance is offset by higher than anticipated staff costs due to a resignation (Health \$11,000).

**Note 10 Other expenses (\$53,000 favourable)** – Favourable variance mainly due to the reclassification of the Government registration fee payable for animals from Other Expenses to Materials and Services (statutory fee). This will be addressed in the Mid-Year Budget (Animal Management \$45,000).

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**COMMUNITY SERVICES DIRECTORATE**

**OPERATING RESULT**

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000	
<b>Income</b>						
User fees	11	279	548	(269)	2,473	2,473
Grants - operating	12	3,437	3,201	236	17,206	17,191
Other income	13	3	70	(67)	938	938
<b>Total income</b>	<b>3,719</b>	<b>3,819</b>	<b>1,814</b>	<b>(100)</b>	<b>20,617</b>	<b>20,602</b>
<b>Expenses</b>						
Employee costs	14	7,529	8,872	1,343	36,929	34,076
Materials and services	15	2,637	3,098	461	11,777	11,095
Bad and doubtful debts		-	-	-	9	9
Other expenses		158	168	10	2,743	2,648
<b>Total expenses</b>	<b>10,324</b>	<b>12,138</b>	<b>1,814</b>	<b>51,458</b>	<b>47,828</b>	
<b>Net surplus (deficit)</b>	<b>(6,605)</b>	<b>(8,319)</b>	<b>1,714</b>	<b>(30,841)</b>	<b>(27,226)</b>	

**BUSINESS UNITS**

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Community Services Executive	-	-	-	-	-
Community Wellbeing	2,494	2,121	373	8,873	8,873
Community Care	1,174	1,647	(473)	9,670	9,655
Community Arts, Culture and Libraries	44	40	4	1,613	1,613
Community Development, Sports and Recreation	7	11	(4)	461	461
<b>Total income</b>	<b>3,719</b>	<b>3,819</b>	<b>(100)</b>	<b>20,617</b>	<b>20,602</b>
<b>Expenses</b>					
Community Services Executive	96	104	8	445	445
Community Wellbeing	3,576	4,292	716	18,209	14,791
Community Care	2,801	3,297	496	13,903	13,894
Community Arts, Culture and Libraries	2,532	2,871	339	10,359	10,331
Community Development, Sports and Recreation	1,319	1,574	255	8,542	8,367
<b>Total expenses</b>	<b>10,324</b>	<b>12,138</b>	<b>1,814</b>	<b>51,458</b>	<b>47,828</b>
<b>Net surplus (deficit)</b>	<b>(6,605)</b>	<b>(8,319)</b>	<b>1,714</b>	<b>(30,841)</b>	<b>(27,226)</b>

---

## 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

### Community Services Directorate

#### Income

**Note 11 User fees (\$269,000 unfavourable)** - Unfavourable variance mainly due to lower than anticipated fee income because of COVID-19 and the Family Day Care (FDC) administration levy not being charged (FDC \$188,000) and lower than anticipated service provision fee income (Home and Community Care \$66,000).

**Note 12 Grants – operating (\$236,000 favourable)** - Favourable variance due to:

*Additional or grant funding received earlier than anticipated:*

- Family Day Care \$347,000
- Child First \$101,000
- Library and Information Services \$43,000
- Maternal and Child Health \$14,000

*New (unbudgeted) grant funding received (to be addressed in the Mid-Year Budget):*

- New Directions – Mothers and Babies \$84,000
- Drug Strategy \$34,000

These favourable variances are partly offset by:

*Lower than anticipated grant funding based on target achievement (to be assessed during the Mid-Year Budget review) for:*

- Home and Community Care \$353,000
- Planned Activity Group \$57,000

**Note 13 Other income (\$67,000 unfavourable)** - Unfavourable variance due to loss of income from closure of venues caused by the COVID-19 pandemic (Library and Information Services \$33,000, 39A Clow Street \$11,000, Community Property \$8,000, Festivals and Events \$7,000 and Cultural Development \$5,000).

#### Expenses

**Note 14 Employee costs (\$1.34 million favourable)** - Favourable variance due to delay in recruitment (Home and Community Care \$263,000, Enhanced MCH Program \$292,000, Child First \$162,000, Library and Information Services \$102,000, HACC-Home Maintenance \$85,000, Playgroup Initiative \$67,000, Maternal and Child Health \$72,000, Sleep and Settling Initiative \$78,000, Community Transport \$37,000, Community Property \$37,000, Children Services – Support \$34,000, Planned Activity Group \$31,000, Cultural Development \$25,000, Community Development \$18,000, Food Services \$22,000 and New Directions - Mother and Babies \$16,000), lower overtime and use of casuals (Drum Theatre \$26,000), staff member on maternity leave (Festivals and Events \$26,000) and extended leave taken (HACC-Assessments and Team Leaders \$40,000).

