12.3	**Quarter 3 Budget Report (Jan/Feb/Mar) 2024**
Directorate	Corporate Services
Director	Mark Stoermer
Manager	Sisira Gunasekara
Attachment(s)	1. CR Quarterly Budget Report 31 March 2024 [**12.3.1** - 24 pages]

Purpose

For Council to note the Quarterly Budget Report and accompanying statements for the period ended 31 March 2024.

Officer Recommendation

That Council:

a. Notes the Quarterly Budget Report and accompanying statements for the period ending 31 March 2024, at Attachment 1 to this report.

b. Amend the 2024/25 Quarter 2 Budget Report to note that a revised budget pursuant to section 97(3) of the Local Government Act 2020 is not required.

Background

The Quarterly Budget Report is a requirement under the *Local Government Act 2020* (*the Act*).

Matters for Consideration

For Council to note the Quarterly Budget Report and accompanying statements for the period ended 31 March 2024, as per **Attachment 1** to this report.

Analysis

Operating Performance

The Annual Budget for the 2023/24 financial year has an operating surplus of $8.03 million.

The year to date (YTD) operating surplus of $55.79 million is $5.26 million or 10.41% favourable to the YTD Budget of $50.53 million.

Current full year forecast estimates an operating deficit of ($5.28 million), being $13.31 million or 165.69% unfavourable to the Annual Budget, driven in part by $14.17 million reduction in Victorian Grants Commission received and recognised in 2022/2023 financial year whilst budgeted to be received in 2023-2024, as this amount was paid to Brimbank early June 2023. Our cash position is not affected negatively, but we have downgraded our Income forecast by this amount in the current year. Depreciation $7.13 million unfavourable to budget due to additional depreciation recognised from the increase in value of infrastructure assets resulted from the revaluations. Other major factors offsetting the unfavourable variance include $2.36 million increase in Capital Grants mainly due to carried forward grants from last financial year, $4.91 million increase in

Cash Contributions mainly due to unbudgeted Open Space Contribution of $3.75m received from subdivision of Aldi land and $1.00 million from Australian Renewable Energy Agency and User Fees up by $3.20 million due to increased membership uptake in Brimbank Aquatic and Wellness Centre.

Capital Performance

The 2023/24 Annual Budget is $72.40 million, comprising of $55.85 million of Capital Works projects and $16.55 million carried forward from the 2022/23 financial year.

YTD Capital Works actual expenditure is $27.16 million against a budget of $29.32 million. This is a variance of $2.17 million, driven mainly by $4.62 million underspend in Road Works, offset by unfavourable Sports Facilities ($1.43 million) and Other (1.33 million) made up of Plant & Machinery, Passenger & Commercial Vehicles.

The full year capital expenditure forecast estimates expenditure of $58.89 million being $13.51 million lower than budget. YTD external funding is $4.82 million comprising recurrent and non-recurrent grants and Contributions. Total full year external funding Forecast is $5.59 million.

Cash Position

The Annual Budget has a cash balance of $69.85 million at the end of the financial year.

The YTD cash balance is $90.67 million comprising an opening balance of $93.71 million at 1 July 2023 and year-to-date net outflows of ($3.04 million).

The forecast year end cash balance is $76.48 million which is $6.62 million higher than the budgeted closing cash at bank of $69.85 million. Section 2 of attached report provides a detailed analysis on the variances to budget.

Key Financial Ratios

Details of key financial ratios are:

Indicator	Measure	Budget 2023/24	Forecast	Forecast Risk
Adjusted underlying result	Underlying net surplus (or deficit) / Adjusted Underlying Revenue	3%	-2%	Medium
Self-Financing	Net Operating cash flows / Adjusted underlying revenue	22%	21%	Low
Capital Replacement	Capital expenditure / Depreciation	1.49	1.06	Medium
Asset Renewal	Asset renewal & Upgrade expenditure / Depreciation	0.78	0.63	Medium

Working Capital	Current assets / Current liabilities	1.47	4.19	Low
Indebtedness	Non-current liabilities / Own source revenue	34%	41%	Medium

Adjusted Underlying Result

This measures an entity’s ability to generate surplus in its ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions to fund capital expenditure from its net result. A surplus or increasing surplus suggests an improvement in the operating position. The forecast result of -2% indicates a Medium risk.

Self-Financing

This indicator measures the ability to replace assets using cash generated by the entity's operations. The forecast result of 21% indicates a Low risk.

Capital Replacement

This is a long-term indicator. The forecast result of 1.06 indicates a Medium risk and that spending is faster than the depreciation rate. This result should be read with caution as it is important to note that only 59% of the overall Forecasted capital budget was identified as renewal and upgrade expenditure.

