
4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)

POLICY AND STRATEGY

Q3 2020-21 QUARTERLY PERFORMANCE REPORT

ATTACHMENT 2

**FINANCIAL REPORT | JULY 2020 – 31
MARCH 2021**

PAGES 52 (including cover)

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

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Financial Report for the period 1 July 2020 – 31 March 2021

CGD – Operating Result

For the period 1 July 2020 – 31 March 2021

Note	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income B1							
Rates and charges	114,656	114,386	270	151,750	151,880	130	152,325
Statutory fees and fines	5,086	4,924	162	7,140	6,591	(549)	8,426
User fees	4,001	4,760	(759)	6,502	5,648	(854)	8,068
Grants - operating	24,983	22,352	2,631	29,662	32,084	2,422	29,875
Grants - capital	1,593	1,548	45	13,879	14,488	609	3,244
Contributions - monetary	1,846	1,719	127	4,058	4,059	1	2,910
Contributions - non-monetary	298	298	-	15,000	15,000	-	15,000
Net gain (loss) on disposal of property, infrastructure, plant and equipment	281	1,189	(908)	1,377	290	(1,087)	377
Other income	3,245	3,020	225	6,645	5,696	(949)	6,000
Total income	155,989	154,196	1,793	236,013	235,736	(277)	226,225
Expenses B2							
Employee costs	60,138	65,322	5,184	90,541	90,105	436	84,402
Materials and services	46,876	52,561	5,685	77,914	77,474	440	70,493
Prior year capital expenditure unable to be capitalised (non-cash)	593	-	(593)	-	-	-	-
Bad and doubtful debts	510	674	164	1,363	1,365	(2)	1,363
Depreciation	24,222	24,222	-	32,308	32,308	-	31,433
Amortisation - intangible assets	45	45	-	60	60	-	-
Amortisation - right of use assets	436	291	(145)	581	581	-	-
Borrowing costs	2,205	2,205	-	2,924	2,924	-	3,051
Finance costs - leases	-	-	-	21	21	-	-
Asset write offs	208	-	(208)	-	-	-	-
Other expenses	4,483	5,673	1,190	7,311	7,201	110	5,725
Total expenses	139,716	150,993	11,277	213,023	212,039	984	196,467
Net surplus (deficit)	16,273	3,203	13,070	22,990	23,697	707	29,758

Overview

The surplus at 31 March 2021 is favourable to budget by \$13.07 million due mainly to the following year to date variances:

- **Materials and services (\$5.69 million)** - due to delay in receipt of invoices combined with timing of works (Engineering Services \$3.38 million) and lower than anticipated expenditure (Community Services \$970,000, City Planning, Design and Amenity \$727,000 and Corporate Services \$461,000).
- **Employee costs (\$5.18 million)** – due to delay in recruitment and commencement of grant funded projects mainly in Community Services (\$3.42 million), City Planning Design and Amenity (\$915,000) and Corporate Services (\$444,000). Of the \$3.42 million favourable variance in Community Services, \$2.29 million relates to grant funded programs which require an acquittal. Any unspent grant funds relating to these programs will be carried forward to the 2021-22 financial year.
- **Grants – operating (\$2.63 million)** – due to additional grant funding received mainly in Family Day Care which is mostly offset by higher payments to educators (Community Services \$2.02 million) and a Local Government Capacity Building grant which will be offset by salary costs (City Planning Design and Amenity \$212,000).

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Financial Report for the period 1 July 2020 – 31 March 2021

COVID-19 and 2020-21 impacts

Council's 2020-21 finances have been significantly impacted by COVID-19. In its original 2020-21 Budget, Council allocated \$4.6 million across various areas relating to adverse impacts, with a residual contingency remaining of approximately \$600,000.

2020-21 Mid-Year Budget Review

A detailed review of additional COVID-19 impacts and assumptions was performed during the Mid-Year Budget Review. This review found COVID-19 stage four restrictions have had a significant adverse impact on Council, estimated at a further \$5.57 million. These COVID-19 items, combined with other known adjustments since adoption of the 2020-21 Annual Budget were reflected in the Mid-Year Budget Review. In order to balance the 2020-21 Budget, capital project deferrals of \$4.40 million were included.

The more significant COVID-19 impacts adjusted in the 2020-21 Mid-Year Budget Review comprise:

- Parking fines, ticket machine income and permits (\$2.13 million)
- Lower interest returns on investments (\$700,000).
- Leisure centres impact (\$591,000).
- Lower rental and venue hire income due to rental waivers and required facility closures (\$477,000).
- Additional allocation to the business grants program (\$290,000)
- Deferral of penalty rate interest payable on outstanding rates (\$225,000).
- Reduction in supplementary rates income due to slowing trend (\$200,000).
- Financial Assistance Grants funding to be received via the Victoria Grants Commission (\$189,000). Outcome lower due to COVID-19 impact on investment returns affecting the available pool fund.
- Continuation of Council's COVID-19 rate waiver package (\$150,000).

2020-21 Full Year Forecast

The financial impact of COVID-19 is continuing to be closely monitored and any permanent variances identified subsequent to the Mid-Year Budget Review have been reflected in the Full Year Forecast and are included in this report.

Despite 2020-21 being an extraordinary financial year with the pressures and impacts of the COVID-19 pandemic, the forecast result predicts a cash surplus of \$1.05 million. However, the current forecast review highlights many ups and downs in revenue and expenditure and is explained further below.

The full year forecast result is the subject of an extensive review undertaken with departments during the March quarter. Council's 2020-21 initial financial position was heavily influenced by early COVID-19 impacts and council officers will continue to closely monitor the impacts to Council's financial position for the remainder of 2020-21. Whilst the current forecast position indicates a surplus result, COVID-19 continues to cause unfavourable financial impacts in terms of reduced rental income and reduced user fee and statutory fine income, etc. This has been largely offset by employee expense savings across the organisation (including casuals and overtime), utility savings and general administration costs across the organisation.

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Financial Report for the period 1 July 2020 – 31 March 2021

Highlighted below are some of the trends (favourable/unfavourable) in the 2020-21 forecast surplus of \$1.05 million:

Favourable

- Employee cost savings of \$436,000. Most of these savings occur in City Planning, Design and Amenity (\$545,000) and Corporate Services (\$516,000). Partly offset by higher forecast costs in Engineering Services (\$265,000) and Non-Directorate (\$130,000). Non-Directorate includes a forecast increase due to predicted unfavourable movements in leave provisions resulting from a higher level of annual leave hours held by staff. This has been softened by lower fringe benefits tax (FBT) payable as a result of a successful Australian Taxation Office ruling on car parking FBT.
- Utility costs savings across the organisation (\$181,000) primarily water and electricity relating to Council's facilities (mainly Parks Services).
- Administration costs across the organisation (\$448,000) mainly events (\$151,000), fuel (\$120,000), postage/courier and storage costs (\$61,000).

Unfavourable

- A forecast reduction in statutory fees and fines income across the organisation of \$548,000 mainly due to lower building and planning compliance fines income, animal and parking management fines income.
- Lower fees and charges of \$343,000 primarily in building (\$153,000) and car parking (\$102,000).
- Lower asset sales (\$160,000) – arising from slower vehicle turnover due to lower kilometres travelled in council vehicles. Primarily due to COVID-19 working from home arrangements.
- Spring Valley landfill recoveries (\$864,000) – recoveries for rehabilitation works is currently in dispute. Whilst the outcome is unknown, an appropriate provision has been allowed for in the 2020-21 Forecast until further information comes to hand.
- Lower rental income (\$387,000) across Council's facilities including sporting pavilions, civic facilities and car parking.
- Lower interest on investments returns further projected of \$98,000 largely due to the current low interest rate environment impacted by COVID-19.

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Financial Report for the period 1 July 2020 – 31 March 2021

Balance Sheet

As at 31 March 2021

	Note	2020-21 ACTUAL 31 Mar 2021 \$'000	2019-20 ACTUAL 30 Jun 2020 \$'000	2020-21 MID YEAR BUDGET \$'000	2020-21 ORIGINAL BUDGET \$'000
ASSETS					
Current assets					
	C1				
Cash and cash equivalents		165,658	154,563	116,858	108,170
Financial assets		-	2,000	-	-
Trade and other receivables		55,853	24,974	25,876	24,120
Other assets		694	4,537	2,815	2,756
Non-current assets classified as held for sale		-	1,000	-	-
Total current assets		222,205	187,074	145,549	135,046
Non-current assets					
	C2				
Property, infrastructure, plant and equipment		2,201,541	2,190,972	2,256,186	2,244,581
Investment property		11,814	11,814	11,814	12,827
Right-of-use assets		562	998	988	-
Intangible assets		79	124	64	-
Other financial assets		-	-	-	230
Trade and other receivables		305	305	305	325
Total non-current assets		2,214,301	2,204,213	2,269,357	2,257,963
Total assets		2,436,506	2,391,287	2,414,906	2,393,009
LIABILITIES					
Current liabilities					
	C3				
Trade and other payables		4,429	18,800	22,684	20,670
Prepaid rates		37,345	-	-	-
Trust funds and deposits		9,053	8,425	8,425	39,069
Unearned income		46,705	40,340	40,340	-
Provisions		20,790	19,659	19,659	17,418
Interest-bearing liabilities		822	3,255	3,372	3,270
Lease liabilities		65	571	571	-
Total current liabilities		119,209	91,050	95,051	80,427
Non-current liabilities					
	C4				
Provisions		1,910	1,110	1,110	1,555
Trust funds and deposits		298	311	311	900
Interest-bearing liabilities		56,636	56,636	53,264	53,495
Lease liabilities		442	442	442	-
Total non-current liabilities		59,286	58,499	55,127	55,950
Total liabilities		178,495	149,549	150,178	136,377
NET ASSETS	C5	2,258,011	2,241,738	2,264,728	2,256,632
EQUITY					
Accumulated surplus		925,049	904,579	940,808	955,453
Asset revaluation reserve		1,269,823	1,269,823	1,269,824	1,241,807
Reserves		63,139	67,336	54,096	59,372
TOTAL EQUITY		2,258,011	2,241,738	2,264,728	2,256,632

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

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Financial Report for the period 1 July 2020 – 31 March 2021

Cash Flow Statement as at 31 March 2021

	2020-21 ACTUAL 31 Mar 2021 Inflows/ (Outflows) \$'000	2020-21 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2020-21 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges	119,636	151,750	151,986
Statutory fees and fines	4,148	4,875	6,587
User fees	4,443	7,152	8,710
Grants - operating	25,446	32,021	31,642
Grants - capital	7,862	13,879	3,244
Contributions - monetary	3,555	4,058	2,910
Interest received	572	800	1,496
Trust funds and deposits taken	20,719	27,052	35,500
Other receipts	2,846	6,599	5,019
Net GST refund	6,992	13,001	8,900
Employee costs	(60,156)	(90,541)	(83,649)
Materials and services	(58,501)	(88,341)	(86,855)
Trust funds and deposits repaid	(19,980)	(27,052)	(33,500)
Other payments	(4,808)	(8,042)	(6,298)
Net cash provided by operating activities	52,774	47,211	45,692
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	(39,844)	(81,831)	(43,705)
(Payments) proceeds for investments	2,000	2,000	2,000
Proceeds from sale of property, infrastructure, plant and equipment	1,323	1,686	686
Net cash used in investing activities	(36,521)	(78,145)	(41,019)
Cash flows from financing activities			
Finance costs	(2,217)	(2,924)	(3,051)
Repayment of borrowings	(2,433)	(3,255)	(3,126)
Interest paid - lease liability	(2)	(21)	-
Repayment of lease liabilities	(506)	(571)	-
Net cash provided by (used in) financing activities	(5,158)	(6,771)	(6,177)
Net increase (decrease) in cash and cash equivalents	11,095	(37,705)	(1,504)
Cash and cash equivalents at the beginning of the year	154,563	154,563	109,674
Cash and cash equivalents at the end of the period	165,658	116,858	108,170
Represented by:			
Operating cash	41,004	5,880	(9,846)
Restricted cash	124,654	110,978	118,016
Total	165,658	116,858	108,170

- 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.

