



the place
to live

AGENDA OF THE SPECIAL COUNCIL MEETING

To be held on Thursday 30 March 2023 at 7pm

This Council Meeting will be held virtually.

This meeting will be open to the public and available for the public to watch through livestreaming via the Council's website www.darebin.vic.gov.au



ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND ABORIGINAL AND TORRES STRAIT ISLANDER COMMUNITIES IN DAREBIN

Darebin City Council acknowledges the Wurundjeri Woi-Wurrung people as the Traditional Owners and custodians of the land we now call Darebin and pays respect to their Elders, past, present and emerging.

Council pays respect to all other Aboriginal and Torres Strait Islander communities in Darebin.

Council recognises, and pays tribute to, the diverse culture, resilience and heritage of Aboriginal and Torres Strait Islander people.

We acknowledge the leadership of Aboriginal and Torres Strait Islander communities and the right to self-determination in the spirit of mutual understanding and respect.



English

These are the Minutes for the Council Meeting. For assistance with any of the items in the minutes, please telephone 8470 8888.

Arabic

هذه هي محاضر اجتماع المجلس. للحصول على المساعدة في أي من البنود في المحاضر، يرجى الاتصال بالهاتف 8470 8888.

Chinese

这些是市议会会议纪要。如需协助了解任何纪要项目，请致电8470 8888。

Greek

Αυτά είναι τα Πρακτικά της συνεδρίασης του Δημοτικού Συμβουλίου. Για βοήθεια με οποιαδήποτε θέματα στα πρακτικά, παρακαλείστε να καλέσετε το 8470 8888.

Hindi

ये काउंसिल की बैठक का सारांश है। सारांश के किसी भी आइटम में सहायता के लिए, कृपया 8470 8888 पर टेलीफोन करें।

Italian

Questo è il verbale della riunione del Comune. Per assistenza con qualsiasi punto del verbale, si prega di chiamare il numero 8470 8888.

Macedonian

Ова е Записникот од состанокот на Општинскиот одбор. За помош во врска со која и да било точка од записникот, ве молиме телефонирајте на 8470 8888.

Nepali

यी परिषद्को बैठकका माइन्युटहरू हुन्। माइन्युटका कुनै पनि वस्तुसम्बन्धी सहायताका लागि कृपया 8470 8888 मा कल गर्नुहोस्।

Punjabi

ਇਹ ਵੈੱਸਲ ਦੀ ਮੀਟਿੰਗ ਵਾਸਤੇ ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਹੈ। ਸੰਖੇਪ ਸਾਰਾਂਸ਼ ਵਿਚਲੀਆਂ ਕਿਸੇ ਵੀ ਆਈਟਮਾਂ ਸੰਬੰਧੀ ਸਹਾਇਤਾ ਵਾਸਤੇ, ਕਿਰਪਾ ਕਰਕੇ 8470 8888 ਨੂੰ ਟੈਲੀਫੋਨ ਕਰੋ।

Somali

Kuwaani waa qodobadii lagaga wada hadlay Fadhiga Golaha. Caawimada mid kasta oo ka mid ah qodobada laga wada hadlay, fadlan la xiriiir 8470 8888.

Spanish

Estas son las Actas de la Reunión del Concejo. Para recibir ayuda acerca de algún tema de las actas, llame al teléfono 8470 8888.

Urdu

یہ کاؤنسل کی میٹنگ کا ایجنڈا ہے۔ ایجنڈے کے کسی بھی حصے کے بارے میں مدد کے لیے براہ مہربانی 8470 8888 پر فون کریں۔

Vietnamese

Đây là những Biên bản Họp Hội đồng Thành phố. Muốn có người trợ giúp mình về bất kỳ mục nào trong biên bản họp, xin quý vị gọi điện thoại số 8470 8888.

Table of Contents

Item Number		Page Number
1.	OPENING OF MEETING AND MEMBERSHIP	5
2.	ACKNOWLEDGEMENT OF TRADITIONAL OWNERS.....	5
3.	APOLOGIES.....	5
4.	DISCLOSURES OF CONFLICTS OF INTEREST	5
5.	COUNCIL’S OCCUPATIONAL HEALTH AND SAFETY RESPONSIBILITIES	5
6.	CONSIDERATION OF REPORTS	6
6.1	QUARTER 2 FINANCIAL REPORT ENDING 31 JANUARY 2023 - FINANCIAL PERFORMANCE AND MID-YEAR FORECAST UPDATE	6
7.	CONSIDERATION OF REPORTS CONSIDERED CONFIDENTIAL	37
8.	CLOSE OF MEETING.....	37

Agenda

1. OPENING OF MEETING AND MEMBERSHIP

Cr. Julie Williams (Mayor) (Chairperson)

Cr. Susanne Newton (Deputy Mayor)

Cr. Emily Dimitriadis

Cr. Gaetano Greco

Cr. Lina Messina

Cr. Tim Laurence

Cr. Tom Hannan

Cr. Trent McCarthy

Cr. Susan Rennie

2. ACKNOWLEDGEMENT OF TRADITIONAL OWNERS

3. APOLOGIES

4. DISCLOSURES OF CONFLICTS OF INTEREST

5. COUNCIL'S OCCUPATIONAL HEALTH AND SAFETY RESPONSIBILITIES

6. CONSIDERATION OF REPORTS

6.1 QUARTER 2 FINANCIAL REPORT ENDING 31 JANUARY 2023 - FINANCIAL PERFORMANCE AND MID-YEAR FORECAST UPDATE

Author: Financial Accountant
Chief Financial Officer

Reviewed By: General Manager Governance and Engagement

EXECUTIVE SUMMARY

Council is required by the *Local Government Act 2020* (the Act) to prepare a Council Plan containing the strategic objectives of Council, strategies for achieving those objectives, and indicators to monitor the achievements of those objectives.

The 2022-23 Quarter Two Financial Report provides an update of the Financial Report ending 31 January 2023 and mid-year annual forecast results.

To comply with the Act, the report includes the following comparisons for the seven months ended 31 January 2023:

- A comparison of actual and budgeted results to date (s.97(2)(a))
- An explanation of any material variations (s.97(2)(b))
- Any other matters prescribed by the regulations (s.97(2)(c))
- Based on the outcome of the mid-year budget review and report, the Chief Executive Officer, as required under Section 97(3) of the *Local Government Act 2020* is of the opinion a revised budget process is not required.

For the seven months ended 31 January 2023, Council has recorded an operating surplus of \$61.65 million, which is \$1.49 million behind the year-to-date (YTD) budget. After eliminating capital and other items, the adjusted underlying surplus is \$60.98 million, which is \$1.71 million less than the full-year adopted budget. The forecast operating result for the year ending 30 June 2023 is an operating surplus of \$1.02 million, which is \$7.25 million less than budget. The forecast adjusted underlying deficit is \$0.10 million, which is \$7.62 million less than the budget surplus of \$7.52 million.

For the seven months ended 31 January 2023 Council's capital expenditures of \$31.3m is behind the YTD adopted budget of \$38.5m. Main drivers behind the YTD variance represents timing differences attributed to building, plant, machinery and equipment and roads. Q2 annual forecast capital expenditure of \$62.6m is \$3.6m less than the budgeted capital expenditure of \$66.2m.

For the seven months ended 31 January 2023 Council's cash (\$21.0M) and investment (\$14.2M) balance of \$35.2m is ahead of the YTD adopted budget of \$29.3m. YTD net current assets of \$79.0m is ahead of the YTD adopted budget of \$63.7m. Q2 annual forecast financial position shows a cash and investment position of \$48.9m and net current assets of \$22.5m.

After a thorough review by Finance, the mid-year budget (Q2 forecast) has been finalised. Results indicate a \$7.25 million net unfavourable outcome to Councils operating

performance and \$3.51 million less than Council's adopted capital works budget.

Significant variances between forecast and the adopted budget include;

Revenue Items

- \$3.5M Financial Assistance Grant – 75% received previous FY – no indication from the State Government, thus far, same will occur this year.
- \$825k reduction in Right of Way proceeds relating to the sale of minor Council assets
- \$719k reduction in Bundoora Park Administration fees (human error in uploading the budget, causing the revenue budget to inflate)
- \$300k reduced income in building permits due to a slow-down in the construction industry
- \$200k reduced legal fee recoveries relating to outstanding rate collections.
- \$1.3m unbudgeted capital grant funding received (improvement).

Expenditure Items

- \$1.6m additional depreciation (non-cash) expense resulting from FY 2021-22 building revaluation
- \$480k increased IT license expenses attributed to increased license cost, Microsoft True Up and Oracle
- \$340k net additional expenses relating to Preston Market Standing Advisory Committee representation (planning panel) and advocacy project

Capital Works Program: Overall \$3.5m less than budget. Main drivers:

- \$3.7m improvement to Bill Lawry Oval Pavilion project due to a reduction in scope.
- \$500k net budget carry forwards from previous FY (unfavourable).