Asset Renewal

The forecast result of 0.63 indicates a Medium risk and is constant with only 59% of the overall Forecasted capital budget identified as renewal and upgrade. This would suggest that there is moderate spending on the renewal and upgrade of existing assets.

Working Capital

The actual result of 4.19 indicates a Low risk to Council. This is due to a change in accounting treatment of rates income. The full amount of rates income is now recognised when we issue the Annual Notice, instead of progressively recognising income over the year which has significantly increased the rates debtors in current assets at the start of the year. It is anticipated that the ratio will be in line with the budget at year end with the payment of rates.

Indebtedness

The actual result of 41% indicates Medium risk and that Council has the ability to repay debt from its own revenue sources. This is mostly driven by the recognition of Lease Liability as per AASB 16.

Community Engagement

The Annual Budget 2023/2024 was adopted by Council at the Council Meeting on 20 June 2023, following a community consultation process.

Resource And Risk Implications

Resource requirements can be met within the Annual Budget 2023/2024.

Financial: significant financial impacts

• Yes - Council must ensure that it has implemented the principles of sound financial management including prudently managing financial risks faced by Council, pursuing spending and rating policies consistent with a reasonable degree of stability, ensuring decisions are made and actions taken having regard for the financial effects on future generations, and ensuring full, accurate and timely disclosure of financial information relating Council. This report addresses the risks associated with demonstrating Council's commitment to the principles of sound financial management by reviewing Council's financial position to the adopted budget, projecting a year end position to ensure overall financial strength of Council and outlining to the community that Council is managing its finances in a sustainable and responsible manner.

Regulatory: legal, legislative or regulatory implications including the rights/obligations of stakeholders
• Yes - The Quarterly Budget Report is a requirement under the *Local Government Act 2020*

Legislation/Council Plan/Policy Context

This report supports the Council Plan 2021-2025 strategic direction and objective of:

4. Leadership and Governance - A high performing organisation that enacts the vision and decisions of Council through the delivery of quality and innovative services - A fairer place for all
• Engaged and Responsive - Community insights are valued to enhance connection and engagement with Council
• High Performing and Accountable - Our workforce strive to enhance services and liveability for the Brimbank community.

This report complies with *Local Government Act 2020*, Australian Accounting Standards and Annual Budget 2023/2024.

Council officers contributing to the preparation and approval of this report, have no conflicts of interests to declare.

Brimbank City Council Quarterly Budget Report March 2024

The Quarterly Budget Report for March 2024 has been prepared in accordance with Australian Accounting Standards.

This report is designed to identify major variances against the March 2024 year to date budget.

The year to date and Annual Budget referred to in this report reflects the budget approved by Council on 20 June 2023 which includes the carry forward funding for 2022/23 projects and capital works forward commitments.

CONTENTS

SECTION 1: EXECUTIVE SUMMARY

Key Financial Highlights and Overview
for the Period Ended 31 March 2024

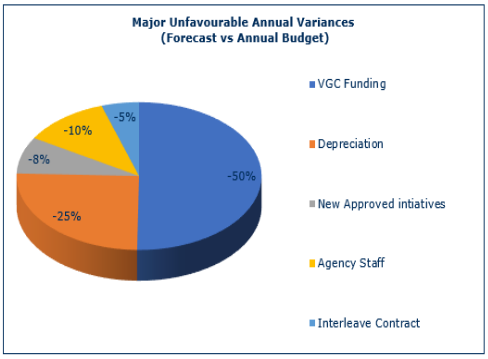
Key Financial Record	Actual YTD $'000	Budget YTD $'000	Variance YTD $'000	Status YTD	Annual Budget $'000	Forecast $'000	Variance $'000	Status FY
Income	235,468	231,235	4,232	↑	251,974	250,955	(1,019)	→
Expenditure	179,677	180,705	1,028	↑	243,940	256,233	(12,293)	→
Operating Surplus/ (Deficit)	55,791	50,531	5,261	↑	8,034	(5,278)	(13,312)	↓
Capital Works Income	4,815	0	4,815	↑	1,181	5,592	4,411	↑
Capital Works Expenditure	27,157	29,323	2,166	↑	72,399	58,892	13,507	↑

Status Legend	
Above YTD budgeted revenue or under YTD budget expenditure	↑
Below YTD budgeted revenue or over YTD budgeted expenditure <10%	→
Below YTD budgeted revenue or over YTD budgeted expenditure >10%	↓

Operating Performance
The Annual Budget for the 2023/24 financial year has an operating surplus of $8.03 million.

The year to date (YTD) operating surplus of $55.79 million is $5.26 million or 10.41% favourable to the YTD Budget of $50.53 million.