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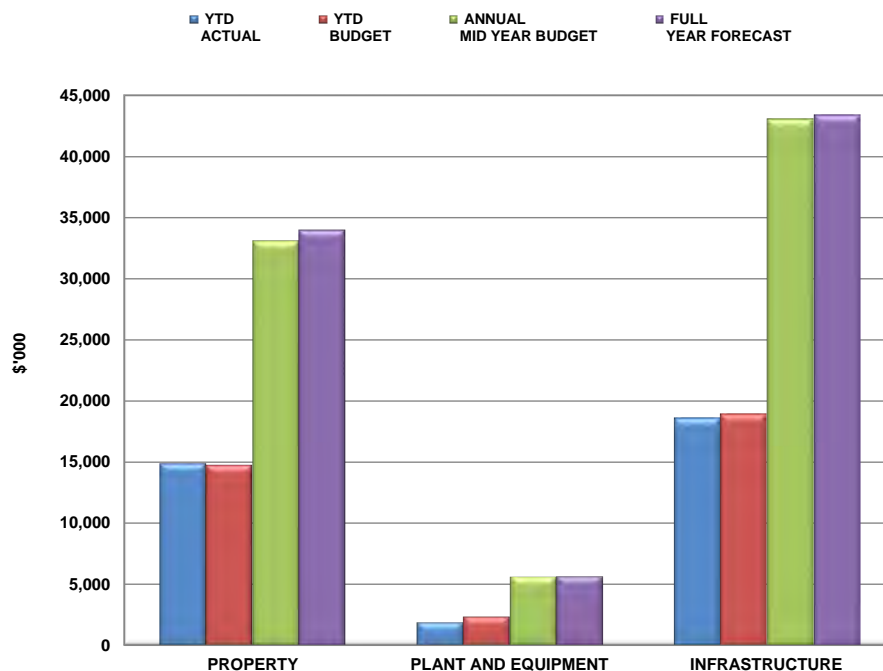


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Capital Expenditure Statement

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

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	COMMIT \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	ANNUAL ORIGINAL BUDGET \$'000
PROPERTY	14,865	14,730	(135)	12,282	33,118	33,962	13,713
PLANT AND EQUIPMENT	1,883	2,361	477	971	5,639	5,657	4,769
INFRASTRUCTURE	18,587	18,912	324	8,483	43,074	43,366	25,225
TOTAL EXPENDITURE	35,336	36,002	666	21,736	81,831	82,985	43,705



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Financial Report for the period 1 July 2020 – 31 March 2021

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 is recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations is recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent).
- 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 Mid-Year Budget as adopted by Council on 14 December 2020. The Mid-Year Budget represents the adopted budget incorporating net carry forward capital and operating amounts from 2019-20 and any adjustments identified since the 2020-21 Original Budget was approved in June 2020.
- 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.

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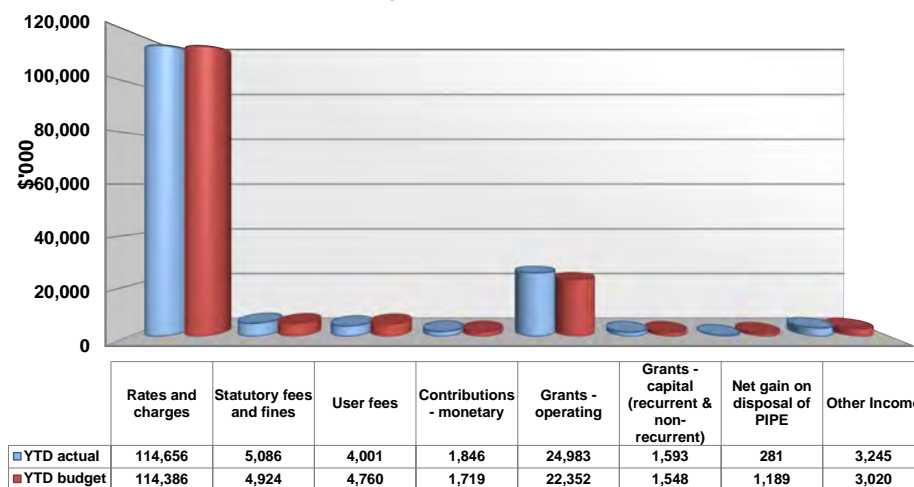


Financial Report for the period 1 July 2020 – 31 March 2021

B1. Operating Income

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

**Income from operating activities
 for 1 July 2020 - 31 March 2021**



Income for the period ended 31 March 2021 is favourable against budget by \$1.79 million. This is primarily due to the following:

Grants – operating (\$2.63 million favourable) – Additional funding received for Family Day Care (offset by higher payments to educators, \$1.38 million) and Child First (\$290,000), combined with an unbudgeted grant from the Department of Environmental, Land, Water and Planning (will be offset by grant expenditure, relates to High Risk Waste Sites Local Government Capacity Building Grant \$224,000).

The above favourable variance is partly offset by unfavourable variances in:

Net gain (loss) on disposal of property, infrastructure, plant and equipment (\$908,000 unfavourable) – Due to the sale of the car park at 2 Mason Street, Dandenong as part of a three-way land swap which has been reflected in the Full Year Forecast. This is a non-cash accounting entry.

User fees (\$759,000 unfavourable) – Mainly due to a reduction in the Family Day Care (FDC) administration levy fee income caused by COVID-19 which is offset by higher FDC grant subsidy income (Community Services \$540,000), combined with lower fee income for building permits (City Planning, Design and Amenity \$155,000).

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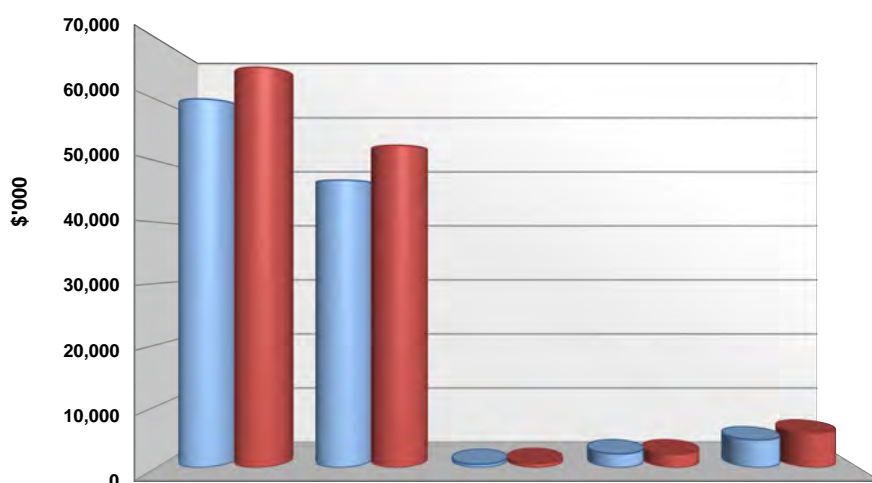


Financial Report for the period 1 July 2020 – 31 March 2021

B2. Operating Expenditure

The chart below shows the categories of operating expenditure against their respective budget (excluding 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 31 March 2021**



	Employee costs	Materials and services	Bad and doubtful debts	Borrowing costs	Other expenses
■ YTD actual	60,138	46,876	510	2,205	4,483
■ YTD budget	65,322	52,561	674	2,205	5,673

Actual expenditure at 31 March 2021 against the budget is favourable by \$11.28 million. The major variances are in materials and services and employee costs.

Materials and services (\$5.68 million favourable) – The major items contributing to this favourable variance include:

- Contract services (\$1.46 million) – mainly due to timing of works and delay in receipt of invoices in Roads and Drains, Waste Management and Cleansing combined with a temporary reduction in services and expenditure in Building Maintenance due to COVID-19 restrictions (Engineering Services \$2.00 million). These favourable variances are partly offset by higher payments to educators due to additional grant funding received (Family Day Care \$925,000).
- Materials, maintenance and services (\$1.27 million) – mainly due to delay in commencement of works and receipt of invoices in Home and Community Care and Libraries (Community Services \$529,000), Building Maintenance and Parks Services (Engineering Services \$394,000) and Parking Management (City Planning, Design and Amenity \$240,000).

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- Consultants, professional services (\$1.21 million) – due to delay in commencement or delay in receipt of invoices relating to a number of grant funded programs (Community Services \$388,000), strategic planning projects, planning scheme amendments and legal expenses (City Planning, Design and Amenity \$352,000), asset condition audits (Engineering Services \$207,000) and Occupational Health and Safety program combined with Risk and Organisational Development legal and professional services (Corporate Services \$187,000).
- Administration costs (\$1.01 million) – lower than anticipated expenditure to date across a range of accounts including promotions, community education, postage/courier, printing/stationery, Council publications, fuel, postage, advertising and events (Community Services \$528,000, Engineering Services \$225,000 and Corporate Services \$128,000).
- Utilities (\$630,000) – mainly due to lower than anticipated electricity and water costs to date because of facility closures as per COVID-19 restrictions and a delay in receipt of invoices (Engineering Services \$465,000 and Corporate Services \$113,000).

Overall, a \$440,000 favourable adjustment has been included in the Full Year Forecast for Materials and Services.

Employee costs (\$5.18 million favourable) – This favourable variance is mainly due to staff recruitment occurring later than planned, delay in commencement and recruitment of grant funded projects and lower than anticipated corporate training and training/conference expenditure (Community Services \$3.42 million, City Planning, Design and Amenity \$915,000, Engineering Services \$282,000 and Corporate Services \$444,000).

Of the \$3.42 million favourable variance in the Community Services directorate, \$2.29 million relates to grant funded programs which require an acquittal. Any unspent grant funding at 30 June 2021 will be carried over to the 2021-22 financial year.

Overall, a \$436,000 favourable adjustment has been included in the Full Year Forecast for Employee Costs.

Other expenses (\$1.19 million favourable) – Favourable variance mainly due to delay in receipt of invoices for the Council election costs (Non-Directorate \$631,000), savings in Council's contribution to the Dandenong Night Market which has been cancelled due to COVID-19 and delay in Council's Melbourne Food and Wine Festival contribution (Corporate Services \$117,000).

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Financial Report for the period 1 July 2020 – 31 March 2021

C. Balance Sheet

Council's net assets are valued at \$2.26 billion at 31 March 2021.