Officer Recommendation

That Council:

- (1) Notes the Financial Report for the seven months ended 31 January 2023, incorporating Mid-year annual forecast performance at Appendix A; and
- (2) Notes the Chief Executive Officer, as required under Section 97(3) of the *Local Government Act 2020* is of the opinion a revised budget is not required.

BACKGROUND / KEY INFORMATION

Council's financial report for the Seven months ended 31 January 2023 provide an overview of the Council's financial performance of the quarter. In accordance with the *Local Government Act 2020* (s97), as soon as practicable after the end of each quarter of the financial year, the Chief Executive Officer must ensure that a quarterly financial report is presented to the Council at a Council meeting which is open to the public.

The quarterly financial report must include a comparison of the actual and budgeted results to date; an explanation of any material variations and any other matters prescribed by the regulations and is attached as **Appendix A** to this report.

The second quarterly report must include a statement by the Chief Executive Officer as to whether a revised budget is, or may be, required (s.97(3)).

Previous Council Resolution

At its meeting on 27 June 2022, Council resolved:

“That Council:

- 1) In accordance with section 94 of the *Local Government Act 2020* adopts the draft Budget 2022-23 (incorporating the four (4) year budget) (Appendix A);
- 2) In accordance with section 93 the *Local Government Act 2020* adopts the revised Revenue and Rating Plan 2022-2026 (Appendix B – version for adoption);
- 3) Note that the *Local Government Legislation Amendment (Rating and Other Matters) Bill 2022* was introduced to Parliament on 7 June 2022 and implications for Revenue and Rating Plan and Rates Financial Hardship Policy have been factored into these revised documents;
- 4) Adopt the revised Rates Financial Hardship Policy (Appendix C – version for adoption);
- 5) In accordance with section 94 (2)(e) and (h) of the *Local Government Act 2020*, declares the Rates and Annual Service Charges for the 2022-23 rating year commencing 1 July 2022 and ending 30 June 2023 as detailed in the Budget 2022-23;
- 6) Authorise the Chief Executive Officer to provide public notice through Council’s website and any other communication channels, of Council’s decision to adopt the following documents, rates and charges and financial policy positions and arrangements:
 - a) The Budget 2022-23 (incorporating the four (4) year Budget).
 - b) Revised Revenue & Rating Plan 2022-26.
 - c) Revised Rates Financial Hardship Policy.
 - d) Declaration of the public waste service rate.
 - e) Declaration of the service charge for kerbside collection services.
 - f) Granting of a rate rebate to pensioners, granting of two concessions aligned to equity principles to support the separation of waste management cost recovery from general rates.
 - g) Granting of a safety net concession for ratepayers experiencing hardship as a result of the service rate and service charge.
 - h) Granting a concession of 100% for general rates for all properties owned or managed by Aboriginal Housing Victoria as a ‘registered agency’.
 - i) The introduction of the Special Rate for Reservoir Village Business Precinct.”

ALIGNMENT TO 2041 DAREBIN COMMUNITY VISION

Strategic Direction 1: Vibrant, Respectful and Connected

Strategic Direction 2: Prosperous, Liveable and Flourishing

Strategic Direction 3: Climate, Green and Sustainable

ALIGNMENT TO 2021-25 COUNCIL PLAN

Strategic Direction 1: Vibrant, Respectful and Connected

Strategic Direction 2: Prosperous, Liveable and Flourishing

Strategic Direction 3: Climate, Green and Sustainable

Strategic Direction 4 Responsible, Transparent and Responsive

ALIGNMENT TO COUNCIL PLAN STRATEGIC OBJECTIVES

Through the financial report, alignment and delivery is considered relating to the progress toward Council Plan 2021-25 and Council Plan Action Plan 2022-23 actions reported to Council on 27 February 2023.

DISCUSSION

1. FINANCIAL PERFORMANCE

1.1 Operating performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000
Operating					
Revenue	173,875	170,255	(3,620)	198,412	194,281
Expenditure	(110,733)	(108,603)	2,130	(190,150)	(193,266)
Surplus (deficit)	63,142	61,652	(1,490)	8,262	1,015
Capital & other					
Revenue / grants	(456)	(671)	(215)	(743)	(1,118)
Adjusted surplus/(deficit)	62,686	60,981	(1,705)	7,519	(103)

For the seven months ended 31 January 2023, Council has recorded an operating surplus of \$61.65 million, which is \$1.49 million behind the year-to-date budget. After eliminating capital and other items, the adjusted underlying surplus is \$60.98 million, which is \$1.71 million less than the full-year budget. The forecast operating result for the year ending 30 June 2023 is an operating surplus of \$1.02 million, which is \$7.25 million less than budget. The forecast adjusted underlying deficit is \$0.10 million, which is \$7.62 million less than the budget surplus of \$7.52 million. An underlying surplus is the net surplus for the year adjusted for non-recurrent capital grants and contributions. It is an accepted measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenue and expenses that can often mask the operating results.

Total revenue year-to-date is unfavourable by \$3.62 million and total expenditure year-to-date is favourable by \$2.13 million. The main items contributing to this unfavourable variance are lower income than budgeted from rates and charges and user fees and Financial Assistance Grant offset by lower expenditure for materials and services.

Revenue from Rates and charges are unfavourable due to the timing of the processing of the pensioner and other rebates and lower than anticipated take up of the Solar Saver special charge and the receipt of Financial Assistance Grant in 2021/22 budgeted in 2022/23.

Revenue in Statutory fees and fines are unfavourable due to the timing of raising animal registration and environmental health registration renewals.

1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000
Property	27,215	25,217	1,998	46,655	42,716
Plant & equipment	3,267	1,289	1,978	5,780	5,389
Infrastructure	8,036	4,803	3,233	13,792	14,565
Total capital works	38,518	31,309	7,209	66,227	62,670

For the seven months ended 31 January 2023, Council has expended \$31.31 million on the capital works program, which is \$7.21 million behind of the year-to-date budget. The variance is due mainly to delays in property, plant and equipment and infrastructure works. The forecast capital performance for the year ending 30 June 2023 is expenditure of \$62.67 million, which is \$3.65 million less than the budget.

1.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000	Audited 2022 \$'000
Cash and investments	29,332	35,186	5,854	34,879	48,917	58,708
Net current assets	63,741	78,992	15,251	8,381	22,559	24,379
Net assets and total equity	1,548,282	1,715,605	167,323	1,493,831	1,654,970	1,653,954

The FY22 audited closing cash position was \$10M (*refer attached statement of cash flow*) higher than budgeted. Main reasons driving this is as follows:

- Unexpected early receipt of the FY23 Financial Assistance Grant. Received in June 22.
- Timing differences between invoices received for payment and when cash is paid to suppliers, based on payment terms & conditions.
- Timing differences between invoices raised to customers and when cash is received by Council, based on payment terms and conditions.

The financial position as 31 January 2023 shows a cash (\$21.0M) and investment (\$14.2M) balance of \$35.19 million, which is \$5.85 million ahead of budget. The variance is due mainly to timing differences in receipt of rates, fees and charges, government receipts, payments to employees and suppliers and a higher opening cash and investment position compared with budget. The cash and investment balance of \$35.19 million was sufficient to meet restricted cash and intended allocation obligations of \$30.54 million at the end of January. Restricted cash is the amount of cash holdings Council requires to meet external restrictions such as trust funds, statutory reserves and cash for intended allocations, such as cash held to fund future capital works.

The net current asset position is \$78.99 million, which is \$15.2 million more than budget, primarily due to higher opening cash position and timing of rate receivables. The net asset

position of \$1.72 billion is \$167.32 million more than budget. This is mainly due to the prior year revaluation increment of land and building assets.

The forecast Financial Position as at 30 June 2023 shows a cash (\$35.0M) and investment (\$13.9M) position of \$48.92 million and net current assets of \$22.56 million.

The forecast closing cash balance of \$35M represents a net decrease in cash of \$9.7M out of a \$44.8M opening cash balance. Main reason driving this deficit is the cash required to fund Councils significant capital works investment, exceeding the cash generated through operations and loan funding.