Current **full year forecast** estimates an operating deficit of ($5.28 million), being $13.31 million or 165.69% unfavourable to the Annual Budget.



2023-24 - Annual Variance (Forecast vs Annual Budget)	$'000
	(13,312)
Unfavourable Variances	
Income:	
VGC Funding	(14,170)
Expenses	
Depreciation	(7,133)
New Approved intiatives	(2,059)
Agency Staff	(3,226)
Interleave Contract	(1,825)
Favourable Variances	
User Fees	3,202
Contributions	4,915
Capital Grants	2,362
Other Income	2,031
Employee Expenses	1,780
Other	811

The unfavourable variance is mostly driven by the net of:

- Total Income ($1.02 million) unfavourable to full year budget, made up of:
  - ($13.09 million) of lower than budgeted Grants Operating mainly due to a reduction of $14.17 million in Victorian Grants Commission received and recognised in June 2023 whilst budgeted to be received in 2023-2024. This was offset by an increase of $1.27 million carried forward operating grants from financial year 2022-23;
  - $2.36 million increase in Capital Grants mainly due to carried forward grants from last financial year 2022-23;
  - $4.91 million increase in Cash Contributions mainly due to unbudgeted Open Space Contribution of $3.75m received from subdivision of Aldi land, unbudgeted project contributions of $1.00 million from Australian Renewable Energy Agency (Milestone 2 Funding for Construction of Brimbank Aquatic and Wellness Centre $748k base funding and Contingency $352k), $345k Dept. of Industry - Community Batteries for Household Solar and carried forward grants of $157k from financial year 2022-23;
  - $3.20 million increase in User Fees mainly due to increased membership uptake in Brimbank Aquatic and Wellness Centre of $2.83 million; and
  - $2.03 million increase in Other income mostly from Western Rail Plan & Sunshine $605k (funding from Victorian Government for level crossings), increase in income from interest in investments $750k and interest from bank $300k due to higher than anticipated interest forecasted for the rest of the 2023/24 financial year.
- Total Expenses ($12.29 million) unfavourable to full year budget is made up of:
  - ($6.6 million) in Materials and Services higher than budget due to a combination of unbudgeted:
    - Agency expense ($3.22 million);
    - Additional external contract fees of ($1.24 million) mainly due to budget Initiatives brought forward into the 2023-24 Year;
    - Interleave contract expenses ($1.8 million) in CIO; and
    - Additional repairs and maintenance expenses ($0.6 million).

    The above unfavourable variances are offset by the savings in Software Licences $1.05 million.
  - ($7.13 million) in Depreciation unfavourable to budget due to additional depreciation recognised from the increase in value of infrastructure assets resulted from the revaluations.
  - $1.78 million in Employee expenses favourable to budget mainly due to staff vacancies across the organisation. The salary saving is offset by the Interleave contract and Agency expense.

Capital Performance
The 2023/24 Annual Budget is $72.40 million, comprising of $55.85 million of Capital Works projects and $16.55 million carried forward from the 2022/23 financial year.

YTD Capital Works actual expenditure is $27.16 million against a budget of $29.32 million, variance of $2.17 million, driven mainly by $4.62 million underspend in Road Works, offset by unfavourable Sports Facilities ($1.43 million) and Other (1.33 million) made up of Plant & Machinery, Passenger & Commercial Vehicles.

The YTD external funding is $4.82 million comprising recurrent and non-recurrent grants and contributions. This is driven by carried forward capital grants from 2022/23 financial year of $2.39 million and unbudgeted $1.00 million from Australian Renewable Energy Agency (Milestone 2 Funding for Construction of Brimbank Aquatic and Wellness Centre). Total full year external funding is forecasted at $5.59 million.

The full year capital expenditure forecast estimates expenditure of $58.89 million being $13.51 million lower than budget.

Cash Position

The YTD cash balance is $90.67 million comprising an opening balance of $93.71 million at 1 July 2023 and year-to-date net outflows of ($3.04 million).

The forecast closing cash at bank for the year ending 30 June 2024 is $76.48 million which is $6.62 million higher than the budgeted closing cash at bank of $69.85 million. This is due to the following:

- Lower than budgeted opening cash balance at 1st July 2023 ($2.96 million) which included early receipt of Vic Grants Commission ($14.17 million) but offset by lower than actuals to forecasted of Rates, Statutory Fees and Capital Grants in the previous year.
- Lower than budgeted net cash inflows from operating activities in:
    - Grants – Operating ($14.54 million)
    - Materials and Services ($6.33 million)

  The above unfavourable variances is offset by favourable variances in:
    - Other Receipts $6.46 million
    - Contributions monetary $4.45 million
    - User Fees $3.20 million mostly due to increase in revenue from BAWC
    - Employee Expenses $1.78 million.
- Lower than budgeted outflow of cash of $13.51 million expected for Capital Works program. Refer to Capital Works section below for explanation.