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

Cash and cash equivalents (\$165.66 million) – Represents the amount held by Council in cash or term deposits. Please note that this amount includes \$124.65 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) – Financial assets represent investments with a maturity term of greater than three months. The decrease in financial assets from 30 June 2020 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 (\$55.85 million) – This balance includes:

- Rate debtors \$40.20 million. The collection rate is monitored closely with 25.18% of 2020-21 rate income levied still to be collected at 31 March (compared to 24.05% at the same time last year). 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.
- Infringement debtors of \$9.51 million (net of provision for doubtful debts).
- General debtors \$6.14 million (net of provision for doubtful debts).

Other assets (\$694,000) – This balance includes:

- Prepayments \$320,000 - expenses prepaid at 31 March 2021.
- Other deposits \$309,000 – represents \$75,000 deposit for Metropolitan Waste and Resource Recovery Group organic waste processing contract and \$234,000 deposit paid to South East Water for provision of water and sewerage assets at 5 Mason Street, Dandenong.
- Accrued income \$65,000 – income earned but cash not yet received at 31 March 2021.

Non-current assets classified as held for sale (\$nil) – The decrease from 30 June 2020 reflects the settlement of the sale of a car park land asset at 2 Mason Street, Dandenong in December 2020.

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Financial Report for the period 1 July 2020 – 31 March 2021

C2. Non-current assets

Property, infrastructure, plant and equipment (\$2.20 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 (\$562,000) – 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. These values are reflected after recognising the amortisation expense.

Intangible assets (\$79,000) – 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 of this balance represents Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site combined with 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 (\$4.43 million) – This balance includes trade creditors arising from operations and capital works.

Prepaid rates (\$37.35 million) – Rate revenue (excluding supplementary rates) is earned 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. Prepaid rates represent rates received that have not yet been earned. This item will be \$nil at 30 June 2021 as all rates received will have been earned.

Trust funds and deposits (\$9.05 million) – Trust funds and deposits includes other refundable monies in respect of:

- Other deposits (\$3.30 million), mostly relating to asset protection bonds (\$2.29 million), drainage work deposits (\$530,000) and contractor deposits (\$232,000).
- Road deposits (\$2.52 million).
- Fire services property levy funds collected by Council on behalf of the State Government, but not yet paid on to the State Revenue Office (\$1.77 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Landscape deposits (\$798,000).
- Open space contributions (\$657,000).

The significant decrease in this line item from the 2020-21 Original Budget to Mid-Year Budget is due to a reclassification of Developer Contribution Plan (DCP) liabilities from 'trust funds and deposits' to 'unearned income' as per the note below relating to 'unearned income'.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Unearned income (\$46.71 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 31 March 2021 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$30.47 million)
- Grants - operating (\$5.99 million)
- Grants - capital (\$10.11 million)
- Other (\$134,000).

Provisions (\$20.79 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 - \$8.10 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 (\$822,000) – Represents the remaining repayments of long-term borrowings to occur during 2020-21.

Lease liabilities (\$65,000) - Represents the lease repayments in respect of right-of-use assets that are due to occur within 12 months and mainly comprise of property and information technology related lease obligations.

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

Provisions (\$1.91 million) – Represents the provisions estimated to be paid beyond the 2020-21 financial year and comprises long service leave entitlements for employees (\$1.39 million) 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 (\$298,000) – Represents deposits that are payable beyond the 2020-21 financial year and comprises landscape deposits of \$273,000 and contractor deposits of \$25,000.

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

Lease liabilities (\$442,000) – Represents lease liability repayments expected to occur 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.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

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
- Self-insurance 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 (LXRA)

The statutory reserves are:

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

D. Cash Flow Statement

Cash and investment holdings total \$165.66 million at 31 March 2021, an increase of \$11.10 million since 30 June 2020. Total cash and investment holdings are made up of operating cash (\$41.00 million) and restricted cash (\$124.65 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 \$52.77 million.

The major inflows are rates \$119.64 million, grants \$33.31 million, trust funds and deposits taken \$20.72 million, user fees \$4.44 million, statutory fees and fines \$4.15 million and monetary contributions \$3.55 million

The major outflows are employee costs \$60.16 million, materials and services \$58.50 million and trust funds and deposits repaid \$19.98 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.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Cash flows from investing activities – net outflow of \$36.52 million, including:

- \$39.84 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 financial assets (investment funds held at 30 June 2020 in tailored deposits with a maturity of greater than three months).
- \$1.32 million proceeds on asset sales represents \$1.00 million from sale of car park land asset at 2 Mason Street Dandenong as part of a three-way land swap with Development Victoria and \$323,000 from the fleet replacement program.

Cash flows from financing activities – outflow of \$5.16 million. Council incurred \$2.22 million in finance costs on its borrowings and repaid \$2.43 million of existing loans. In accordance with the new Accounting Standard AASB 16 'Leases', Council incurred \$2,000 in finance costs on leases and repaid \$506,000 of its leased liabilities as at 31 March 2021.

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

Type	31 Mar 2021	Notes
Reserve funds	\$'000	
Council funded Development Contribution Plans (DCP) reserve	19,815	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	10,336	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	891	To fund acquisitions of new open space land.
Major projects reserve	25,755	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	2,554	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	469	This reserve is for the rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	369	These funds are to meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	928	This fund has been created to meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	235	This reserve is to fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	1,247	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 (LXRA)	206	Contribution funds for future works to address level crossing removal authority defects.
Total reserve funds	63,139	

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4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Type	31 Mar 2021	Notes
Employee provisions	\$'000	
Long service leave	13,034	Funds set aside to meet long service leave commitments.
Annual leave and other	8,661	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
Employee provisions	21,695	
Trust funds and deposits	\$'000	
Fire services property levy (FSPL) collected and due	1,774	Payable to State Revenue Office – legislative requirement.
Open space contributions	657	Pending completion of works.
Landscape deposits	1,071	Pending completion of works.
Road deposits	2,519	Pending completion of works.
Other trust funds and deposits	3,330	Refundable upon finalisation of programs.
Total trust funds and deposits	9,351	
Other restricted funds	\$'000	
DCP unearned income	30,469	Pending completion of works by developers.
Other restricted funds	30,469	
Total restricted cash	124,654	

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Statement of Capital Works

Total capital expenditure at 31 March 2021 was \$35.34 million. A further \$21.74 million was committed at the end of March. 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.

Plant and equipment

- **1445 Fleet Purchases (\$366,000 favourable)** – Lower than anticipated fleet purchases to date. The turnover and purchase of fleet is based on utilisation. Utilisation has slowed significantly due to COVID-19 restrictions and only critical fleet services occurring for a number of months. In addition, the planned purchase of a large tractor is unlikely to occur by 30 June 2021 as stock supply into Australia has been hindered by COVID-19. Some savings in this program are anticipated this financial year due to COVID-19.

Infrastructure

- **3900 Ross Reserve Plaza/Play/Oval/Path (\$348,000 favourable)** – Works have commenced and mostly on track. Playground contract has been awarded and works are expected to be complete by 30 June 2021. Stage 1 works of the shared pedestrian path (jogging/tan track) have been completed, however, stage 2 cannot be undertaken until construction of the pavilion is complete. Similarly, upgrade of oval 1 will be undertaken once construction of the pavilion is complete. The Plaza works – construction of basketball court and supporting elements have been completed.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Appendix 1

Capital Expenditure

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	FULL YEAR FORECAST \$	ANNUAL ORIGINAL BUDGET \$
PROPERTY							
Buildings							
3043. Springvale Community Precinct	2,204,972	2,198,060	(6,912)	9,315	2,221,060	2,221,060	500,000
3219. Thomas Carroll Pavilion	43,600	45,572	1,972	85,049	2,450,475	2,450,475	-
3362. Springvale City Hall	-	-	-	-	25,000	-	25,000
3547. George Andrews Reserve-Bld Modific.	1,565	-	(1,565)	-	330,000	330,000	330,000
3548. Keysborough South Community Hub Dev	292,957	294,568	1,611	260,562	3,612,121	2,971,053	2,575,108
3792. Dandenong Mkt Back of House-Coolrm	623,152	640,876	17,724	9,351	720,876	720,876	580,000
3793. Dandenong Market Utility Srv Infra	-	-	-	-	100,000	100,000	100,000
3802. Building Energy Efficiency Program	90,891	-	(90,891)	-	-	-	-
3805. Municipal Early Years Infrast. Plan	-	-	-	1,333	60,164	60,164	-
3813. Shalimar Kindergarten MCH	2,825	-	(2,825)	-	1,500	1,500	-
3814. D nong Nth Senior Citizen Ctr Latha	-	1,500	1,500	-	45,000	45,000	45,000
3873. Building Renewal Prg.- DDA	600	16,875	16,275	-	310,000	310,000	310,000
3874. Building Renewal Prg.- HVAC	128,939	170,625	41,686	-	115,000	115,000	115,000
3876. Building Renewal Prg.- Bathroom	109,568	115,000	5,432	8,556	122,000	122,000	122,000
3877. Building Renewal Prg.- Flooring	168,564	122,000	(46,564)	-	28,375	28,375	-
3878. Building Renewal Prg.- Lift Refurb.	41,910	28,375	(13,535)	-	45,000	45,000	45,000
3879. Building Renewal Prg.- Minor Works	93,448	45,000	(48,448)	20,715	125,000	125,000	275,000
3880. Building Renewal Prg.- Roof	59,410	96,250	36,840	14	224,300	224,300	224,300
3883. Building Renewal Prg.- Kitchen & Eq	159,421	163,488	4,067	93,702	1,992,500	1,992,500	2,000,000
3902. Ross Reserve Pavilion	810,820	810,000	(820)	7,591,738	576,000	576,000	576,000
3904. Building Renewal Prg. - Theatre	410,279	404,500	(5,779)	41,959	6,437,493	6,437,493	1,500,000
3906. Greater D nong Gallery of Art	2,037,101	2,040,000	2,899	3,507,413	178,067	178,067	-
3908. Oasis/NPAC Design Dev't	189,733	178,067	(11,666)	-	30,000	30,000	30,000
3945. CCTV Renewal Program	34,516	24,750	(9,766)	11,740	558,000	558,000	558,000
3946. Building Renewal Prg.-Aquatic & Lei	458,477	480,000	21,523	75,326	150,000	150,000	150,000
3947. Building Renewal Prg.- Project	6,068	56,250	50,182	6,545	130,000	130,000	130,000
3948. D nong Mkt (Fruit & Veg) Floor&Roof	16,728	17,000	272	2,798	3,000,000	3,000,000	-
3949. NPAC Redevelopment	285,607	287,000	1,393	94,980	20,000	20,000	20,000
3950. Robert Booth Baseball Design&Constr	6,889	-	(6,889)	9,091	300,000	300,000	300,000
3951. Ross Res P/grnd-Change Plc Toilet	2,030	-	(2,030)	214,710	100,000	100,000	100,000
3952. S/Vale Library/Civic-Storage&Equip	-	-	-	-	57,207	57,207	400,000
3953. Balmoral Ave Car Park	44,020	38,000	(6,020)	23,187	-	-	500,000
3972. Local Roads Community Infrast. Prg.	-	-	-	-	1,970,000	1,970,000	2,000,000
3974. D nong Aquatic & Wellbeing Ctr	204,321	205,000	679	213,350	-	-	-
Leasehold Improvements							
3941. Police Paddocks Res. Grandstand	-	-	-	-	434,860	434,860	-
3954. Police Paddocks Changerooms	94,841	95,000	159	-	102,385	102,385	202,385
Land							
3396. 2A Frank St Noble Park	1,404,457	1,404,457	0	-	1,404,457	1,404,457	-
3444. 3-Way Land Swap-Dev't Vic	1,128,303	1,125,000	(3,303)	-	1,125,000	1,125,000	-
3452. 114 Hanna St, Noble Park	75,000	-	(75,000)	-	-	1,510,000	-
3975. 86-88 Clow St Dandenong	2,666,654	2,669,526	2,872	-	2,669,526	2,669,526	-
3976. 218 Railway Parade Noble Park	962,696	950,000	(12,696)	-	950,000	950,000	-
3989. DCP - 675 Taylors Road (LRO6b)	4,652	6,932	2,280	678	396,932	396,932	-
Total property	14,865,016	14,729,671	(135,345)	12,282,112	33,118,298	33,962,230	13,712,793
PLANT AND EQUIPMENT							
Plant, machinery and equipment							
1445. Fleet Purchases	632,020	998,407	366,387	616,186	2,746,410	2,746,410	2,662,410
1447. Fleet New Program	-	-	-	-	160,000	160,000	244,000
3449. TAC Road Safety Trailer	17,510	-	(17,510)	-	-	17,155	-

Note: Buildings – 3902 Ross Reserve Pavilion – the commitments amount of \$7.59 million in the report above includes commitments relating to future years (multi-year project).