This favourable variance is partly offset by higher than anticipated temporary agency staff costs (HACC Co-ordination \$56,000 and Sports Planning \$45,000) and higher hours than anticipated due to COVID-19 requirements (Immunisation \$55,000).

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

**Note 15 Material and services (\$461,000 favourable)** – Favourable variance is due to a delay in receipt of invoices and commencement of projects (Leisure Centres \$198,000, Library and Information Services \$121,000, Market Street Occasional Child Care Centre \$37,000, Home and Community Care \$27,000, Drum Theatre \$27,000, New Directions – Mother and Babies \$27,000, Drug Strategy \$26,000 and Cultural Development \$21,000).

This favourable variance is partly offset by:

- Higher payments to educators relating to additional service delivery requirements which is offset by higher grant income (Family Day Care \$144,000).
- Higher than anticipated professional services and maintenance expenditure to date (Maternal and Child Health \$22,000).

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**NON-DIRECTORATE**

**OPERATING RESULT**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Rates and charges	16	33,694	33,756	(62)	129,887	129,887
Statutory fees and fines		-	-	-	200	200
Grants - operating	17	1,970	1,472	498	6,077	12,201
Contributions - monetary	18	978	500	478	2,000	2,000
Contributions - non-monetary		298	298	-	15,000	15,000
Other income	19	317	485	(168)	1,610	1,610
<b>Total income</b>		<b>37,257</b>	<b>36,511</b>	<b>746</b>	<b>154,774</b>	<b>160,898</b>
<b>Expenses</b>						
Employee costs		-	-	-	1,050	1,050
Materials and services		268	269	1	1,188	1,188
Prior year capital expenditure unable to be capitalised (non-cash)	20	411	-	(411)	-	-
Depreciation		7,855	7,855	-	31,433	31,433
Amortisation - right of use assets	21	145	-	(145)	-	-
Borrowing costs		745	778	33	3,051	3,051
Other expenses		356	350	(6)	1,128	967
<b>Total expenses</b>		<b>9,780</b>	<b>9,252</b>	<b>(528)</b>	<b>37,850</b>	<b>37,689</b>
<b>Net surplus (deficit)</b>		<b>27,477</b>	<b>27,259</b>	<b>218</b>	<b>116,924</b>	<b>123,209</b>

**BUSINESS UNITS**

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>						
Governance		-	-	-	-	-
Corporate Accounting		36,279	36,011	268	152,774	158,898
Planning and Design		978	500	478	2,000	2,000
<b>Total income</b>		<b>37,257</b>	<b>36,511</b>	<b>746</b>	<b>154,774</b>	<b>160,898</b>
<b>Expenses</b>						
Governance		2	8	6	30	30
Corporate Accounting		9,773	9,236	(537)	37,802	37,641
Planning and Design		5	8	3	18	18
<b>Total expenses</b>		<b>9,780</b>	<b>9,252</b>	<b>(528)</b>	<b>37,850</b>	<b>37,689</b>
<b>Net surplus (deficit)</b>		<b>27,477</b>	<b>27,259</b>	<b>218</b>	<b>116,924</b>	<b>123,209</b>

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

---

#### 4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

---

#### Non-Directorate

##### Income

**Note 16 Rates and charges (\$62,000 unfavourable)** – Unfavourable variance due to financial hardship applications processed due to COVID-19 and Council's decision to extend the rate waiver program into 2020-21 (Pandemic \$99,000). This will be adjusted in the Mid-Year Budget review.

This variance is offset by higher than anticipated income from the Keysborough South Development maintenance levy (Corporate Accounting \$37,000). This levy income is transferred to reserves to fund maintenance requirements at Keysborough South.

**Note 17 Grants – operating (\$498,000 favourable)** – receipt of unbudgeted Working for Victoria grant from the Department of Jobs, Precincts and Regions. To be offset by program expenditure and to be adjusted in the Mid-Year Budget review.

**Note 18 Contributions – monetary (\$478,000 favourable)** – Better than anticipated income from public open space contributions to date. The nature of these receipts makes timing difficult to predict. These funds are transferred to reserves.

**Note 19 Other income (\$168,000 unfavourable)** – Unfavourable variance due to lower than anticipated interest income to date attributable to lower interest rates and cash and investment balances (Corporate Accounting \$171,000). The full year impact of lower interest returns is expected to be around \$800,000 and will be referred to the Mid Year Budget Review.