SECTION 2: FINANCIAL REPORTS

Income Statement

Comprehensive Income Statement
for the Period Ended 31 March 2024

	Actual YTD $'000	Budget YTD $'000	Variance YTD $'000	Status YTD	Annual Budget $'000	Forecast $'000	Annual Variance $'000	Status FY
Income								
Rates and charges	181,083	180,896	187	↑	180,957	181,083	126	↑
Statutory fees and fines	6,795	6,775	20	↑	9,153	8,804	(349)	⇨
User fees	15,232	12,566	2,666	↑	16,845	20,047	3,202	↑
Grants - Operating - recurrent	9,909	19,605	(9,696)	↓	24,984	10,731	(14,253)	↓
Grants - Operating - non-recurrent	1,649	623	1,027	↑	713	1,874	1,160	↑
Grants - Capital - Recurrent	175	0	175	⇨	1,181	952	(229)	↓
Grants - Capital - Non-Recurrent	2,591	0	2,591	⇨	0	2,591	2,591	↑
Contributions - cash	8,790	3,352	5,437	↑	4,434	9,349	4,915	↑
Other income	9,002	7,034	1,968	↑	9,894	11,925	2,031	↑
Subdivisional contribution	0	0	0	⇨	3,300	3,300	0	⇨
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	241	385	(144)	↓	513	299	(214)	↓
Total Income	**235,468**	**231,235**	**4,232**	↑	**251,974**	**250,955**	**(1,019)**	⇨
Expenses								
Employee expenses	76,230	78,915	2,685	↑	107,690	105,911	1,780	↑
Materials and services	55,840	59,205	3,365	↑	78,160	84,759	(6,599)	⇨
Bad and doubtful debts	63	150	87	↑	1,100	1,100	0	⇨
Depreciation	41,570	36,382	(5,188)	↓	48,529	55,662	(7,133)	↓
Other expenses	2,578	2,730	152	↑	4,029	4,216	(187)	⇨
Amortisation - right of use assets	1,391	1,331	(60)	⇨	1,775	1,910	(134)	⇨
Borrowing costs	1,791	1,787	(4)	⇨	2,383	2,383	0	⇨
Finance costs - leases	212	205	(7)	⇨	273	293	(19)	⇨
Total Expenses	**179,677**	**180,705**	**1,028**	↑	**243,940**	**256,233**	**(12,293)**	⇨
Surplus/(deficit) for the period	**55,791**	**50,531**	**5,261**	↑	**8,034**	**(5,278)**	**(13,312)**	↓

Status Legend	
Above YTD budgeted revenue or under YTD budget expenditure	↑
Below YTD budgeted revenue or over YTD budgeted expenditure <10%	⇨
Below YTD budgeted revenue or over YTD budgeted expenditure >10%	↓

The year to date (YTD) March operating surplus is $5.26 million which is 10.41% favourable to the YTD Budget.

The full year forecast is expected to be ($5.28) million deficit which is ($13.31 million) unfavourable to the Annual budget. This is driven by:

Account Summary	YTD Budget	Forecast
User Fees	YTD User Fees are favourable to YTD budget by $2.67 million or 21.22% mostly due to: • Higher income from BAWC by $2.23 million favourable to budget as revenue from Gymnasium, Aquatics and Swim School outperformed the financial modelling which was undertaken during budgeting.	The full year forecast for User Fees is expected to be $3.20 million favourable to budget mostly in BAWC, $2.83 million income from Gymnasium, Aquatics and Swim School favourable to the financial modelling undertaken during budgeting.

Operating Grants (Recurrent & Non-Recurrent)	YTD Operating Grants are unfavourable to budget by ($8.67 million) or 42.86% mostly due to a net of:
	• Recurrent Operating Grants ($9.69 million) unfavourable to budget relating to Victorian Grants Commission which was received and recognised in 2022/23, earlier than anticipated;
	• Increase of $1.27 million from prior year grants being carried over into the current financial year. Some of the key drivers of this include:
	    ○ HACC Domestic Assistance (Coord & Home Care) $370k
	    ○ Maternal & Child Health (Sleep & Settling) $238k
	    ○ Western Alliance Greenhouse Action $142k
	    ○ Service Support & Co-ordination $111k
	    ○ Local Planning & Change Management Grant $82k
	    ○ Biodiversity Planning (Bridge & Marine S173 Agreement - site 103 Reid St, Ardeer) $80k
	    ○ Free from Violence Local Government Program $70k
	    ○ CASI Community Connector Program $60k
	    ○ Arts & Cultural Development (Sidney Myer Fund grant for Bowery) $52k
	    ○ Digital Literacy for Seniors Program $45k
	• School Crossing Subsidy $177k received earlier than anticipated.
		The full year forecast for Operating Grants is expected to be unfavourable to budget by ($13.09 million). This is mainly due to a net of:
		• ($14.17 million) reduction in income from Victorian Grants Commission funding for the 2023/2024 financial year, as this amount was paid to Brimbank early in June 2023, and was recognised in the 2022/23 financial year.
		• ($721k) reduction in grants due to:
		    ○ $350k in Community Care ($200k predicted to be carried forward into 2024-25, and $150k to be recouped in this financial year)
		    ○ $200k in Sleep & Settling to be carried forward for recoupment.
		    ○ $171k funding in Meals to be carried forward into 2023-24
		• $1.27 million increase due to unbudgeted grants brought forward from financial year 2022/23.
		• $150k unbudgeted Respite for Carers grant