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	FULL YEAR FORECAST \$	ANNUAL ORIGINAL BUDGET \$
Library books							
3104. Library Resources	486,561	598,592	112,031	323,363	849,560	849,560	859,560
Computers and telecommunications							
3827. Increase Wi-Fi Cover-Variou Locatn	-	-	-	-	20,000	20,000	20,000
3902. Ross Reserve Pavilion	-	-	-	-	45,000	45,000	-
3911. Dandenong Stadium Wi-Fi	1,143	-	(1,143)	-	10,000	10,000	10,000
3913. People Counters Installation	3,045	-	(3,045)	-	-	-	-
3914. Asset Management System	372,678	393,048	20,370	419	915,258	915,258	216,612
3918. Drum Theatre Ticketing System	137,161	137,161	-	-	137,161	137,161	-
3919. Digital Infrastructure (Website)	7,442	8,000	559	-	100,000	100,000	100,000
3956. 39A Clow-Security Eq,Software&Radio	14,845	15,000	155	-	15,000	15,000	15,000
3957. Audio Visual Equipment Renewal	23,634	24,375	741	-	25,000	25,000	25,000
3958. D'nong Civic Ctr-Security Eq&S'ware	105,252	100,000	(5,252)	4,748	110,000	110,000	110,000
3959. Emergency Relief Centres-Equipment	18,249	20,000	1,751	1,005	60,000	60,000	60,000
3960. Menzies Ave CCTV	5,400	6,000	600	-	20,000	20,000	20,000
Fixtures, fittings and furniture							
3314. Public hall equipment	57,573	60,000	2,427	19,420	400,000	400,000	400,000
3952. S'Vale Library/Civic-Storage&Equip	-	-	-	-	10,000	10,000	10,000
3955. MCH Blinds-Chandler & Darren Reserv	880	-	(880)	5,786	16,000	16,000	16,000
Total plant and equipment	1,883,392	2,360,583	477,191	970,926	5,639,389	5,656,544	4,768,582

INFRASTRUCTURE

Parks, open space and streetscapes							
1629. 275 Lonsdale St D'nong-Vanity Lane	63,390	65,000	1,610	54,000	1,175,000	1,175,000	1,175,000
1747. Barry Powell Reserve Master Plan	3,105	5,000	1,895	-	99,049	99,049	-
1748. Spring Valley Reserve Master Plan	-	38,724	38,724	40,872	38,724	38,724	-
1761. 6-8 Fifth Ave - Reserve Development	27,402	29,000	1,598	13,873	100,000	100,000	100,000
1762. 90 Gove St - Reserve Development	84,750	85,000	250	-	100,000	100,000	100,000
1796. Wal Turner Reserve Master Plan	377,801	378,591	790	64,302	383,591	383,591	-
1818. Safety, Security & Space Activation	-	-	-	-	-	-	17,270
2117. 89 Douglas Street Noble Park	23,501	22,500	(1,001)	740	80,000	80,000	80,000
2126. Herbert St Pocket Park	-	-	-	-	-	275,000	-
3065. Public Place Recycling Bin Instal.	37,189	39,192	2,003	-	39,192	39,192	-
3141. Thomas St Precinct Enhance(Afghan)	-	-	-	-	17,511	17,511	-
3192. Douglas st. s/scape improv.proj.	10,988	4,000	(6,988)	-	4,000	4,000	-
3248. DCP Keybs. Sth Industrial Buffer	91,951	109,229	17,278	6,630	109,229	109,229	-
3272. Indigenous Public Art SCP	27,865	21,000	(6,865)	2,017	61,000	61,000	-
3438. Hemmings St Nhood Act Ctr	2,100	10,000	7,900	-	60,000	60,000	-
3439. LRCI-Ross Reserve Stage 2	437,005	440,000	2,995	16,401	500,000	500,000	-
3440. LRCI-Warner Reserve	15,976	30,000	14,024	172,841	200,000	200,000	-
3454. Dogs off leash program	102,350	150,000	47,650	-	150,000	150,000	150,000
3490. Springvale Road Boulevard	7,298	11,246	3,948	122,066	4,069,601	4,069,601	-
3498. Walker St D'nong-Streetscape	760	-	(760)	-	-	-	-
3631. Dandenong Park Master Plan	1,501,075	1,492,915	(8,160)	318,777	2,200,915	2,200,915	1,000,000
3714. Tirhatuan Park Dog Off Leash	143,786	145,000	1,214	3,935	153,500	153,500	-
3747. Streetscapes - Activity Centres	-	-	-	-	50,000	50,000	50,000
3848. LRCI Hemmings SC Streetscape	294,599	305,000	10,402	26,518	417,807	417,807	100,000
3849. Frederick Wachter Res. Master Plan	509,674	502,126	(7,548)	630,868	1,310,626	1,310,626	510,000
3853. Parkfield Res. Master Plan Impl.	181,878	182,901	1,023	558,629	894,901	894,901	1,050,000
3854. Burden Park Res. Master Plan Impl.	748,804	750,104	1,300	6,339	787,104	787,104	20,000
3900. Ross Reserve Plaza/Play/Oval/Path	16,920	364,000	347,080	8,004	535,755	535,755	-
3929. Act Crt Strat Plan Imp - D'nong	204,807	206,393	1,586	289,390	443,393	443,393	-
3930. Act Crt Strat Plan Imp - NPark	13,565	15,000	1,435	1,987	50,000	50,000	-
3931. Guardrail Upgrade Program	8,670	8,670	0	-	8,670	8,670	-
3932. Open Space Infra Renewal Prg	94,041	87,000	(7,041)	5,273	160,000	160,000	160,000
3933. Sports Lighting Plan Imp.	136,255	135,000	(1,255)	27,396	400,000	400,000	-
3934. Parking Sensor Implementation	239,517	240,000	483	222,911	344,508	344,508	-
3940. Ross Reserve Comm Ctr Car Park	303,147	304,000	853	165,847	499,452	499,452	-
3943. Keybs Sth Comm Hub Dog Off Leash	25,603	27,938	2,335	-	62,938	62,938	-
3967. D'nong Act Ctr- Streetscape	-	-	-	-	25,000	25,000	25,000
3968. Norman Luth Reserve Lighting	302,643	302,500	(143)	76,064	376,365	376,365	376,365
3969. Thomas Carroll-Cricket/Play/Light	12,200	15,000	2,800	5,800	15,000	15,000	15,000
3970. Alan Corrigan Exercise Equipment	53,830	55,000	1,170	-	60,000	60,000	60,000
3971. D'nong/D'nong Nth-Sensory Nature Tr	-	-	-	-	-	-	100,000
3973. Signage Renewal Program	37,496	41,250	3,754	40,500	110,000	110,000	110,000

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



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CIP Expenditure Report

	YTD ACTUAL \$	YTD BUDGET \$	YTD VARIANCE \$	COMMIT \$	ANNUAL MID YEAR BUDGET \$	FULL YEAR FORECAST \$	ANNUAL ORIGINAL BUDGET \$
Recreational, leisure and community facilities							
3209. Active Reserves Program	114,374	115,000	626	161,770	335,000	335,000	335,000
3442. Noble Park Revitalisation	64,874	65,000	126	143,520	190,000	190,000	-
3518. Harmony Square Entrance Protection	10,000	10,000	-	-	30,000	30,000	-
3794. Tatterson Park Masterplan	395,166	398,000	2,834	68,487	435,671	435,671	-
3837. Greaves Res.Tennis Court Resurf.	21,254	19,276	(1,978)	47,832	95,276	95,276	-
3900. Ross Reserve Plaza/Play/Oval/Path	734,748	736,000	1,252	1,414,486	1,998,252	1,998,252	-
3926. Sports Facilities Plan Imp.	(96)	-	96	-	-	-	-
3963. Ian Tatterson Leisure Park Cricket	35,465	30,000	(5,465)	-	30,000	30,000	60,000
3964. Warner Reserve Recreation Space	27,165	28,000	835	150,173	175,450	175,450	350,900
3965. Red Gum Rest - Shade	94,318	95,000	682	29,225	120,000	120,000	120,000
3966. Tirhatuan Park - Basketball Court	4,700	4,700	-	-	4,700	4,700	175,000
3969. Thomas Carroll-Cricket/Play/Light	1,790	-	(1,790)	174,663	180,000	180,000	430,000
Roads							
1629. 275 Lonsdale St Dnong-Vanity Lane	60,477	60,000	(477)	24,187	90,000	90,000	-
3080. Abbots Road DCP item L102	-	-	-	-	4,806,087	4,806,087	4,806,087
3231. Local Road Upgrade & Reconstruction	59,045	55,133	(3,912)	58,110	165,133	165,133	-
3373. Municipal wide, Kerb and Channel	245,866	246,875	1,009	102,089	350,000	350,000	500,000
3418. Municipal Wide,LATM post audit	434,173	450,000	15,827	117,880	450,000	450,000	450,000
3752. Local Road Rehab.Prg-Implement R2R	-	-	-	190,230	507,817	507,817	507,817
3753. Local Road Surf./Rehabit. Prg.	2,759,228	2,760,000	772	511,996	4,000,000	4,000,000	5,250,000
3828. Activity Centre Proj. Mason St	59,952	58,779	(1,173)	32,108	488,779	488,779	-
3831. Bakers Rd, D'ning Nth Alter.Cross	-	-	-	-	-	-	-
3923. Cheltenham Rd/Chandler Rd	235,245	241,666	6,421	-	241,666	241,666	-
3934. Parking Sensor Implementation	-	-	-	-	200,000	200,000	200,000
3938. Kerb & Channel Resurfacing Program	3,052,629	3,000,000	(52,629)	130,964	3,000,000	3,000,000	1,750,000
3942. Black Spot Works Program	273,061	275,189	2,128	21,008	2,681,676	2,681,676	-
3944. Keysb Sth Comm Hub Access Road	119,903	117,000	(2,903)	1,928,589	1,977,002	1,977,002	2,000,000
3961. Road Reconst Program - Geotechnical	-	-	-	-	50,000	50,000	50,000
3962. Bakers Road Service Road	-	-	-	-	-	-	180,000
3972. Local Roads Community Infrs. Prog.	-	-	-	-	-	-	517,807
3990. DCP - Chapel Rd Upg & Traffic Lght	300,434	156,237	(144,197)	-	156,237	156,237	-
3992. DCP - Perry Road South Upgrade	5,274	-	(5,274)	-	-	-	-
Bridges							
3185. Municipal Wide - Bridges	-	-	-	-	-	-	100,000
Footpath and cycleways							
3174. Active Transport Infra.Priority Pat	20,460	30,000	9,540	-	200,000	200,000	200,000
3355. Municipal Wide-Footpath Renewal	807,680	810,500	2,820	82,073	1,000,000	1,000,000	1,400,000
Off street car parks							
3794. Tatterson Park Masterplan	1,494,569	1,494,918	349	81,185	1,648,918	1,648,918	-
3901. Ross Reserve Access Road	68,912	69,717	805	35,113	174,717	174,717	-
3937. Car Park Renewal Program	18,461	87,672	69,211	-	153,645	153,645	-
Drainage							
3019. Major Drainage Renewal Prg.	286,971	288,250	1,279	6,335	410,000	410,000	410,000
3129. Drainage program	311,862	340,351	28,489	72,883	384,770	384,770	-
3939. Drainage Reactive Renewal Program	327,502	250,000	(77,502)	15,988	250,000	250,000	250,000
Total infrastructure	18,587,406	18,911,542	324,136	8,482,872	43,073,627	43,365,897	25,223,976
GRAND TOTAL	35,335,814	36,001,796	665,982	21,735,910	81,831,314	82,984,671	43,705,351