##### Expenditure

**Note 20 Prior year capital expenditure unable to be capitalised (non-cash) (\$411,000 unfavourable)** – This unfavourable variance is due to works in progress (prior year capital expenditure) that is not able to be capitalised to the asset register because it is not capital in nature, does not meet the capitalisation threshold or relates to non-Council owned assets (Corporate Accounting \$411,000). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure includes asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

**Note 21 Amortisation – right-of-use assets (\$145,000 unfavourable)** – Unfavourable variance due to implementation of new Leases Accounting Standard. This will be addressed to the Mid-Year Budget review.

4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**CAPITAL WORKS PROGRAM**

**OPERATING RESULT**

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL AMENDED BUDGET \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>					
Grants - capital	719	710	9	8,650	3,244
Contributions - monetary	4	-	4	2,058	910
Other income	-	-	-	-	-
<b>Total income</b>	<b>723</b>	<b>710</b>	<b>13</b>	<b>10,708</b>	<b>4,154</b>
<b>Expenses</b>					
Employee costs	-	-	-	-	-
Materials and services	-	-	-	-	-
Bad and doubtful debts	-	-	-	-	-
Other expenses	-	-	-	-	-
<b>Total expenses</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net surplus (deficit)</b>	<b>723</b>	<b>710</b>	<b>13</b>	<b>10,708</b>	<b>4,154</b>

**Notes:**

No comments required for this directorate.

---

**4.2.1 Q1 Quarterly Performance Report (Cont.)**



Financial Report for the period 1 July 2020 – 30 September 2020

---

# Appendix 4

## Operating Initiatives



4.2.1 Q1 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 30 September 2020

**Operating Initiatives**

Operating initiative project	2020-21 YTD Actuals \$	2020-21 YTD Budget \$	YTD Variance (Unfav) Fav \$	2020-21 Original Budget \$	Project update - 30 September
<b>Community Services</b>					
Membership fee for Refugee Welcome Zone (RWZ) Leadership Council	0	0	0	5,000	Request made for invoice from Refugee Council of Australia and awaiting reply.
Dandenong Community Hub - Business Case and Concept Plan	0	0	0	80,000	Project has not yet commenced.
Community Gardens Strategy Development	0	0	0	20,000	Project has not yet commenced.
Chandler Reserve Community Gardens Contribution	0	0	0	20,000	Discussions continue with the President of Maralinga Community Garden Inc. Incorporation, plans etc have been provided to Council and a lease is being drafted.
	<b>0</b>	<b>0</b>	<b>0</b>	<b>125,000</b>	
<b>Business, Engineering and Major Projects</b>					
Stage 2 Social Enterprise Program	0	0	0	40,000	Project has not yet commenced.
Business Case for Dandenong Sports and Events Centre	0	0	0	50,000	Project has not yet commenced. Waiting for matching funding contribution from key stakeholders.
Street Trees - Springvale South	17,402	20,000	2,598	20,000	Project completed.
Electric Vehicle Fleet Transition Plan	0	0	0	20,000	A specialist consultant is still to be appointed to prepare the Electric Vehicle Plan which is anticipated for completion during the first half of 2021.
Landscaping - Robinson Street and Princes Highway Intersection	0	0	0	200,000	Stage 1 – Irrigation System design complete.
Building demolition - Ross Reserve Junior Soccer Pavilion	0	0	0	80,000	Builder appointed. Pavilion will be demolished in 3 weeks (end of September 2020).
Building demolition - Ross Reserve O'Donahue Pavilion (Football)	0	0	0	100,000	Builder appointed. Pavilion will be demolished in 3 weeks (end of September 2020).
	<b>17,402</b>	<b>20,000</b>	<b>2,598</b>	<b>510,000</b>	
<b>City Planning, Design and Amenity</b>					
Climate Change Strategy	0	0	0	80,000	Project has not yet commenced.
Biodiversity Action Plan	0	0	0	50,000	Consultant has been engaged and currently undertaking background research. Field surveys will commence within next two months.
	<b>0</b>	<b>0</b>	<b>0</b>	<b>130,000</b>	
<b>TOTAL</b>	<b>17,402</b>	<b>20,000</b>	<b>2,598</b>	<b>765,000</b>	

**Notes re Operating Initiative reporting:**

The reporting on operating initiatives excludes the following:

- salary related initiatives
- operating initiatives that add to an existing budget (eg - 'Greening Our City' Tree Strategy)
- ongoing initiatives
- carry overs of prior year operating initiatives