Account Summary	YTD Budget	Forecast
Capital Grants Recurrent & Non-Recurrent	YTD Capital grants were favourable to budget by $2.76 million or 100% mainly due to a combination of unbudgeted grants received and prior year grants being carried over into the current year, including: • Brought forward grants of $2.39 million mostly for Female SF Upgrade-Selwyn Park Res $612k, Road Rehabilitation - Derrimut St $408k, Sunshine Transport Precinct Activity $276k, Sports Pavilions Kitchen Upgrade $267k and Road Rehabilitation Hutchinson St (Commonwealth Roads Grant Recovery) $175k • Local Roads & Community Infrastructure Fund $453k (Grenvillea Road and Woodland Drive) received earlier than anticipated. • Sydenham Park Stage 1 unbudgeted $75k - Construction Completion Final Instalment - Department of Energy, Environment and Climate Action	The full year forecast is expected to be over budget by $2.36 million predominately due to: • Increase in grants due to prior year grants carried over from 2022/23 financial year of $2.39 million.
Contributions - cash	YTD Contributions - Cash $5.44 million or 162.21% favourable against year to date budget mainly due to: • Unbudgeted Developer Contributions Public Open Space $3.23 million ($3.75 million subdivision income of Aldi Distribution Centre land in Derrimut where the Council received $2.5% of land valuation price of $150 million. This is offset by lower than budgeted $200k in Developer Contribution Plan – Brimbank) • Unbudgeted $1.00 million from Australian Renewable Energy Agency (Milestone 2 Funding for Construction of Brimbank Aquatic and Wellness Centre - $680k base funding and Contingency $320k) • Unbudgeted $345k Dept. of Industry - Community Batteries for Household Solar • Brought forward contributions of $461k from the financial year 2022-23 (Water Sensitive Urban Design Asset - Milestone 1 - Stormwater Harvesting Partnering Fund $157k and WAGA contributions $145k).	The full year end forecast shows a favourable position by $4.92 million predominantly due to: • Unbudgeted Open Space Contribution of $3.75 million received from subdivision of Aldi land • Unbudgeted cash contributions position $1.00 million Australian Renewable Energy Agency (Milestone 2 Funding for Construction of Brimbank Aquatic and Wellness Centre $748k base funding and Contingency $352k) • Unbudgeted $345k Dept. of Industry - Community Batteries for Household Solar • Brought forward $461k from 2022/23 financial year.
Other income	YTD Other income ended $1.97 million or 27.98% favourable to budget due to: • Rental/Lease $1.01 million (Western Rail Plan & Sunshine - $605k unbudgeted income from Victorian Government level crossings for the Fitzgerald RD Council owned-land and timing of the BAWC rental income $305k) • Higher interest from investments of $700k • Unbudgeted Work-cover recovery $432k • Higher interest from bank $216k • Rebates received $109k • The favourable variances above are offset by lower than anticipated Interest on Rates by $411k to budget as more ratepayers on payment plans which reduces interest.	The full year forecast is expected to be $2.03 million favourable mostly due to: • Western Rail Plan & Sunshine $605k (unbudgeted) • Increase in income from interest in investments $750k (sustained higher interest rates) • Workcover Recovery $452k • Higher interest from bank $300k • The favourable variances above are offset by lower than anticipated Interest on Rates by $400k.

Employee Expenses	YTD Employee expenses were favourable to budget by $2.69 million or 3.40% mainly due to delays in filling vacant positions across the Council. The favourable variance in employee expenses is off set by unfavourable variance in Agency Costs of ($2.27 million).
	