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Appendix 2

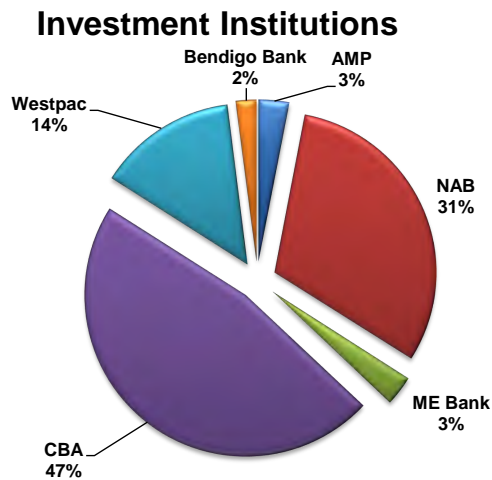
Investment Analysis

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



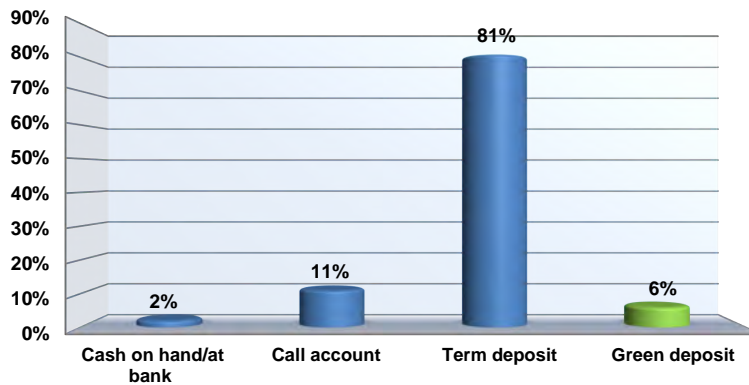
Financial Report for the period 1 July 2020 – 31 March 2021

Cash and Investments



Policy limit - no single institution shall comprise more than 25% of the total investment portfolio, unless the investment is with Council's banker.

Portfolio Products



Note: Green deposit: 6% (or \$10.10 million) was invested at 31 March 2021. These investments are certified against Climate Bonds Initiative – Climate Bonds Standard, the same certification as green bonds.

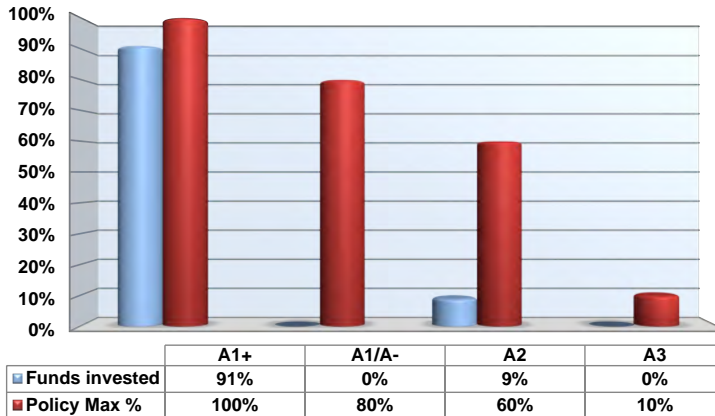
4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



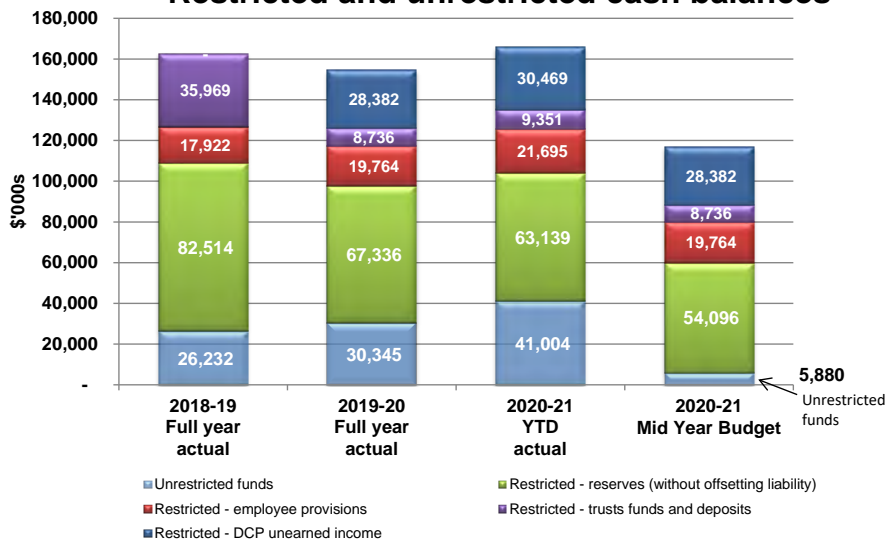
Financial Report for the period 1 July 2020 – 31 March 2021

Cash and Investments

Investment Credit Rating



Restricted and unrestricted cash balances



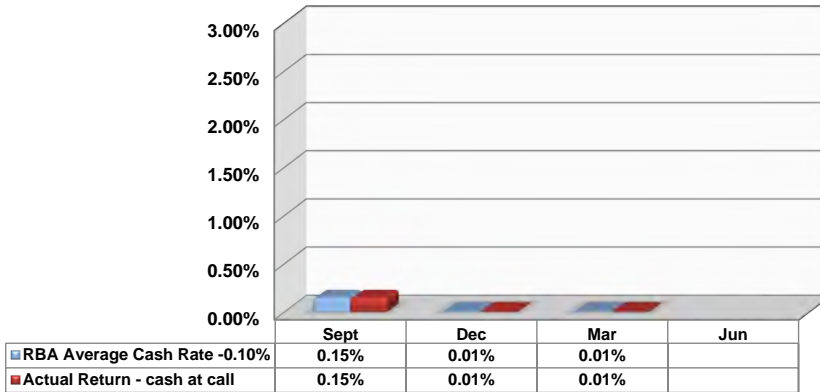
Note - DCP unearned income was previously classified in trust funds and deposits (2018-19 and prior).

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)

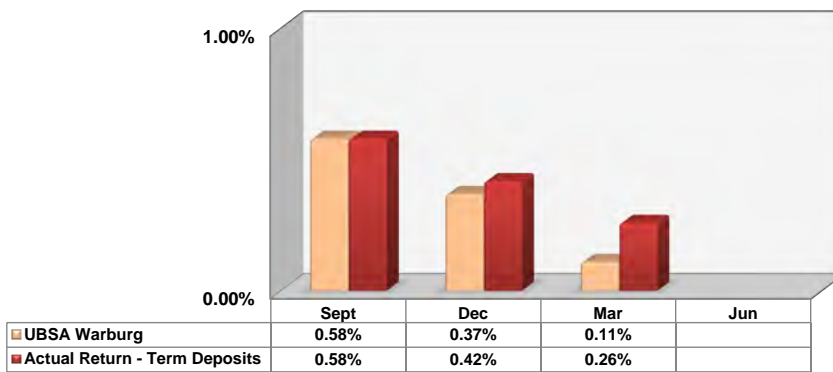


Financial Report for the period 1 July 2020 – 31 March 2021

Benchmark Indicator - Cash at Call



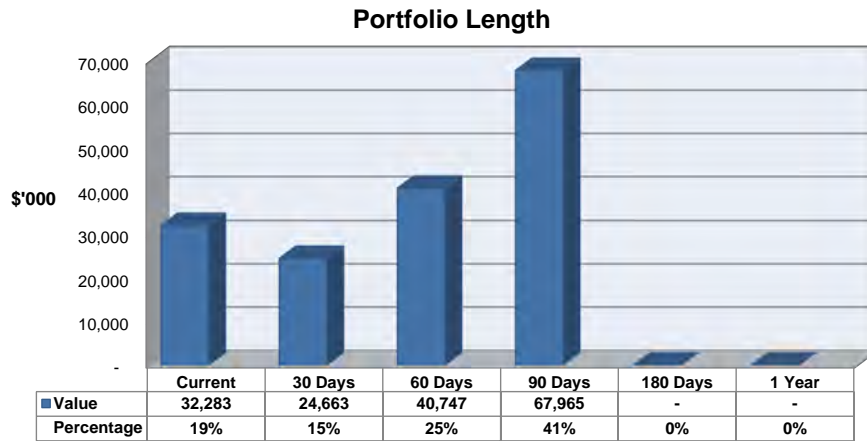
Benchmark Indicator - Term/Green Deposits