1.4 Mid-Year Budget Review (Q2 Forecast)

The Mid-year budget review results indicate a \$7.3M net unfavourable result to Councils operating performance and \$3.5M less than Council's adopted capital works

Operating Performance: Overall unfavourable result to financial forecast to the value of **\$7.25m**. Main drivers:

Revenue Items

- \$3.5M Financial Assistance Grant – 75% received previous FY – no indication from the State Government, thus far, same will occur this year.
- \$825k reduction in Right of Way proceeds relating to the sale of minor Council assets
- \$719k reduction in Bundoora Park Administration fees (human error in uploading the budget, causing the revenue budget to inflate)\$300k reduced income in building permits due to a slow-down in the construction industry
- \$200k reduced legal fee recoveries relating to outstanding rate collections.
- \$1.3m unbudgeted capital grant funding received (improvement).

Expenditure Items

- \$1.6m additional depreciation (non-cash) expense resulting from FY 2021-22 building revaluation
- \$480k increased IT license expenses attributed to increased license cost, Microsoft True Up and Oracle
- \$340k net additional expenses relating to Preston Market Standing Advisory Committee representation (planning panel) and advocacy project

Capital Works Program: Overall \$3.5m less than budget. Main drivers:

- \$3.7m improvement to Bill Lawry Oval Pavilion project due to a reduction in scope.
- \$500k net budget carry forwards from previous FY (unfavourable).

Community Engagement

The preparations of the 2022/23 Quarter Two Financial Report – 7 months ended 31 January 2023 were supported by and involved detailed discussions with all senior leaders, project managers and relevant responsible officers.

Other Principles for consideration**Overarching Governance Principles and Supporting Principles**

(i) the transparency of Council decisions, actions and information is to be ensured.

Public Transparency Principles

(b) Council information must be publicly available unless (i) the information is confidential by virtue of this Act or any other Act; or (ii) public availability of the information would be contrary to the public interest;

Strategic Planning Principles

(e) strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances;

Service Performance Principles

(d) a Council should seek to continuously improve service delivery to the municipal community in response to performance monitoring;

COUNCIL POLICY CONSIDERATIONS**Environmental Sustainability Considerations (including Climate Emergency)**

There are no environment sustainability including climate emergency consideration arising from this report.

Equity, Inclusion, Wellbeing and Human Rights Considerations:

There are no specific equity, inclusion and well-being considerations arising from this report.

Economic Development and Cultural Considerations

There are no economic development and cultural consideration arising from this report.

Operational Impacts

Operational impacts are considered in delivering the Council Plan Actions and Council Plan Strategic Indicators.

Operational impacts are considered in delivering the 2022/23 procurement activities.

Operational impacts are considered in delivering the 2022/23 Annual Budget.

Legal and Risk Implications

There are no specific legal and / or risk implications from this report. Financial performance will continue to be monitored regularly to ensure financial sustainability and to enable management of emerging risks over time as needed.

The reporting of Q2 financial results fulfils Council's legislative obligations in accordance with the principles of the *Local Government Act 2020* and its accountability to the community.

IMPLEMENTATION ACTIONS

Quarter Two Financial Report – 7 months ended 31 January 2023 will be accessible to the community via the Darebin website, and social media.

RELATED DOCUMENTS

- 2041 Darebin Community Vision
- 2021-25 Council Plan (incorporating Municipal Health and Wellbeing Plan)
- 2022/23 Council Plan Action Plan
- 2022/23 Annual Budget
- Financial Plan 2021 to 2031
- Local Government Act 2020
- Social and Sustainability Procurement Policy December 2021
- 10-year Capital Works Plan 2020/21 – 2029/30

Attachments

- Quarter 2 Financial Report Ending 31 January 2023 and Mid Year Forecast Update (**Appendix A**)

DISCLOSURE OF INTEREST

Section 130 of the *Local Government Act 2020* requires members of Council staff and persons engaged under contract to provide advice to Council to disclose any conflicts of interest in a matter to which the advice relates.

The Officer reviewing this report, having made enquiries with relevant members of staff, reports that no disclosable interests have been raised in relation to this report.

FINANCIAL REPORT

Seven months ended

31 January 2023



Financial Report 7 months ended 31 January 2023

Contents

1.	EXECUTIVE SUMMARY	3
2.	FINANCIAL ANALYSIS	5
2.1	Operating Performance	5
2.2	Capital Performance	11
2.3	Financial Position	14
	APPENDIX A	
	Comprehensive Income Statement	19
	Balance Sheet	20
	Statement of Cash Flows	21
	Reconciliation of cash flows from operating activities to surplus	22
	Statement of Capital Works	23



Financial Report

7 months ended 31 January 2023

1 EXECUTIVE SUMMARY

1.1 Operating performance

Performance for the first seven months of the financial year is behind the year-to-date budget by \$1.49m and the forecast operating performance for the full 2022-23 financial year is expected to be \$7.62 less than budget.

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000
Operating					
Revenue	173,875	170,255	(3,620)	198,412	194,281
Expenditure	(110,733)	(108,603)	2,130	(190,150)	(193,266)
Surplus (deficit)	63,142	61,652	(1,490)	8,262	1,015
Capital & other					
Revenue / grants	(456)	(671)	(215)	(743)	(1,118)
Adjusted underlying surplus/(deficit)	62,686	60,981	(1,705)	7,519	(103)

For the seven months ended 31 January 2023, Council has recorded an operating surplus of \$61.65 million, which is \$1.49 million behind the year-to-date budget. After eliminating capital and other items, the adjusted underlying surplus is \$60.98 million, which is \$1.71 million less than the full-year budget.

The forecast operating result for the year ending 30 June 2023 is an operating surplus of \$1.02 million, which is \$7.25 million less than budget. The forecast adjusted underlying deficit is \$0.10 million, which is \$7.62 million less than the budget surplus of \$7.52 million. An underlying surplus is the net surplus for the year adjusted for non-recurrent capital grants and contributions. It is an accepted measure of financial sustainability as it is not impacted by non-recurring or once-off items of revenue and expenses that can often mask the operating results.

Total revenue year-to-date is unfavourable by \$3.62 million and total expenditure year-to-date is favourable by \$2.13 million. The main items contributing to this unfavourable variance are lower income than budgeted from rates and charges and user fees and Financial Assistance Grant offset by lower expenditure for materials and services.

Revenue from Rates and charges are unfavourable due to the timing of the processing of the pensioner and other rebates and lower than anticipated take up of the Solar Saver special charge and the receipt of Financial Assistance Grant in 2021/22 budgeted in 2022/23.

Revenue in Statutory fees and fines are unfavourable due to the timing of raising animal registration and environmental health registration renewals.

1.2 Capital performance

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000
Property	27,215	25,217	1,998	46,655	42,716
Plant & equipment	3,267	1,289	1,978	5,780	5,389
Infrastructure	8,036	4,803	3,233	13,792	14,565
Total capital works	38,518	31,309	7,209	66,227	62,670

Financial Report

7 months ended 31 January 2023

For the seven months ended 31 January 2023, Council has expended \$31.31 million on the capital works program, which is \$7.21 million behind of the year-to-date budget. The variance is due mainly to delays in property, plant and equipment and infrastructure works. The forecast capital performance for the year ending 30 June 2023 is expenditure of \$62.67 million, which is \$3.56 million less than budget.

1.3 Financial Position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000	Audited 2022 \$'000
Cash and investments	29,332	35,186	5,854	34,879	48,917	58,708
Net current assets	63,741	78,992	15,251	8,381	22,559	24,379
Net assets and total equity	1,548,282	1,715,605	167,323	1,493,831	1,654,970	1,653,954

The FY22 audited closing cash position was \$10M (*refer statement of cash flow – cash & cash equivalents at beginning of Financial Year \$35M - \$45M*) higher than budgeted. Main reasons driving this is as follows:

- Unexpected early receipt of the FY23 Financial Assistance Grant. Received in June 22.
- Timing differences between invoices received for payment and when cash is paid to suppliers, based on payment terms & conditions.
- Timing differences between invoices raised to customers and when cash is received by Council, based on payment terms and conditions.

The financial position as 31 January 2023 shows a cash (\$21.0M) and investment balance (\$14.2M) of \$35.19 million, which is \$5.85 million ahead of budget. The variance is due mainly to timing differences in receipt of rates, fees and charges, government receipts, payments to employees and suppliers and a higher opening cash and investment position compared with budget.

The cash and investment balance of \$35.19 million was sufficient to meet restricted cash and intended allocation obligations of \$30.54 million at the end of January. Restricted cash is the amount of cash holdings Council requires to meet external restrictions such as trust funds, statutory reserves and cash for intended allocations, such as cash held to fund future capital works.

The net current asset position is \$78.99 million, which is \$15.2 million more than budget, primarily due to higher opening cash position and timing of rate receivables. The net asset position of \$1.72 billion is \$167.32 million more than budget. This is mainly due to the prior year revaluation increment of land and building assets.

The forecast Financial Position as at 30 June 2023 shows a closing cash (\$35M) and investment (\$13.9M) position of \$48.92 million and net current assets of \$22.56 million.