	• Significant underspend in employee expenses were in the following areas:
	  ○ Chief Information Office $1.15 million mostly in IT support. Savings are utilised towards unbudgeted Interleave contract
	  ○ Maternal and Child Health $634k (approx. 4 FTE) mostly in Maternal & Child Health Universal
	  ○ Communication Engagement & Change $515k
	  ○ Parks & Parks Realm $452k
	  ○ City Compliance Group $437k
	  ○ Parks Services $450k
	
	• Workcover shortfall yet to be processed in payroll. This is as a result of the of the workcover premium.
	
	• The above favourable variance is partially offset by WorkCover Lost Time Payments ($245k) in various Business Units.
		The full year forecast is expected to be $1.78 million favourable to budget driven by:
		• Underspend in employees by $3.55 million across the Council, offset by
		• Increase in WorkCover premium by ($1.77 million).
		
		The underspend in employee expenses is offset by:
		• Unbudgeted Interleave contract ($1.40 million)
		• Partially offset the overspend in Agency Staff ($3.26 million).

Materials and services	YTD Materials and Services expenditure was underspend to budget by $3.37 million or 5.68% across the Council mainly due to delays in providing services than projected. Key drivers were:
	• Tip Fees of $1.33 million mainly within the Refuse area due to timing of payment.
	• External Standard Contract Payment / Fees $1.01 million mostly in the Parks area Design – Tree Planting due to timing of tree planting which will occur in next quarter.
	• Administration/Program Expenses $747k mainly in Community Wellbeing $396k and People, Partnerships & Performance $238k.
	Underspend of $396k expenses in Community Wellbeing division is as result of:
	  ○ Community Care and Service support $89k for expenses anticipated in the next quarter from Aged care reform consultants, seniors expo and carers space fit out.
	  ○ Keilor Public Golf Course $70k which is utilised towards golf merchandise expenses.
	  ○ Strengthening Communities $41k - National Volunteer Week training and event expenses in May 2024 and events such as Midsumma, Pride March etc.
	  ○ Connected Communities $38k mainly due to pending invoices from Cooinda consultancy and majority of the expenses expected in the next half of the year – in the planning phase (Traditional Custodian meetings and engagement, Cultural Advisor, BATSICC meetings).
		The full year end Forecast is expected to be ($6.60 million) unfavourable to budget driven by:
		• Increase in Agency Staff by ($3.23 million) mostly in IT support $1.12 million, Building Services Group $550k, Parks Services $258k, Service Access Support $175k, City Compliance $238k, Communication Engagement $178k, Refuse $118k and various others.
		
		• External Standard Contract Payment ($1.02 million) – mostly due to unbudgeted Interleave twelve months contract of ($1.83 million) in CIO. The unbudgeted expenses in CIO is being funded by savings of $1.19 million from Employee Expenses and Minor Asset Purchases of $0.54 million.
		
		• Repairs & Maintenance were ($649k) over budget mainly in the Building Maintenance area due to higher than expected adhoc repair works
		• Higher than expected Animal Pound Costs of ($350k).

	Underspend of $238k expenses in People, Partnerships & Performance division is as result of: ◦ Communications and Community Engagement $183k expenditure relating to Civic Events/Community Engagement policy; and ◦ Customer Experience $60k. • Minor Asset Purchases $283k mostly in Chief Information Office $424k. These savings are to be utilised towards the unbudgeted Interleave contract • Public Lighting Operating Costs favourable $698k. • Lower than expected debt collection expenses of $316k. • Consultants $879k made up of IT support of $782k and Environment of $228k. • Training lower than budget by $192k due to timing of training. • Electricity lower than budget by $454k due to timing of payment. • Telecommunication lower than budget by $282k due to timing of payment. • Licences & Certificates of $519k mainly in CIO. • Debt Collection of $316k. • Licences & Certificates were favourable $519k. The favourable variance is offset by unfavourable expenditure in: • Agency Cost of ($2.27) million, mainly in the Building Services Group ($448k), CIO ($685k) and Parks Services ($328k). • Costs Transferred to Capital of ($2.37 million) to be taken up in the last quarter of this financial year.	• Additional lease/machinery hire costs of ($312k) mainly in Fleet. • Insurance Premium increase of ($248k) • Reduction in Cost Transferred to capital of ($638k).
Depreciation	Depreciation ($5.19 million) or (14.26%) unfavourable to budget due to additional depreciation recognised from the increase in value of infrastructure assets resulted from the revaluations.	Depreciation ($7.13 million) unfavourable to budget due to additional depreciation recognised from the increase in value of infrastructure assets resulted from the revaluations.