4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021



4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Appendix 3

Directorate Analysis

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Total Operating Results

CGD BY DIRECTORATE

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Chief Executive Office	-	-	-	-	-	-	-
Greater Dandenong Business	969	763	206	795	939	144	196
Corporate Services	1,372	1,229	143	2,131	2,035	(96)	2,691
Engineering Services	19,102	18,816	286	27,246	26,571	(675)	24,776
City Planning Design and Amenity	7,867	7,780	87	10,734	10,148	(586)	13,218
Community Services	15,616	14,160	1,456	20,338	20,989	651	20,602
Non-Directorate ^(a)	110,497	110,052	445	159,141	159,745	604	160,898
Capital Works Program	1,607	1,548	59	15,937	16,546	609	4,154
Total income	157,030	154,348	2,682	236,322	236,973	651	226,535
Expenses							
Chief Executive Office	494	509	15	788	779	9	788
Greater Dandenong Business	2,902	3,163	261	5,209	5,194	15	4,299
Corporate Services	15,676	16,765	1,089	22,858	21,759	1,099	23,280
Engineering Services	43,488	47,298	3,810	69,150	68,782	368	64,637
City Planning Design and Amenity	11,387	13,235	1,848	18,498	17,629	869	18,256
Community Services	33,295	37,748	4,453	52,162	52,815	(653)	47,828
Non-Directorate ^(a)	33,515	32,427	(1,088)	44,667	46,318	(1,651)	37,689
Capital Works Program	-	-	-	-	-	-	-
Total expenses	140,757	151,145	10,388	213,332	213,276	56	196,777
Net surplus (deficit)	16,273	3,203	13,070	22,990	23,697	707	29,758

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

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

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CEO DIRECTORATE

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Expenses							
	442	432	(10)	586	586	-	586
	52	22	(30)	96	89	7	96
1	-	55	55	106	104	2	106
	494	509	15	788	779	9	788
	(494)	(509)	15	(788)	(779)	9	(788)

BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
CEO	-	-	-	-	-	-	-
	-	-	-	-	-	-	-
Expenses							
CEO	494	509	15	788	779	9	788
	494	509	15	788	779	9	788
	(494)	(509)	15	(788)	(779)	9	(788)

Notes:

Expenditure

Note 1 Other expenses (\$54,000 favourable) – Favourable variance due to delay in budgeted contribution to South East Melbourne Incorporated.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

GREATER DANDENONG BUSINESS GROUP

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
	-	-	-	6	6	-	6
2	886	680	206	680	790	110	-
	83	83	-	109	143	34	190
Total income	969	763	206	795	939	144	196
Expenses							
3	1,927	2,078	151	2,789	2,745	44	2,806
4	971	1,033	62	1,977	2,025	(48)	1,365
	4	52	48	443	424	19	128
Total expenses	2,902	3,163	261	5,209	5,194	15	4,299
Net surplus (deficit)	(1,933)	(2,400)	467	(4,414)	(4,255)	159	(4,103)

BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Greater Dandenong Business Executive	-	-	-	-	-	-	(1)
Business Networks	318	180	138	204	180	(24)	50
Activity Centres Revitalisation	580	500	80	506	616	110	6
Major Projects	69	79	(10)	79	141	62	135
Economic Development	2	4	(2)	6	2	(4)	6
Total income	969	763	206	795	939	144	196
Expenses							
Greater Dandenong Business Executive	278	302	24	420	415	5	424
Business Networks	650	666	16	1,014	962	52	747
Activity Centres Revitalisation	831	851	20	1,871	1,953	(82)	1,102
Major Projects	344	328	(16)	494	557	(63)	550
Economic Development	799	1,016	217	1,410	1,307	103	1,476
Total expenses	2,902	3,163	261	5,209	5,194	15	4,299
Net surplus (deficit)	(1,933)	(2,400)	467	(4,414)	(4,255)	159	(4,103)

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Greater Dandenong Business Group

Income

Note 2 Grants - operating (\$206,000 favourable) – The favourable variance is due to receipt of unbudgeted grant income for Central Dandenong Facilitation Study (Place Making and Revitalisation \$80,000) and extension of Community Revitalisation Project (\$126,000). These grants will be offset by associated expenditure and have been reflected in the full year forecast.

Expenditure

Note 3 Employee costs (\$151,000 favourable) – The favourable variance is due to vacant positions and a delay in recruitment (Economic Development \$124,000 and Place Making and Revitalisation \$23,000), partly offset by the extension of the City Deals secondment position to January 2022.

Overall, a favourable variance of \$44,000 has been reflected in the full year forecast.

Note 4 Materials and services (\$62,000 favourable) – Favourable variance due to delay in receipt of invoices and commencement of projects (Economic Development \$82,000, Business Networks \$42,000, Business Engineering and Major Projects Executive \$13,000 and Major Projects \$11,000).

This favourable variance is partly offset by higher expenditure for professional services (Community Revitalisation Project \$53,000) and asset purchases (Outdoor Eating and Entertainment \$31,000) which will be offset by grant funding.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CORPORATE SERVICES DIRECTORATE

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Statutory fees and fines	69	84	(15)	111	101	(10)	111
User fees	4	16	(12)	21	2	(19)	21
Grants - operating	24	-	24	40	72	32	1
Other income	5	1,275	1,129	146	1,959	1,860	(99)
Total income	1,372	1,229	143	2,131	2,035	(96)	2,691
Expenses							
Employee costs	6	9,791	10,234	443	14,063	13,547	516
Materials and services	7	5,047	5,508	461	7,518	7,046	472
Other expenses	8	838	1,023	185	1,277	1,166	111
Total expenses	15,676	16,765	1,089	22,858	21,759	1,099	23,280
Net surplus (deficit)	(14,304)	(15,536)	1,232	(20,727)	(19,724)	1,003	(20,589)

BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Corporate Services Executive	-	-	-	-	-	-	-
Communications and Customer Service	58	55	3	197	73	(124)	559
Governance	1,137	1,020	117	1,511	1,508	(3)	1,748
Information Technology	-	-	-	-	-	-	-
Financial Services	121	139	(18)	363	354	(9)	363
People and Procurement Services	56	15	41	60	100	40	21
Total income	1,372	1,229	143	2,131	2,035	(96)	2,691
Expenses							
Corporate Services Executive	362	365	3	598	596	2	609
Communications and Customer Service	3,633	4,142	509	5,715	5,141	574	6,188
Governance	1,987	2,358	371	3,175	3,013	162	3,248
Information Technology	3,888	3,935	47	5,092	5,042	50	5,186
Financial Services	1,926	1,926	-	2,878	2,867	11	2,889
People and Procurement Services	3,880	4,039	159	5,400	5,100	300	5,160
Total expenses	15,676	16,765	1,089	22,858	21,759	1,099	23,280
Net surplus (deficit)	(14,304)	(15,536)	1,232	(20,727)	(19,724)	1,003	(20,589)

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Corporate Services Directorate

Income

Note 5 Other income (\$146,000 favourable) – Higher than anticipated rental and recovery income to date (Property Management Administration \$98,000 and Emergency Management \$45,000).

An unfavourable variance of \$99,000 has been reflected in the full year forecast due to anticipated COVID-19 impacts on rental income from Civic Facilities.

Expenditure

Note 6 Employee costs (\$443,000 favourable) – The favourable variance is primarily due to vacant positions and a reduction in the use of casual staff and overtime (Civic Facilities \$179,000, Call and Service Centres \$107,000, Records Management \$46,000 and Southern Screen \$25,000), a delay in corporate training (Organisational Development Executive \$53,000), reduced hours for staff (Governance \$27,000) and the timing of delivery of programs (Occupational, Health and Safety \$11,000).

This favourable variance is partly offset by the retirement of a staff member (Property Revenue \$19,000).

Overall, a permanent favourable variance of \$517,000 has been reflected in the full year forecast.

Note 7 Materials and services (\$461,000 favourable) – Favourable variance due to delay in receipt of invoices, commencement of projects and lower than anticipated printing and stationery, postage and storage, subscriptions, professional services and insurance claims to date (Organisational Development Executive \$86,000, Property Management Administration \$70,000, Communications and Customer Service Executive \$62,000, Technical Services \$49,000, Civic Facilities \$45,000, Records Management \$43,000, Occupational Health and Safety \$41,000, Members of Council \$38,000, Governance \$21,000, Print Shop \$16,000, Call and Service Centres \$16,000, Jan Wilson Community Centre \$14,000 and Senior Citizen Facilities \$12,000).

This favourable variance is partly offset by higher than anticipated emergency relief and recovery costs, which are mostly recoverable (Emergency Management \$33,000) and higher than anticipated professional services (Dandenong Market \$34,000).

Overall, a permanent favourable variance of \$472,000 has been reflected in the full year forecast.

Note 8 Other expenses (\$185,000 favourable) – Favourable variance mainly due to a saving in Council's contribution to the Dandenong Night Market which will not occur due to the COVID-19 pandemic, a delay in the Melbourne Food and Wine Festival contribution (Dandenong Market \$127,000) and lower administration costs to date (Members of Council \$37,000).

A permanent favourable variance of \$110,000 has been reflected in the full year forecast.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

ENGINEERING SERVICES DIRECTORATE

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000	
Income								
Rates and charges	9	16,910	16,822	88	22,438	22,438	-	22,438
Statutory fees and fines	10	295	203	92	215	250	35	413
User fees	11	396	447	(51)	607	607	-	607
Grants - operating	12	399	230	169	290	466	176	15
Contributions - monetary		2	-	2	-	1	1	-
Asset sales		322	343	(21)	686	526	(160)	686
Other income		778	771	7	3,010	2,283	(727)	617
Total income		19,102	18,816	286	27,246	26,571	(675)	24,776
Expenses								
Employee costs	13	13,333	13,615	282	18,621	18,887	(266)	18,082
Materials and services	14	29,770	33,150	3,380	49,810	49,256	554	46,131
Bad and doubtful debts		1	-	(1)	-	-	-	-
Carrying amount of assets sold	15	42	155	113	309	237	72	309
Other expenses		342	378	36	410	402	8	115
Total expenses		43,488	47,298	3,810	69,150	68,782	368	64,637
Net surplus (deficit)		(24,386)	(28,482)	4,096	(41,904)	(42,211)	(307)	(39,861)

BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Engineering Services Executive	-	-	-	-	-	-	-
Infrastructure Services	18,100	17,864	236	26,037	25,294	(743)	23,510
City Projects and Asset Improvement	23	19	4	19	19	-	19
Infrastructure Planning	979	933	46	1,190	1,258	68	1,247
Total income	19,102	18,816	286	27,246	26,571	(675)	24,776
Expenses							
Engineering Services Executive	-	-	-	-	-	-	-
Infrastructure Services	34,617	37,910	3,293	55,663	55,133	530	51,698
City Projects and Asset Improvement	7,364	7,777	413	11,371	11,560	(189)	10,940
Infrastructure Planning	1,507	1,611	104	2,116	2,089	27	1,999
Total expenses	43,488	47,298	3,810	69,150	68,782	368	64,637
Net surplus (deficit)	(24,386)	(28,482)	4,096	(41,904)	(42,211)	(307)	(39,861)

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Engineering Services Directorate

Income

Note 9 Rates and charges (\$88,000 favourable) – Favourable variance due to better than anticipated income from waste and supplementary waste charges to date (Waste Management \$86,000).

Note 10 Statutory fees and fines (\$92,000 favourable) – Favourable variance due to better than anticipated fee income from sub-divisions and plan checking (Civil Development and Design \$92,000).

A favourable variance of \$35,000 has been reflected in the full year forecast.

Note 11 User fees (\$51,000 unfavourable) – Lower drainage plan and asset protection fees to date (Transport and Civil Development \$51,000).