The forecast closing cash balance of \$35M represents a net decrease in cash of \$9.7M out of a \$44.8M opening cash position. Main reason driving this deficit is the cash required to fund Councils significant capital works investment, exceeding the cash generated through operations and loan funding.

1.4 Mid-Year Budget Review (Q2 Forecast)

The Mid-year budget review results indicate a \$7.3M net unfavourable result to Councils operating performance compared to adopted budget and 3.5M less than Council's adopted capital works program.

Operating Performance: Overall unfavorable result to financial forecast to the value of **\$7.3m**. Main drivers are:

Revenue Items

Financial Report

7 months ended 31 January 2023

- \$3.5M Financial Assistance Grant – 75% received previous financial year (FY) – no indication from the State Government, thus far, that the same will occur this year.
- \$825k reduction in Right of Way proceeds relating to the sale of minor Council assets
- \$719k reduction in Bundoora Park Administration fees (keying error causing budget to inflate)
- \$300k reduced income in building permits due to a slow-down in the construction industry
- \$200k reduced legal fee recoveries relating to outstanding rate collections.
- \$1.3m unbudgeted capital grant funding received (improvement).

Expenditure Items

- \$1.6m additional depreciation (non-cash) expense resulting from FY 2021-22 building revaluation
- \$480k increased IT license expenses
- \$340k net additional expenses relating to Preston Market Standing Advisory Committee representation (planning panel) and advocacy project

Capital Works Program: Overall favorable result to the value of **\$3.5m**. Main drivers:

- \$3.7m improvement to Bill Lawry Oval Pavilion project due to a deferral of the project.
- \$500K net budget carry forwards from previous FY (unfavorable).

2. FINANCIAL ANALYSIS

2.1 Operating performance

The information in the table below shows income and operating expenditure for the period ended 31 January 2023. The five columns of data provide information on the following:

- YTD budget to 31 January 2023 (i.e. estimated timing of income and expenditure)
- YTD actual results to 31 January 2023
- YTD variance of actuals compared to budget
- Annual budget as adopted by Council
- Mid-year (annual) forecast of the year end position
- Variance of original budget adopted by Council and mid-year (annual) forecast of the year end position.

The report provides a year-to-date summary of Council's financial position and is a guide on the timing of receipts and payments. Timing differences can occur during the financial year and year to date variances do not imply that the annual budget will be affected.

Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Comprehensive Income Statement

For the 7 months ended 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000	Forecast Variance \$'000
Income						
Rates and charges	143,821	142,419	(1,402)	146,676	145,227	(1,449)
Statutory fees and fines	6,063	5,201	(862)	10,440	10,132	(308)
User fees	7,417	6,593	(824)	14,707	12,682	(2,025)
Grants - operating	9,939	9,483	(456)	17,107	15,001	(2,106)
Grants - capital	768	1,034	266	1,322	1,709	387
Contributions - monetary	3,562	3,483	(79)	6,131	5,824	(307)
Net gain (loss) on disposal of property, infrastructure, plant and equipment	367	373	6	631	273	(358)
Other income	1,938	1,669	(269)	1,398	3,433	2,035
Total income	173,875	170,255	(3,620)	198,412	194,281	(4,131)
Expenses						
Employee costs	57,676	57,209	467	98,348	100,453	(2,105)
Materials and services	34,342	31,199	3,143	57,766	58,294	(528)
Depreciation	14,038	14,546	(508)	24,097	25,707	(1,610)
Amortisation - intangible assets	221	300	(79)	443	514	(71)
Amortisation - right of use assets	6	0	6	13	13	0
Bad and doubtful debts	489	782	(293)	975	961	14
Borrowing costs	121	298	(177)	207	523	(316)
Finance Costs - leases	0	0	0	2	0	2
Other expenses	3,840	4,269	(429)	8,299	6,801	1,498
Total expenses	110,733	108,603	2,130	190,150	193,266	(3,116)
Surplus for the year	63,142	61,652	(1,490)	8,262	1,015	(7,247)
Less						
Grants - capital (non-recurrent)	(456)	(671)	(215)	(743)	(1,118)	(375)
Adjusted underlying surplus/ (deficit)	62,686	60,981	(1,705)	7,519	(103)	(7,622)

Financial Report

7 months ended 31 January 2023

Operating Revenue – notes

1. **Rates and charges:** Major variances include:

- Pensioners and other rebates are \$1.25 million less than budget. The invoice for the second quarter rebate income has been processed and funds are expected to be received in the coming months. (T)
- Solar Saver special charge is \$968K less than budget and it is forecast this variance will be \$1 million less than budget at the end of the financial year. Delays in the roll-out of the special charge. The revenue has been offset by a decrease in Solar Saver expenditures (refer materials and services section, first bullet point for more details). (P)
- Special rates and charges are \$353K greater than the budget and it is forecast this variance will be \$353K more than the budget at the end of the financial year. Special rates and charges income were not budgeted in the current year. (P)

2. **Statutory fees and fines:** Major variances include:

- Animal registration fees are \$738K (T) less than budget and it is forecast this variance will be \$165K less than budget at the end of the financial year. (P)
- Building fees are \$142K less than budget and it is forecast this variance will be \$266K less than budget at the end of the financial year. Fees impacted by economic downturn in building and construction. (P)
- Local law fees are \$149K less than the budget and it is forecast that this variance will be \$245K less than the budget at the end of the financial year. (P)
- Traffic enforcement fees are \$107K less than budget and it is forecast that this variance will be \$339K greater than budget at the end of the financial year. (P)
- Environmental health registration fees are \$297K more than the budget. (T)

3. **User fees:** Major variances include:

- Darebin Resource Recovery Centre income is \$528K less than the budget. Temporary closure of site during redevelopment has impacted on tipping income. Revenue is forecast to exceed budget during spring and summer periods to meet end of year estimates. This will result in a corresponding reduction of expenditure (e.g. tipping costs) (T)
- Bundoora Homestead income is \$247K less than budget and it is forecast this variance will be \$412K less than budget at the end of the financial year. (P)
- Bundoora Park income is \$299K less than budget and it is forecast this variance will be \$381K less than budget at the end of the financial year. (P)
- Bundoora Park golf course income is \$153K less than the budget and it is forecast this variance will be \$158K less than budget at end of the financial year. A new contract commenced which provides for guaranteed returns into the future. (P)
- Reservoir Leisure Centre income is \$542K greater than the budget and it is forecast that this variance will be \$1.41 million more than budget at the end of the financial year. Strong growth experienced in centre participation. (P)

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

4. **Grants operating:** Major variances include:

- Civic compliance is \$410K greater than budget and it is forecast this variance will be \$146K more than budget at the end of the financial year. Increased school crossing supervision funding from the State Government received in advance. (P)
- Library management and operations \$446K greater than budget. State Government funding received in advance. (T)
- Unbudgeted State Government funding received relating to the Reservoir revitalization program and Eighty-Six Festival program to the value of funding \$865K. (P).
- Family, Youth & Children services is \$299K greater than budget and it is forecast this variance will be \$167K more than budget at the end of the financial year. Additional funding received for Pre-school field officer and CALD outreach program. The CALD program is a short term funded program (until June 2024) and the Pre-school field officer funding is a permanent increase. This funding has been paid in the 2022/23 financial year and reflects DET funding guidelines and service agreement for the 2023/24 financial year (PSFO funding) (T&P)
- Victorian Grants Commission (Commonwealth Financial Assistance Grants) for 2022-23 were 75% prepaid in 2021/22 and accordingly the grants received are \$2.10 million less than budget. It is forecast this variance will be \$3.47 million less than the budget at the end of the financial year. (P)

5. **Grants capital:** Major variances include:

- The road resurfacing project is \$455K less than the budget at the end of January. LRCI funding has yet to be received. (T)

6. **Contributions - monetary:** Major variances include:

- Public open space contributions are forecast to be \$113K less than the budget at the end of the financial year. (P)

7. **Other income:** Major variances include:

- Delays to the rollout of the Solar Saver program has delayed income rated to the community and receipt of Small-Scale Technology Certificates (Refer Rates and charges and materials and services, offset by decrease in subsequent expenditure) (P)
- Revenue received for supplementary valuation services is \$116K less than budget and it is forecast that this variance will be \$212K less than budget at the end of the financial year. (P)
- Interest on investments is \$273K greater than budget and it is forecast that this variance will be \$359K more than budget at the end of the financial year. Rising interest rates have increased yield on invested funds. (P)
- Cost recoveries received from Victorian Workcover Authority is \$395K. This item is unbudgeted. (P)

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

Operating Expenses – notes

8. Employee costs: Major variances include:

- Parks and open space is \$413K more than budget at the end of January and it is forecast this variance will be \$751K more than budget at the end of the financial year. Additional temporary and casual staff engaged in Parks Operations to ensure continued service delivery. (P). The increase in employee costs have been offset with identified savings in materials and services.
- Finance Services is \$218K more than budget at the end of January and it is forecast this variance will be \$418K more than budget at the end of the financial year. Additional staffing requirements in part due to new financial system implementation and associated on-going management. (P).
- City works is \$258K more than budget at the end of January and it is forecast this variance will be \$557K more than budget at the end of the financial year due a reduction in Capital Recovery Costs & unrealised efficiencies/savings. Increase in employee costs have been offset with identified savings in materials and services.