Balance Sheet

Balance Sheet
for the Period Ended 31 March 2024

Account Summary	Actual YTD $'000	Annual Budget $'000	Forecast $'000
Current Assets (Assets)			
Cash and Cash Equivalents	90,673	69,853	76,476
Trade and other receivables (inc FSPL)	92,685	35,106	26,208
Inventories	119	110	119
Other assets	2,643	323	1,433
Total Current Assets	**186,121**	**105,393**	**104,236**
Non-Current Assets (Assets)			
Property, infrastructure, plant and equipment	2,715,421	2,677,909	2,662,525
Right of use assets	5,840	3,115	3,115
Trade and other receivables	55	115	70
Total Non-Current Assets	**2,721,317**	**2,681,139**	**2,665,711**
TOTAL ASSETS	**2,907,438**	**2,786,532**	**2,769,947**
Current Liabilities (Liabilities)			
Trade and other payables	5,001	22,561	24,995
Trust funds and deposits	14,170	12,642	4,773
Provisions	22,553	25,803	23,642
Lease liabilities	150	456	1,415
Interest bearing loans and borrowings	2,575	10,462	9,037
Total Current Liabilities	**44,448**	**71,924**	**63,862**
Non-Current Liabilities (Liabilities)			
Trust funds and deposits	6,494	0	6,605
Provisions	2,568	8,529	2,568
Lease liabilities	5,932	1,421	3,276
Interest-bearing loans and borrowings	79,714	73,539	75,444
Total Non-Current Liabilities	**94,707**	**83,489**	**87,892**
TOTAL LIABILITIES	**139,156**	**155,413**	**151,754**
NET ASSETS	**2,768,282**	**2,631,119**	**2,618,192**
Equity			
Accumulated surplus	1,175,193	1,120,998	1,110,205
Reserves	1,593,089	1,510,121	1,507,988
TOTAL EQUITY	**2,768,282**	**2,631,119**	**2,618,192**

Victorian Auditor-General's Office Six Sustainability Indicators

Indicator	Measure	Budget 2023/24	Forecast	Forecast Risk
Adjusted underlying result	Underlying net surplus (or deficit) / Adjusted Underlying Revenue	3%	-2%	Medium
Self-Financing	Net Operating cash flows / Adjusted underlying revenue	22%	21%	Low
Capital Replacement	Capital expenditure / Depreciation	1.49	1.06	Medium
Asset Renewal	Asset renewal & upgrade expenditure / Depreciation	0.78	0.63	Medium

Indicator	Measure	Budget 2023/24	Actual YTD	Actual YTD Risk
Working Capital	Current assets / Current liabilities	1.47	4.19	Low
Indebtedness	Non-current liabilities / Own source revenue	34%	41%	Medium

Adjusted Underlying Result	This measures an entity's ability to generate surplus in its ordinary course of business, excluding non-recurrent capital grants, non-monetary asset contributions and other contributions to fund capital expenditure from its net result. A surplus or increasing surplus suggests an improvement in the operating position. The forecast result of -2% indicates a Medium risk.

Self-Financing	This indicator measures the ability to replace assets using cash generated by the entity's operations. The forecast result of 21% indicates a Low risk.
Capital Replacement	This is a long-term indicator. The forecast result of 1.06 indicates a Medium risk and that spending is faster than the depreciation rate. This result should be read with caution as it is important to note that only 59% of the overall Forecasted capital budget was identified as renewal and upgrade expenditure.
Asset Renewal	The forecast result of 0.63 indicates a Medium risk and is constant with only 59% of the overall Forecasted capital budget identified as renewal and upgrade. This would suggest that there is moderate spending on the renewal and upgrade of existing assets.
Working Capital	The actual result of 4.19 indicates a Low risk to Council. This is due to a change in accounting treatment of rates income. The full amount of rates income is now recognised when we issue the Annual Notice, instead of progressively recognising income over the year which has significantly increased the rates debtors in current assets at the start of the year. It is anticipated that the ratio will be in line with the budget at year end with the payment of rates.
Indebtedness	The Actual result of 41% indicates Medium risk and that Council has the ability to repay debt from its own revenue sources. This is mostly driven by the recognition of Lease Liability as per AASB 16.