Note 12 Grants - operating (\$169,000 favourable) – Receipt of unbudgeted grant income for Peri Urban Weed Management and Corridors of Green (Parks Services \$162,000). These grants will be offset by associated project expenditure and have been reflected in the full year forecast.

Expenditure

Note 13 Employee costs (\$282,000 favourable) – Favourable variance caused by a delay in recruitment and lower temporary agency staff costs (Roads and Drains \$167,000, Asset Management System Implementation \$111,000, Parks Services \$101,000, Infrastructure Services and Planning Executive \$35,000, Waste Management \$31,000 and Asset Protection \$14,000), combined with secondment of staff (Transport \$22,000) and higher than anticipated motor vehicle recovery (Fleet Management \$25,000).

This favourable variance is partly offset by higher than anticipated temporary agency costs (Cleansing \$101,000), job share arrangement resulting in unbudgeted EFT combined with unbudgeted parental leave payments (City Improvement Executive \$114,000) as well as leave not yet taken by staff (Building Maintenance \$26,000)

An unfavourable variance of \$266,000 has been reflected in the full year forecast.

Note 14 Materials and services (\$3.38 million favourable) - Favourable variance due to:

- Timing of works and delay in receipt of invoices from contractors particularly for garden waste, hard waste, tipping fees and recycling costs (Waste Management \$837,000), major road patching, fire hydrants and bridge maintenance (Roads and Drains \$686,000), cleaning and maintenance of buildings (Building Maintenance \$507,000), park maintenance and utilities (Parks Services \$400,000) and dumped rubbish (Cleansing \$263,000).
- Lower than anticipated contract services for street lighting, professional services for asset audits and asbestos rectification works (Asset Management \$406,000).
- Lower than anticipated fuel and fleet related costs to date (proactive maintenance, consumables, electrical) (Fleet Management \$261,000).
- Delay in commencement of projects (Strategic Transport Planning \$54,000).
- Lower than anticipated building maintenance and operational costs for the Springvale Community Hub due to COVID-19 restrictions on opening (\$36,000).

A favourable variance of \$553,000 has been reflected in the full year forecast.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Note 15 Carrying amount of assets sold (\$113,000 favourable) – Lower than anticipated carrying amount of assets sold to date, consistent with lower asset sale proceeds. This is a non-cash accounting entry (Fleet Management \$113,000).

A favourable variance of \$72,000 has been reflected in the full year forecast.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CITY PLANNING, DESIGN & AMENITY

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Rates and charges	-	-	-	-	-	-	-
Statutory fees and fines	16 4,713	4,629	84	6,614	6,231	(383)	7,701
User fees	17 2,463	2,618	(155)	3,539	3,195	(344)	4,961
Grants - operating	18 680	468	212	493	709	216	468
Other income	19 11	65	(54)	88	13	(75)	88
Total income	7,867	7,780	87	10,734	10,148	(586)	13,218
Expenses							
Employee costs	20 8,973	9,887	914	13,450	12,904	546	13,670
Materials and services	21 1,909	2,636	727	3,648	3,335	313	3,141
Bad and doubtful debts	22 497	674	177	1,353	1,355	(2)	1,353
Other expenses	8	38	30	47	35	12	92
Total expenses	11,387	13,235	1,848	18,498	17,629	869	18,256
Net surplus (deficit)	(3,520)	(5,455)	1,935	(7,764)	(7,481)	283	(5,038)

BUSINESS UNITS

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
City Planning, Design and Amenity Exec.	-	-	-	-	-	-	-
Building Services	1,692	1,667	25	2,009	1,935	(74)	2,236
Planning and Design	1,234	1,265	(31)	1,743	1,723	(20)	1,733
Regulatory Services	4,941	4,848	93	6,982	6,490	(492)	9,249
Total income	7,867	7,780	87	10,734	10,148	(586)	13,218
Expenses							
City Planning, Design and Amenity Exec.	342	349	7	481	474	7	481
Building Services	2,551	2,747	196	3,719	3,799	(80)	3,511
Planning and Design	3,624	4,264	640	5,760	5,382	378	5,571
Regulatory Services	4,870	5,875	1,005	8,538	7,974	564	8,693
Total expenses	11,387	13,235	1,848	18,498	17,629	869	18,256
Net surplus (deficit)	(3,520)	(5,455)	1,935	(7,764)	(7,481)	283	(5,038)

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

City Planning, Design and Amenity Directorate

Income

Note 16 Statutory fees and fines (\$84,000 favourable) – Favourable variance mainly due to higher than anticipated income from parking fines (Parking Management \$244,000) partly offset by lower than anticipated fines and fees (Animal Management \$73,000, Planning Compliance \$45,000, Building \$33,000, Regulatory Services Administration \$15,000 and Strategic Design and Sustainability Planning \$12,000).

An unfavourable variance of \$383,000 has been reflected in the full year forecast.

Note 17 User fees (\$155,000 unfavourable) – Unfavourable variance due to lower than anticipated building permits (Building \$128,000), parking permits (Car Parks \$65,000) and planning fees (Statutory Planning \$39,000).

The unfavourable variance is partly offset by higher than anticipated income from ticket machines (Parking Management \$50,000), registration fees (Animal Management \$18,000) and renewal fees (Health \$13,000).

An unfavourable variance of \$343,000 has been reflected in the full year forecast primarily due to lower Building fee income.

Note 18 Grants – operating (\$212,000 favourable) – Favourable variance due to receipt of unbudgeted grant from the Department of Environmental, Land, Water and Planning (Local Government (LG) Capacity Building Grant \$224,000). This will be offset by associated project expenditure and has been reflected in the full year forecast.

Note 19 Other income (\$54,000 unfavourable) – Unfavourable variance due to lower than anticipated rental income from Carroll Lane car park caused by delay in lease arrangement as a result of COVID-19 testing at this site (Car Park \$54,000).

Expenditure

Note 20 Employee costs (\$914,000 favourable) – Favourable variance due to delay in recruitment of vacant positions, lower overtime and use of temporary staff to date (Statutory Planning \$206,000, Parking Management \$121,000, Animal Management \$104,000, Strategic Design and Sustainability Planning \$94,000, Public Safety and Security \$84,000, Building \$63,000, Planning Compliance \$51,000, Regulatory Services Administration \$49,000, General Law Enforcement \$45,000 and Health \$30,000) combined with lower salary costs for school crossings due to closure of schools under COVID-19 stage four restrictions (School Crossing Supervisors \$66,000).

A favourable variance of \$546,000 has been reflected in the full year forecast.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)Financial Report for the period 1 July 2020 – 31 March 2021

Note 21 Materials and services (\$727,000 favourable) – Favourable variance due to lower Fines Victoria statutory lodgement costs for parking infringements (Parking Management \$240,000), delay in receipt of invoices and commencement of projects, combined with lower professional services expenditure (Strategic Design and Sustainability Planning \$248,000, Health \$52,000, Statutory Planning \$67,000, Animal Management \$45,000, Regulatory Services Administration \$42,000 and Car Parks \$24,000).

This favourable variance is partly offset by higher than anticipated professional services costs to engage a Municipal Building Surveyor (Building \$32,000).

Overall, a favourable variance of \$314,000 has been reflected in the full year forecast.

Note 22 Bad and doubtful debts (\$177,000 favourable) – Favourable variance due to lower than anticipated provision for doubtful debts expense to date (Parking Management \$146,000, General Law Enforcement \$19,000 and Health \$9,000).

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

COMMUNITY SERVICES DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
User fees	23	1,138	1,678	(540)	2,329	1,837	(492)	2,473
Grants - operating	24	14,244	12,224	2,020	17,439	18,829	1,390	17,191
Other income		234	258	(24)	570	323	(247)	938
Total income		15,616	14,160	1,456	20,338	20,989	651	20,602
Expenses								
Employee costs	25	23,606	27,025	3,419	37,072	36,991	81	34,076
Materials and services	26	7,820	8,790	970	12,496	13,226	(730)	11,095
Bad and doubtful debts		13	-	(13)	9	9	-	9
Other expenses	27	1,856	1,933	77	2,585	2,589	(4)	2,648
Total expenses		33,295	37,748	4,453	52,162	52,815	(653)	47,828
Net surplus (deficit)		(17,679)	(23,588)	5,909	(31,824)	(31,826)	(2)	(27,226)

BUSINESS UNITS

		YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Community Services Executive		-	-	-	-	-	-	-
Community Wellbeing		8,166	6,752	1,414	9,739	10,775	1,036	8,873
Community Care		5,778	5,881	(103)	8,655	8,300	(355)	9,655
Community Arts, Culture and Libraries		1,308	1,286	22	1,511	1,469	(42)	1,613
Community Development, Sports and Recreation		364	241	123	433	445	12	461
Total income		15,616	14,160	1,456	20,338	20,989	651	20,602
Expenses								
Community Services Executive		447	524	77	744	734	10	445
Community Wellbeing		11,429	13,864	2,435	19,046	20,028	(982)	14,791
Community Care		8,824	9,593	769	13,113	12,817	296	13,894
Community Arts, Culture and Libraries		6,855	7,526	671	10,077	9,888	189	10,331
Community Development, Sports and Recreation		5,740	6,241	501	9,182	9,348	(166)	8,367
Total expenses		33,295	37,748	4,453	52,162	52,815	(653)	47,828
Net surplus (deficit)		(17,679)	(23,588)	5,909	(31,824)	(31,826)	(2)	(27,226)

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Community Services Directorate

Income

Note 23 User fees (\$540,000 unfavourable) - Unfavourable variance mainly due to the Family Day Care (FDC) administration levy not being charged for most of the year as a result of COVID-19, (mostly offset by higher FDC grant subsidy income, FDC \$431,000) combined with lower than anticipated service provision fee income (Home and Community Care \$131,000).

An unfavourable variance of \$491,000 has been reflected in the full year forecast.

Note 24 Grants – operating (\$2.02 million favourable) - Favourable variance due to:

Higher than anticipated or additional grant funding received (will be offset by associated expenditure):

- Family Day Care \$1.38 million
- Child First \$290,000
- Library and Information Services \$74,000

New (unbudgeted) grant funding received (reflected in the full year forecast and will be offset by associated expenditure):

- Community Development (Community Activation Social Isolation (CASI)) \$65,000
- Community Development (CASI Working For Victoria) \$49,000
- Community Development (Safety, Security and Space Activation) \$23,000
- HACC PYP Linkages \$127,000
- Healthy Children & Young People \$19,000

Grant funding received earlier than anticipated:

- Enhanced MCH Program \$99,000
- HACC – Assessments and Team Leaders \$63,000
- Maternal and Child Health \$34,000
- Childrens Support Services \$19,000

These favourable variances are partly offset by:

Lower than anticipated grant funding based on target achievement for:

- Home and Community Care \$62,000
- Food Services \$77,000
- Planned Activity Group \$67,000

Delay in receipt of anticipated grant funding:

- Y-Space \$17,000

Grant funding no longer expected to be received (reflected in the full year forecast):

- Sports Planning (Walk to School) \$10,000

A favourable variance of \$1.39 million has been reflected in the full year forecast.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Expenses

Note 25 Employee costs (\$3.42 million favourable) - \$2.19 million of this favourable variance relates to grant funded programs (which require an acquittal) caused by a delay in recruitment (Enhanced MCH Program \$694,000, Child First \$504,000, New Directions - Mother and Babies \$246,000, Sleep and Settling Initiative \$240,000, Playgroups Initiative \$186,000, Pre-School Field Officer \$145,000, Right@Home \$130,000 and Drug Strategy \$66,000). Any unspent grant funds relating to these programs will be carried forward to the 2021-22 financial year.