9. Materials and services: Major variances are:

- Environment & Sustainable transport is \$1.86 million less than budget at the end of January and it is forecast that this variance will be \$2.06 million less than budget at the end of the financial year due primarily to delays in rollout of the Solar Saver program. (P)
- City Works is \$2.22 million less than budget at the end of January and it is forecast that this variance will be \$810K less than budget at the end of the financial year. Lower waste and tipping contract costs at Darebin Resource Recovery Centre. Due to temporary partial closure of facility. (P)
- Parks and open space are forecast to be \$779K less than budget at the end of the financial year. Offset savings in parks management, bushlands and sports ground maintenance. (P)
- Recreation and Libraries is \$254K less than budget and it is forecast that this variance will be \$689K more than budget at the end of the financial year. Costs associated with Library management and Northcote Aquatic & Recreation Centre. (P)
- City Development is \$126K more than the budget and it is forecast that this variance will be \$221K more than the budget at the end of the financial year. Costs associated with building supervision and cladding enforcement functions. (P)
- City Futures is \$611K more than the budget and it is forecast that this variance will be \$368K more than the budget at the end of the financial year. The main contributor to the forecast variance is cost is associated with the Preston Market development.
- Information services is \$2,253K more than the budget at the end of January and it is forecast that this variance will be \$596K more than the budget due to additional license fee, Microsoft true up cost and Oracle support at the end of the financial year. (P)
- Family, youth and children are forecast to be \$272K more than budget at the end of the financial year. Pre-school field officer program obligation. (P)
- Recovery, resilience and economic development is forecast to be \$817K more than budget at the end of the financial year, due to unbudgeted expenditure in relation to the Reservoir Revitalization and Eighty-Sixth festival project. An unbudgeted funding has been received to cover the cost (refer commentary under Grants Operating – third bullet point) (P).

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

10. **Depreciation and amortisation:** Major variances are:

- Depreciation of building is forecast to be \$937K more than budget. Depreciation impacted by prior year revaluation. (P)

11. **Bad and doubtful debts:** Major variance is:

- Traffic enforcement bad and doubtful debts is \$441K more than budget. Over the first 7 months of the year there have been more infringements sent to Fines Victoria for processing than expected. (T).

12. **Borrowing costs:** Major variance is:

- Borrowing costs associated with loans for Northcote Aquatic and Recreation centre is \$176K more than budget and is forecast to be \$313K more than budget at the end of the financial year. Increase in interest rates on borrowings. (P)

13. **Other expenses:** Major variances are:

- Parks and open space is \$253K more than budget at the end of January. Timing of contribution made to Darebin and Merri Creek management committees. Cost neutral by year's end. (T)
- Legal fees attributable to representation at the Preston Market planning panel were \$483K more than budget and is forecast to be \$546K more than budget at the end of the financial year. Note that this covers a range of technical specialists represented Council at the planning panel. Overall, across all cost types the Preston Market project was \$338K more than expected, largely due to the length of time of the planning panel being extended. (P)
- Economic recovery, resilience is \$321K less than budget at the end of January. Timing of contributions made to neighbourhood houses. (T)

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

2.2 Capital performance

The information in the table below shows capital expenditure for the period ended 31 January 2023. The six columns of data provide information on the following:

- YTD budget to 31 January 2023
- YTD actual results to 31 January 2023
- YTD variance of actuals compared to budget
- Annual budget as adopted by Council
- Mid-year (annual) forecast of the year end position
- Variance of original budget adopted by Council and mid-year forecast of the year end position.

DAREBIN CITY COUNCIL

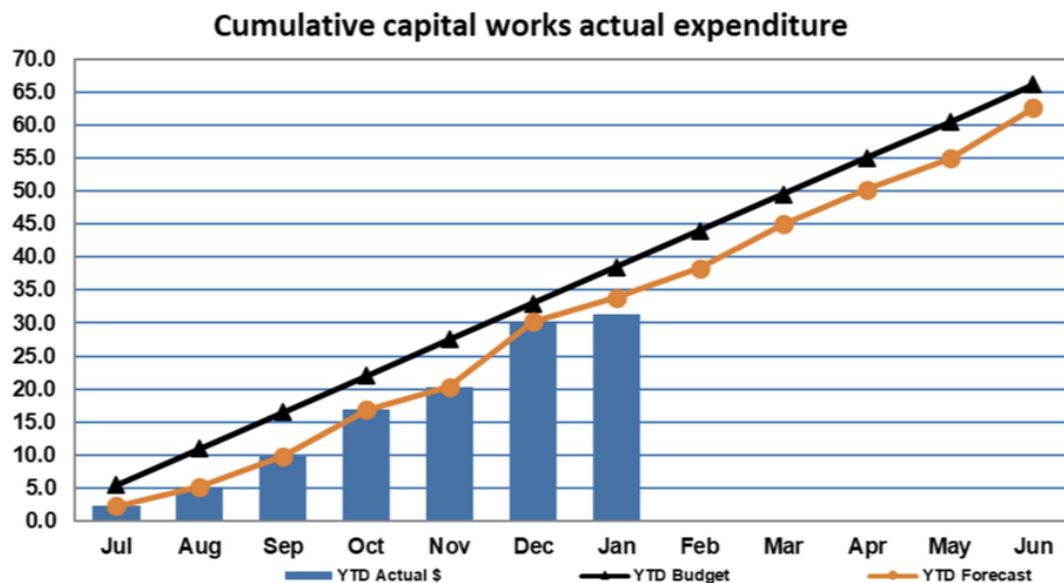
Statement of Capital Works

For the 7 months ended 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000	Forecast Variance \$'000
Capital works						
Property						
Land	875	1	874	1,500	1,570	(70)
Buildings	26,340	25,216	1,124	45,155	41,146	4,009
Total property	27,215	25,217	1,998	46,655	42,716	3,939
Plant & equipment						
Plant, machinery & equipment	1,575	323	1,252	2,880	2,623	257
Computers & telecommunications	1,225	560	665	2,100	1,966	134
Library books	467	406	61	800	800	0
Total plant & equipment	3,267	1,289	1,978	5,780	5,389	391
Infrastructure						
Roads	2,641	1,018	1,623	4,418	4,448	(30)
Bridges	447	84	363	767	430	337
Footpaths & cycleways	694	355	339	1,300	1,178	122
Drainage	1,050	794	256	1,800	2,332	(532)
Land Improvements	898	1,231	(333)	1,540	1,680	(140)
Recreation, leisure & community facilities	204	82	122	350	602	(252)
Parks, open space & streetscapes	2,102	1,239	863	3,617	3,895	(278)
Total infrastructure	8,036	4,803	3,233	13,792	14,565	(773)
Total capital works	38,518	31,309	7,209	66,227	62,670	3,557
Represented by:						
Asset renewal	17,392	14,138	3,254	29,904	28,299	1,605
New assets	1,968	1,600	368	3,384	3,202	182
Asset expansion	10,860	8,827	2,033	18,672	17,669	1,003
Asset upgrade	8,298	6,745	1,553	14,267	13,501	766
Total capital works	38,518	31,309	7,209	66,227	62,670	3,557

Financial Report

7 months ended 31 January 2023



Capital Expenditure – notes

1. **Land:** Major variances include:
 - Land acquisition project is 582K less than budget at the end of January. Land acquisition and contaminated land remediation program have been consolidated. (P)
 - Contaminated land remediation is \$292K less than budget at the end of January. (P)
2. **Buildings:** Major variances include:
 - Bill Lawry Oval pavilion upgrade is \$2.36M less than budget. Project works have been revised to include bluestone wall reconstruction. It is forecast that this variance will be \$3.66M less than the budget at the end of the financial year due to project deferral. (P)
 - The building renewal program is \$1.64M less than the budget. The program includes building renewal works throughout the municipality. The year-end position will be balanced. (T)
 - Reservoir East Primary School kindergarten is \$316K less than the budget. (T)
 - Reservoir Leisure Centre redevelopment is \$157K less than budget. (T)
 - Catalyst project Preston Civic Precinct (Intercultural Centre) is \$278K greater than budget. The council approved additional works and contract variations encountered during the project. (P)
 - Northcote Aquatic and Recreation Centre redevelopment is \$3.14M greater than budget. Works are well progressed as per the project plan. (T)
3. **Plant, machinery & equipment:** Major variances include:
 - Vehicular plant replacement program is \$1.02M less than budget. Delays in availability of heavy vehicles. (T)
 - Mobile garbage bin replacement is \$162K less than the budget. (T)

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

Capital Expenditure – notes

4. **Computers & telecommunications:** Major variances include:

- IT infrastructure upgrade is \$505K less than budget. It is forecast that this variance will be \$442K less than budget at the end of the financial year. (P)
- Objective document management system upgrade is \$110K greater than budget. Upgrade deferred from previous year. (P)

5. **Roads:** Major variances include:

- Road rehabilitation – Farnan Street works is \$213K less than budget. (T)
- Road rehabilitation – Raleigh Street works is \$322K less than budget. (T)
- Road resurfacing program is \$887K less than budget.