The remaining favourable variance is due to a delay in recruitment (Library and Information Services \$284,000, Home and Community Care \$236,000, Maternal and Child Health \$137,000, Planned Activity Group \$125,000, Children's Support Services \$125,000, Cultural Development \$58,000, Community Development \$46,000, Food Services \$45,000, Family Day Care \$45,000, HACC - Co-ordination \$44,000, Youth Leadership \$41,000, HACC - Home Maintenance \$31,000, Youth Development \$28,000 and HACC – Assessments and Team Leaders \$25,000).

The favourable variance is partly offset by higher hours than anticipated due to COVID-19 requirements (Immunisation \$117,000).

Overall, the majority of this favourable variance is not expected to be permanent, with a favourable adjustment of \$81,000 being reflected in the full year forecast.

Note 26 Material and services (\$970,000 favourable) – Favourable variance due to delay in receipt of invoices and commencement of projects (Leisure Centres \$287,000, Library and Information Services \$245,000, Home and Community Care \$169,000, Market Street Occasional Child Care Centre \$126,000, Festivals and Events \$122,000, New Directions – Mothers and Babies \$117,000, Cultural Development \$95,000, Drug Strategy \$88,000, Community Hub Early Years \$85,000, Enhanced MCH Program \$84,000, Food Services \$60,000, Community Funding \$55,000, Community Precinct Operations \$48,000, Sports Planning \$36,000, Community Development \$31,000 and HACC Co-ordination \$23,000).

This favourable variance is partly offset by higher payments to educators relating to additional service delivery requirements which are offset by higher grant income (Family Day Care (FDC) \$902,000).

An unfavourable variance of \$730,000 has been reflected in the full year forecast mainly due to the higher payments to FDC educators.

Note 27 Other expenses (\$77,000 favourable) – Favourable variance mainly due to timing of community funding allocation (Community Funding \$31,000) and lower than anticipated expenditure (Senior Citizens Centres \$27,000).

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

NON-DIRECTORATE

OPERATING RESULT

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Rates and charges	28	97,746	97,564	182	129,312	129,442	130	129,887
Statutory fees and fines		9	9	-	200	9	(191)	200
Grants - operating		8,750	8,750	-	10,720	11,218	498	12,201
Contributions - monetary	29	1,830	1,719	111	2,000	2,000	-	2,000
Contributions - non-monetary		298	298	-	15,000	15,000	-	15,000
Asset sales		1,001	1,000	1	1,000	1,001	1	-
Other income	30	863	712	151	909	1,075	166	1,610
Total income		110,497	110,052	445	159,141	159,745	604	160,898
Expenses								
Employee costs		2,065	2,050	(15)	3,959	4,447	(488)	1,050
Materials and services	31	1,307	1,420	113	2,369	2,497	(128)	1,188
Prior year capital expenditure unable to be capitalised (non-cash)	32	593	-	(593)	-	-	-	-
Depreciation		24,222	24,222	-	32,308	32,308	-	31,433
Amortisation - intangible assets		45	45	-	60	60	-	-
Amortisation - right of use assets	33	436	291	(145)	581	581	-	-
Borrowing costs		2,205	2,205	-	2,924	2,924	-	3,051
Finance costs - leases		-	-	-	21	21	-	-
Carrying amount of assets sold	34	1,000	-	(1,000)	-	1,000	(1,000)	-
Fair value adjustments expense		-	-	-	-	-	-	-
Asset write offs	35	208	-	(208)	-	-	-	-
Other expenses	36	1,434	2,194	760	2,445	2,480	(35)	967
Total expenses		33,515	32,427	(1,088)	44,667	46,318	(1,651)	37,689
Net surplus (deficit)		76,982	77,625	(643)	114,474	113,427	(1,047)	123,209

BUSINESS UNITS

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income								
Governance		1,001	1,000	1	1,000	1,001	1	-
Corporate Accounting		107,666	107,333	333	156,141	156,744	603	158,898
Planning and Design		1,830	1,719	111	2,000	2,000	-	2,000
Total income		110,497	110,052	445	159,141	159,745	604	160,898
Expenses								
Governance		1,007	23	(984)	30	1,030	(1,000)	30
Corporate Accounting		32,486	32,386	(100)	44,619	45,266	(647)	37,641
Planning and Design		22	18	(4)	18	22	(4)	18
Total expenses		33,515	32,427	(1,088)	44,667	46,318	(1,651)	37,689
Net surplus (deficit)		76,982	77,625	(643)	114,474	113,427	(1,047)	123,209

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

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Non-Directorate

Income

Note 28 Rates and charges (\$182,000 favourable) – Favourable variance due mainly to higher than anticipated income from supplementary rates, interest on rates and maintenance levy for Keysborough South Development (the maintenance levy is transferred to reserves).

A favourable variance of \$130,000 has been reflected in the full year forecast.

Note 29 Contributions – monetary (\$111,000 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 30 Other income (\$151,000 favourable) – Favourable variance is mainly due to unanticipated car parking Fringe Benefits Tax refund due to a successful Australian Taxation Office (ATO) ruling.

A favourable variance of \$166,000 has been reflected in the full year forecast due to this favourable FBT refund partly offset by COVID-19 impacts on investment returns (interest income).

Expenditure

Note 31 Materials and services (\$113,000 favourable) – Favourable variance due to delay in receipt of invoices for postage, occupancy costs and bank charges (Working for Victoria Fund \$79,000 and Corporate Accounting \$61,000).

Note 32 Prior year capital expenditure unable to be capitalised (non-cash) (\$593,000 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 \$593,000). This is a non-cash entry that does not impact on Council's cash position. Examples of non-capital expenditure include asset relocation, asset removal/demolition, operating services, projects cancelled, repairs and maintenance expenditure, studies/surveys and concept planning.

Note 33 Amortisation – right of use assets (\$145,000 unfavourable) – Unfavourable variance due to incorrect budget phasing. This will be resolved in April and is a non-cash accounting entry.

Note 34 Carrying amount of assets sold (\$1 million unfavourable) – Unfavourable variance due to written down value of land sold as part of three-way land swap with Development Victoria that settled in December. This is a non-cash accounting entry and it has been reflected in the full year forecast.

Note 35 Asset write offs (\$208,000 unfavourable) – Unfavourable variance due to assets written off mostly due to asset renewal and replacement. This item is difficult to predict and is a non-cash accounting entry.

Note 36 Other expenses (\$760,000 favourable) – Mostly due to a delay in receipt of invoices for the Council election costs which are expected to be received in May (Corporate Accounting \$631,000).

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

CAPITAL WORKS PROGRAM

OPERATING RESULT

Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Income							
Grants - capital	1,593	1,548	45	13,879	14,488	609	3,244
Contributions - monetary	14	-	14	2,058	2,058	-	910
Total income	1,607	1,548	59	15,937	16,546	609	4,154
Expenses							
Employee costs	-	-	-	-	-	-	-
Materials and services	-	-	-	-	-	-	-
Bad and doubtful debts	-	-	-	-	-	-	-
Other expenses	-	-	-	-	-	-	-
Total expenses	-	-	-	-	-	-	-
Net surplus (deficit)	1,607	1,548	59	15,937	16,546	609	4,154

Notes:

No comments required for this directorate.

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Appendix 4

Operating Initiatives

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Operating Initiatives

Operating initiative project	2020-21 YTD Actuals \$	2020-21 YTD Budget \$	YTD Variance (Unfav) Fav \$	2020-21 Original Budget \$	Project update - 31 March
Community Services					
Membership fee for Refugee Welcome Zone (RWZ) Leadership Council	5,000	5,000	0	5,000	Initiative completed for 2020-21.
Dandenong Community Hub - Business Case and Concept Plan	0	20,000	20,000	80,000	Project has not yet commenced.
Chandler Reserve Community Gardens Contribution	720	0	(720)	20,000	Community consultation has closed. Officers continue to liaise with the Maralinga Community Garden Inc. The proposal has been delayed, pending a State Government Advisory Committee decision for the adjacent school site. This is anticipated to be handed down in April/May 2021. Further consideration by council and consultation with the community will be required at that time. Councillors have been kept informed on the progress of this initiative.
	5,720	25,000	19,280	105,000	
City Planning, Design and Amenity					
Climate Change Strategy Implementation	50,000	50,000	0	80,000	Consultant has commenced the South East Councils Climate Change Alliance (SECCCA) additional asset vulnerability assessments for community services and open space.
Community Gardens Strategy Development	0	0	0	20,000	Project has progressed and is in the detailed development phase of the strategy.
	50,000	50,000	0	100,000	
Business, Engineering and Major Projects					
Stage 2 Social Enterprise Program	0	23,000	23,000	40,000	Project has not yet commenced. This funding is to be redirected to the COVID Business Grants Support Program (reflected in full year forecast).
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 (minor savings).

Table continued on next page

ORDINARY COUNCIL MEETING - MINUTES

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Operating initiative project	2020-21 YTD Actuals \$	2020-21 YTD Budget \$	YTD Variance (Unfav) Fav \$	2020-21 Original Budget \$	Project update - 31 March
Biodiversity Action Plan	0	24,999	24,999	50,000	Consultants have completed the initial community consultation phase which included workshops and surveys. Field surveys and data collection have also been completed. The consultant has been delayed in preparing the draft background report and action plan. The working group have met with Ecology Australia to review the proposed timelines with the view to have a final draft of both the background report and action plan early May.
Electric Vehicle Fleet Transition Plan	0	20,000	20,000	20,000	Expert consultant has now been identified and in the process of being engaged - the difficulty has been finding someone who can consider the whole of Council's fleet (including electricity grid network and supporting infrastructure required) rather than just an assessment of the passenger vehicles which represent <20% of the total fleet by either numbers or \$ value. It is anticipated that the project will be completed by late June at a cost of approximately \$25,000 (the shortfall will be funded from savings in other the Fleet operating expense accounts).
Landscaping - Robinson Street and Princes Highway Intersection	12,000	12,000	0	200,000	Design is currently under review with works expected in June.
Building demolition - Ross Reserve Junior Soccer Pavilion	58,840	59,000	160	80,000	Project is on track and due to be completed by 30 June 2021.
Building demolition - Ross Reserve O'Donahue Pavilion	73,815	74,000	185	100,000	Project is on track and due to be completed by 30 June 2021.
Street lighting - install and replacement	0	300,000	300,000	408,000	Order has been placed for the purchase of the lights, with installation to be undertaken in year four.
	162,057	532,999	370,942	968,000	
TOTAL	217,777	607,999	390,222	1,173,000	

4.1.1 Q3 2020-21 Quarterly Performance Report (Cont.)



Financial Report for the period 1 July 2020 – 31 March 2021

Notes re Operating Initiative reporting:

The reporting on operating initiatives excludes the following:

- Salary related initiatives
- Operating initiatives that add to an existing budget
- Ongoing initiatives
- Carry overs of prior year operating initiatives