All three projects are on track for completion this year(T)

6. **Bridges:** Major variances include:

- Gronn St – Darebin Creek – project is \$224K less than budget. It is forecast that this variance will be \$337K less than budget at the end of the financial year. Awaiting planning, Melbourne Water approval. (P)

7. **Footpaths & cycleways:** Major variances include:

- Safe travel program is \$337K less than budget. (T)

8. **Drainage:** Major variances include:

- Massey Avenue – stage 1 project is \$262K less than budget. Other projects have been substituted due to the cost of constructing Massey Ave. Project deferred until 2023-24. (P)
- Sportsground sub-surface drainage is \$147K less than budget. (T)
- Dole Reserve wetlands is \$221K greater than budget. Project to reach practical completion in March 2023. Additional defect rectification costs incurred. (P)

9. **Land improvements:** Major variances include:

- Darebin Resource Recovery Centre is \$529K greater than year to date budget. It is forecast that this variance will be \$99K more than budget at the end of the financial year. Multi-year project. (P)
- Oval and sportsground renewal is \$129K less than budget. (T)

10. **Parks, opens space & streetscapes:** Major variances include:

- Northcote Golf Course works is \$204K less than budget.
- KP Hardiman Reserve improvement works is \$161K less than budget. (T)
- Playspace upgrades is \$106K less than budget. (T)
- Streetscape improvement works is \$164K less than budget. It is forecast that this variance will be \$168K more than budget at the end of the financial year. External grant funded project. (P)
- Edwardes Lake Reserve dog off lead project is \$221K greater than budget. Project carried over from previous year. (P)
- Public open space improvement program is \$295K greater than budget. It is forecast that this variance will be \$116K more than budget at the end of the financial year. (P)

Note: (T) Timing, (P) Permanent

Financial Report

7 months ended 31 January 2023

11. **Recreation, leisure & community facilities:** Major variances include:

- WH Robinson Reserve cricket nets is \$87K less than budget. Additional costs incurred to complete. (P)
- Sportsfield lighting is forecast to be \$100K more than budget at the end of the financial year. Project carried over from previous year. (P)

Note: (T) Timing, (P) Permanent

2.3 Financial position

	YTD Budget \$'000	YTD Actual \$'000	YTD Var \$'000	Adopted Budget \$'000	Annual Forecast \$'000	Audited 2022 \$'000
Cash and investments	29,332	35,186	5,854	34,879	48,917	58,708
Net current assets	63,741	78,992	15,251	8,381	22,559	24,379
Net assets and total equity	1,548,282	1,715,605	167,323	1,493,831	1,654,970	1,653,954

Cash & Investment balance

The chart below shows projections of how Council's cash balance is expected to perform over the course of the 2022/23 financial year. The chart portrays:

- YTD budget to 31 January 2023
- YTD actual results to 31 January 2023
- YTD variance of actuals compared to budget
- Annual budget as adopted by Council
- Restricted Cash
- Mid-year (annual) forecast cash balance.

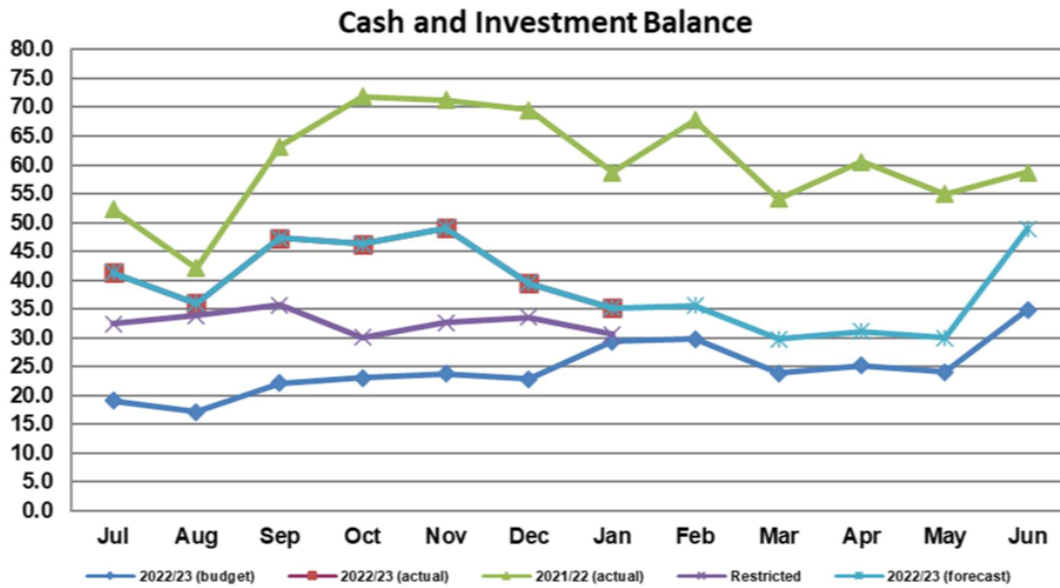
Restricted cash includes:

- Drainage development reserve
- Recreational lands contributions held on behalf of developers
- Carried forward capital works
- Trust funds and deposits.

The graph below shows Council's cash balance is within expectations. Every opportunity is taken to invest surplus cash to maximise investment returns.

Financial Report

7 months ended 31 January 2023



Note: Cash and investments include term deposits with a maturity date exceeding 90 days which are classified as other financial assets in the Balance Sheet (\$14.15M).

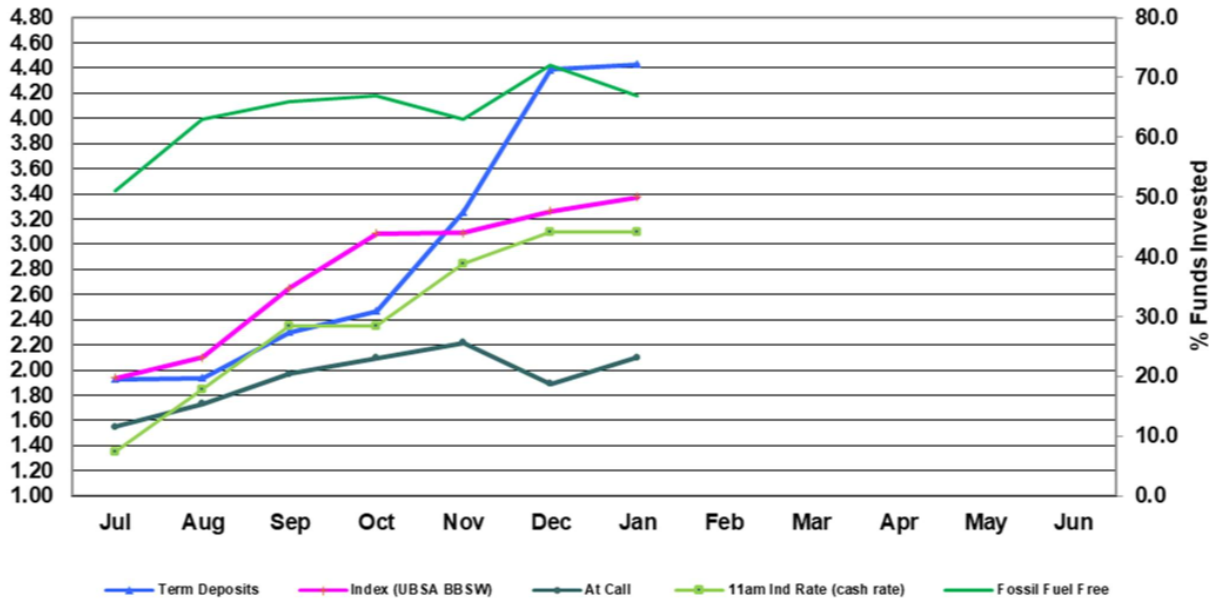
The graph below shows Council’s interest performance against the market as well as showing the percentage of investments that were placed with financial institutions and authorised deposit-taking institutions which do not have a record of funding fossil fuels. As at 31 January 2023, 67% of all invested funds were placed with financial institutions and Authorised Deposit taking Institutions (ADI’s) which do not have a record of funding fossil fuels (31 January 2021 59%).

A comprehensive review of the Council’s investment portfolio has been undertaken for the 7 months ended 31 January 2023. The council’s investment portfolio has earned \$623,000 in interest on investments, with term deposits, floating rate deposits and cash investments earning an annualised rate of 2.41% (December 2022: 2.23%).

Financial Report

7 months ended 31 January 2023

Weighted average interest rate v benchmark

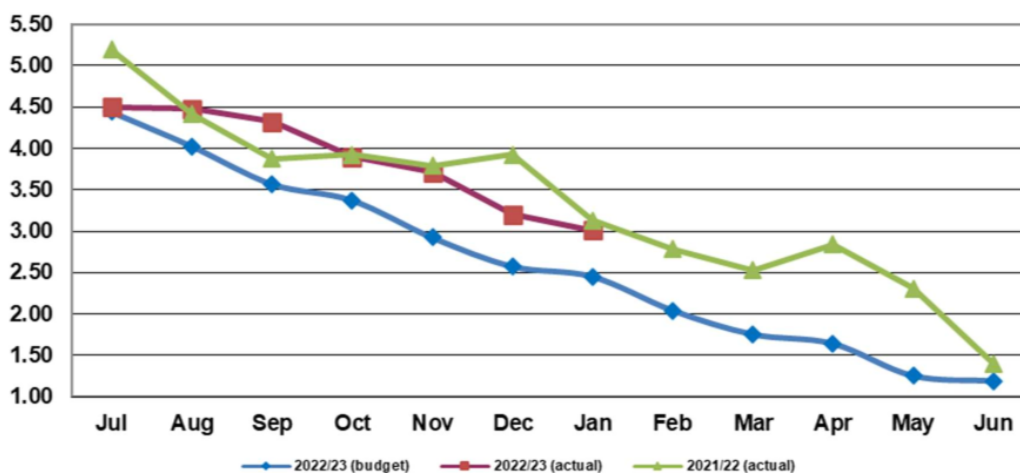


Working capital

The chart below shows projections of the movement in Council’s working capital over the course of the 2022/23 financial year. The chart portrays:

- Budgeted 2022/23 working capital
- Actual 2022/23 working capital
- Actual 2021/22 working capital

Working capital (current assets/current liabilities)



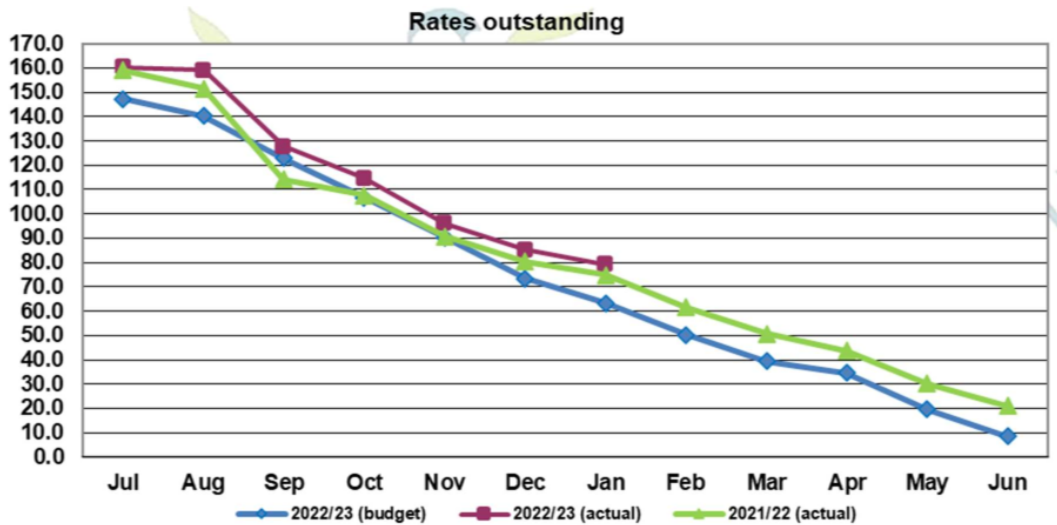
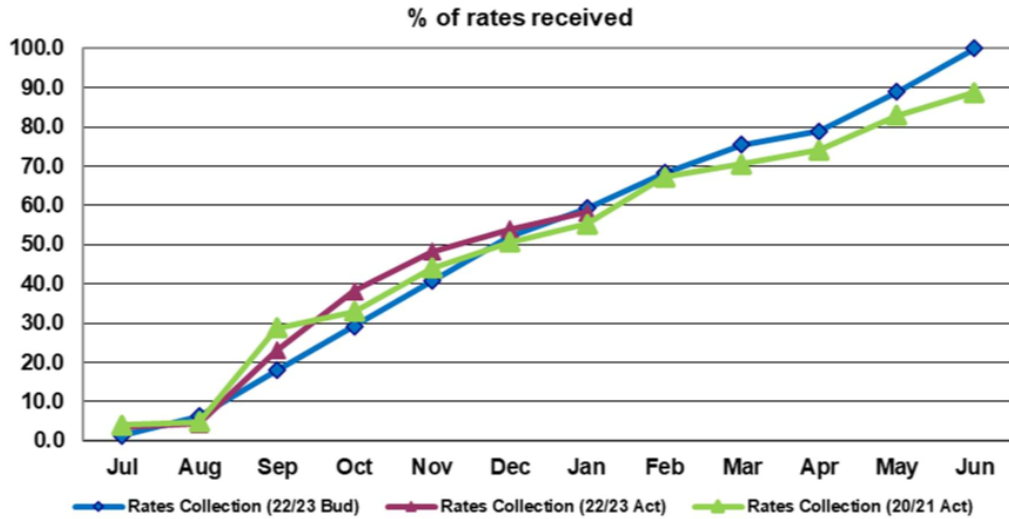
As at 31 January 2023, \$140,668 million was raised in general rates and charges including supplementary valuations generated by changes to council’s property base. At 31 January 2023, 48.6% of the rates raised have been collected compared to the same period of the 2021-22 financial year of 50.6%.

Financial Report

7 months ended 31 January 2023

Rates debtors

The following graphs show that current collection trends are closely following the 2021-22 collection trend and the budgeted collection trend:



Financial Report
7 months ended 31 January 2023

APPENDIX A

Comprehensive Income Statement
Balance Sheet
Statement of Cash Flows
Statement of Capital Works



Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Comprehensive Income Statement

For the 7 months ended 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Income					
Rates and charges	143,821	142,419	(1,402)	146,676	145,227
Statutory fees and fines	6,063	5,201	(862)	10,440	10,132
User fees	7,417	6,593	(824)	14,707	12,682
Grants - operating	9,939	9,483	(456)	17,107	15,001
Grants - capital	768	1,034	266	1,322	1,709
Contributions - monetary	3,562	3,483	(79)	6,131	5,824
Net gain (loss) on disposal of property, infrastructure, plant and equipment	367	373	6	631	273
Other income	1,938	1,669	(269)	1,398	3,433
Total income	173,875	170,255	(3,620)	198,412	194,281
Expenses					
Employee costs	57,676	57,209	467	98,348	100,453
Materials and services	34,342	31,199	3,143	57,766	58,294
Depreciation	14,038	14,546	(508)	24,097	25,707
Amortisation - intangible assets	221	300	(79)	443	514
Amortisation - right of use assets	6	0	6	13	13
Bad and doubtful debts	489	782	(293)	975	961
Borrowing costs	121	298	(177)	207	523
Finance Costs - leases	0	0	0	2	0
Other expenses	3,840	4,269	(429)	8,299	6,801
Total expenses	110,733	108,603	2,130	190,150	193,266
Surplus for the year	63,142	61,652	(1,490)	8,262	1,015
Less					
Grants - capital (non-recurrent)	(456)	(671)	(215)	(743)	(1,118)
Adjusted underlying surplus/ (deficit)	62,686	60,981	(1,705)	7,519	(103)

Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Balance Sheet

As at 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Current assets					
Cash and cash equivalents	29,332	21,032	(8,300)	34,879	35,017
Trade and other receivables	74,713	82,015	7,302	15,267	15,139
Other financial assets	0	14,154	14,154	0	13,900
Inventories	58	102	44	58	101
Other assets	3,058	915	(2,143)	2,026	2,701
Total current assets	107,161	118,218	11,057	52,230	66,858
Non-current assets					
Trade and other receivables	2,876	2,478	(398)	3,160	3,368
Other financial assets	0	6	6	0	6
Property, infrastructure, plant & equipment	1,507,101	1,649,959	142,858	1,524,593	1,670,159
Right-of-use assets	103	80	(23)	90	80
Investment property	2,714	2,643	(71)	2,714	2,643
Intangible assets	259	1,055	796	74	829
Total non-current assets	1,513,053	1,656,221	143,168	1,530,631	1,677,085
Total assets	1,620,214	1,774,439	154,225	1,582,861	1,743,943
Current liabilities					
Trade and other payables	10,679	8,481	2,198	10,481	10,571
Trust funds and deposits	5,510	7,132	(1,622)	5,123	5,938
Unearned Income	0	903	(903)	0	2,615
Provisions	24,289	20,999	3,290	23,589	20,840
Interest bearing loans and borrowings	2,942	1,679	1,263	4,572	4,254
Lease liability	0	32	(32)	84	81
Total current liabilities	43,420	39,226	4,194	43,849	44,299
Non-current liabilities					
Trade and other payables	0	0	0	0	0
Provisions	1,981	1,846	135	1,981	1,846
Interest bearing loans and borrowings	26,447	17,710	8,737	43,200	42,826
Lease liability	84	52	32	0	0
Total non-current liabilities	28,512	19,608	8,904	45,181	44,672
Total liabilities	71,932	58,834	13,098	89,030	88,971
Net assets	1,548,282	1,715,605	167,323	1,493,831	1,654,971
Equity					
Accumulated surplus	620,051	634,729	14,678	567,390	570,928
Asset revaluation reserve	898,505	1,055,673	157,168	898,505	1,055,675
Other reserves	29,726	25,203	(4,523)	27,936	28,367
Total equity	1,548,282	1,715,605	167,323	1,493,831	1,654,970

Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Statement of Cash Flow

For the 7 months ended 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Cash flows from operating activities					
Rates	85,973	84,379	(1,595)	148,146	151,208
Statutory fees and fines	6,064	4,682	(1,382)	11,539	10,132
User fees & charges (inclusive of GST)	9,891	6,605	(3,286)	16,255	11,888
Government receipts	9,939	9,681	(259)	18,588	19,182
Contributions - Monetary	3,185	3,483	298	6,131	5,824
Other income	462	1,620	1,158	1,560	3,433
Employee costs	(57,856)	(57,362)	494	(100,726)	(102,534)
Materials and services (inclusive of GST)	(52,982)	(44,908)	8,074	(76,901)	(83,794)
Net FSPL refund / payment	1,169	933	(236)	0	0
	5,844	9,112	3,266	24,592	15,340
Interest	349	(121)	(469)	598	201
Trust funds and deposits	0	(539)	(539)	0	(2,472)
Net GST refund / payment	7,376	6,945	(431)	2,941	2,974
Net cash provided by operating activities	13,569	15,397	1,829	28,131	16,042
Cash flows from investing activities					
Proceeds from sale of property, plant & equipment	532	428	(105)	930	273
Payment for property, infrastr, plant & equipment	(38,519)	(48,517)	(9,998)	(66,227)	(62,669)
Repayment of loans and advances	0	9	9	0	9
Proceeds from sale of other financial assets	0	(228)	(228)	0	0
Net cash used in investing activities	(37,988)	(48,308)	(10,322)	(65,297)	(62,387)
Cash flows from financing activities					
Finance costs	(121)	(252)	(131)	(207)	(526)
Proceeds of interest bearing loans and borrowings	20,000	10,000	(10,000)	39,000	39,000
Repayment of borrowings	(611)	(611)	0	(1,229)	(1,920)
Repayment of lease liabilities	0	(0)	(0)	(2)	0
Net cash used in financing activities	19,268	9,136	(10,132)	37,562	36,554
Net increase / (decrease) in cash & cash equivalents	(5,152)	(23,776)	(18,623)	396	(9,791)
Cash & cash equivalents at the beginning of the year	34,483	44,808	10,325	34,483	44,808
Cash & cash equivalents at the end of the period	29,332	21,032	(8,298)	34,879	35,017

Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Statement of Cash Flow

For the 7 months ended 31 January 2023

Reconciliation of cash flows from operating activities to surplus

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Surplus for the year	63,142	61,652	(1,490)	8,262	1,015
Items not involving cash or non operating in nature					
Depreciation and amortisation	14,259	14,846	587	24,553	26,234
Interest expense	121	298	177	209	523
Bad & doubtful debts	489	782	293	975	961
Net (gain) / loss on sale of assets	(367)	(373)	(6)	(631)	(273)
	<u>77,644</u>	<u>77,205</u>	<u>(439)</u>	33,368	28,460
Change in operating assets and liabilities					
Decrease / (Increase) in trade and other debtors	(57,772)	(58,040)	(268)	(2,361)	6,182
Decrease / (Increase) in other operating assets	1,118	1,358	241	18	(19,401)
(Decrease) / Increase in Trade creditors	(6,411)	(4,726)	1,685	(2,810)	(552)
(Decrease) / Increase in other operating liabilities	(1,710)	(558)	1,152	(84)	1,353
(Decrease) / Increase in provisions	700	158	(542)	0	0
	<u>(64,075)</u>	<u>(61,807)</u>	<u>2,268</u>	(5,237)	(12,417)
Net cash provided by operating activities	<u>13,569</u>	<u>15,397</u>	<u>1,828</u>	28,131	16,042

Financial Report

7 months ended 31 January 2023

DAREBIN CITY COUNCIL

Statement of Capital Works

For the 7 months ended 31 January 2023

	YTD Budget \$'000	YTD Actual \$'000	YTD Variance \$'000	Annual Budget \$'000	Annual Forecast \$'000
Capital works					
Property					
Land	875	1	874	1,500	1,570
Buildings	26,340	25,216	1,124	45,155	41,146
Total property	27,215	25,217	1,998	46,655	42,716
Plant & equipment					
Plant, machinery & equipment	1,575	323	1,252	2,880	2,623
Computers & telecommunications	1,225	560	665	2,100	1,966
Library books	467	406	61	800	800
Total plant & equipment	3,267	1,289	1,978	5,780	5,389
Infrastructure					
Roads	2,641	1,018	1,623	4,418	4,448
Bridges	447	84	363	767	430
Footpaths & cycleways	694	355	339	1,300	1,178
Drainage	1,050	794	256	1,800	2,332
Land Improvements	898	1,231	(333)	1,540	1,680
Recreation, leisure & community facilities	204	82	122	350	602
Parks, open space & streetscapes	2,102	1,239	863	3,617	3,895
Total infrastructure	8,036	4,803	3,233	13,792	14,565
Total capital works	38,518	31,309	7,209	66,227	62,670
Represented by:					
Asset renewal	17,392	14,138	3,254	29,904	28,299
New assets	1,968	1,600	368	3,384	3,202
Asset expansion	10,860	8,827	2,033	18,672	17,669
Asset upgrade	8,298	6,745	1,553	14,267	13,501
Total capital works	38,518	31,309	7,209	66,227	62,670

7. CONSIDERATION OF REPORTS CONSIDERED CONFIDENTIAL

In accordance with Section 66(2) of the *Local Government Act 2020*, Council may resolve to close the meeting to members of the public to consider the following items, deemed to be confidential by the Chief Executive Officer in accordance with Section 3(1) of the Act for the reasons indicated:

7.1 CEO Performance Agreement

This item is designated confidential because it is personal information, being information which if released would result in the unreasonable disclosure of information about any person or their personal affairs, pursuant to Section 3(1) (f) of the Act.

CLOSE OF MEETING

Recommendation

That in accordance with section 66(2) of the *Local Government Act 2020*, Council resolves to close the meeting to members of the public to consider the items designated confidential by the Chief Executive Officer on the basis that the matters are confidential in accordance with Section 3(1) of the Act.

RE-OPENING OF MEETING


Recommendation

That the meeting be re-opened to the members of the public.


8. CLOSE OF MEETING

**CITY OF
DAREBIN**

274 Gower Street, Preston
PO Box 91, Preston, Vic 3072
T 8470 8888 F 8470 8877
E mailbox@darebin.vic.gov.au
darebin.vic.gov.au

 **National Relay Service**
relayservice.gov.au

If you are deaf, or have a hearing or speech impairment, contact us through the National Relay Service.

 **Speak your language**
T 8470 8470

العربية	italiano	Soomalii
繁體中文	Македонски	Español
Ελληνικά	नेपाली	اردو
हिंदी	பெங்களி	Tiếng Việt