Statement of Cash Flows

Statement of Cash Flows
for the Period Ended 31 March 2024

Account Summary	Actual YTD Inflows/ (Outflows) $'000	Annual Budget Inflows/ (Outflows) $'000	Forecast Inflows/ (Outflows) $'000
Cash flows from operating activities			
Rates and Charges	137,999	180,957	181,083
Statutory fees and fines	5,123	9,153	8,804
User fees	16,049	16,845	20,047
Grants - operating	10,165	25,698	11,160
Grants - capital	639	1,181	1,406
Contributions - monetary	9,180	4,434	8,888
Other receipts(includes Rent received)	9,292	5,461	11,925
Trust funds and deposits (taken and repaid)	42	1,000	1,000
Net GST refund/(payment)	5,937	0	0
Employees costs	(78,262)	(107,690)	(105,911)
Materials and services	(82,218)	(78,160)	(84,493)
Other payments	(2,224)	(5,129)	(5,316)
Net cash provided by/(used in) operating activities	**31,721**	**53,748**	**48,593**
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	(28,397)	(72,399)	(58,892)
Proceeds from sale of property, infrastructure, plant and equipment	1,076	45	1,134
Proceeds on sale of investments	0	0	0
Net cash provided by/(used in) investing activities	**(27,321)**	**(72,354)**	**(57,758)**
Cash flows from financing activities			
Finance costs	(1,378)	(2,533)	(2,288)
Proceeds from borrowings	0	6,000	6,000
Repayment of borrowings	(5,975)	(9,020)	(9,784)
Interest paid - lease liabilities	(212)	(273)	(293)
Repayment of lease liabilities	127	(2,383)	(1,708)
Net cash provided by/(used in) financing activities	**(7,440)**	**(8,210)**	**(8,072)**
Net increase/(decrease) in cash and cash equivalents	(3,040)	(26,816)	(17,237)
Cash and cash equivalents at the beginning of the financial year	93,713	96,670	93,713
Cash and cash equivalents at the end of the period	**90,673**	**69,853**	**76,476**

The YTD cash balance is $90.67 million comprising an opening balance of $93.71 million at 1 July 2023 and year-to-date net outflows of ($3.04 million).

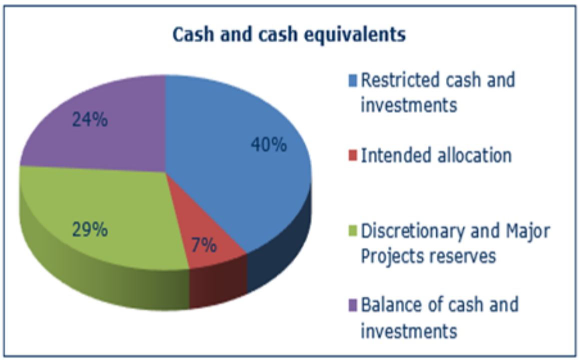
The forecast closing cash at bank for the year ending 30 June 2024 is $76.48 million which is $6.62 million higher than the budgeted closing cash at bank of $69.85 million. This is due to the following:

- Lower than budgeted opening cash balance at 1st July 2023 ($2.96 million) which included early receipt of Vic Grants Commission ($14.17 million) but offset by lower than actuals to forecasted in Rates, Statutory Fees and Capital Grants in the previous year.
- Lower than budgeted net cash inflows from operating activities in:
  - Grants – Operating ($14.31 million)
  - Materials and Services ($6.33 million)

  The above unfavourable variances is offset by favourable variances in:
  - Other Receipts $6.58 million
  - Contributions monetary $4.45 million
  - User Fees $3.20 million mostly due to increase in revenue from BAWC
  - Employee Expenses $1.78 million.
- Lower than budgeted outflow of cash of $13.51 million expected for Capital Works program. Refer to Capital Works section below for explanation.

Cash Balance Commitments
The following table outlines the cash balance commitments of the forecast cash position.

After taking into consideration restricted cash and discretionary reserves there is a predicted positive net cash balance of $18.29 million.



	$'000
Total Forecast cash and investments	**76,476**
Restricted cash and investments:	
Developers contributions	(19,637)
Total trust funds and deposits	(11,378)
Intended allocation:	**45,461**
Carry forward capital works 2023/24	(5,223)
Unrestricted cash and investments	**40,238**
Major Projects reserves	(9,547)
Discretionary reserves (sinking fund)	(12,400)
Unrestricted cash adjusted for discretionary reserves	**18,291**
Balance of cash and investments	**18,291**

Capital Works Report

Statement of Capital Works
for the Period Ended 31 March 2024

Asset Category	Actual YTD $'000	Budget YTD $'000	Variance YTD $'000	Status YTD	Annual Budget $'000	Forecast $'000	Annual Variance $'000	Status FY	Predicted Carry Fwd $'000
Community Facilities	1,613	1,680	67	↑	2,269	2,454	(185)	→	321
Drainage Works	701	539	(162)	↓	1,150	1,694	(544)	↓	0
Other	3,017	1,690	(1,327)	↓	6,469	5,498	972	↑	0
Pathways	502	630	128	↑	3,661	1,297	2,364	↑	452
Playgrounds/Parks/Gardens	2,634	2,522	(112)	→	8,225	6,877	1,348	↑	100
Road Works	12,830	17,452	4,622	↑	29,444	27,445	1,999	↑	300
Sports Facilities	5,624	4,190	(1,434)	↓	19,326	12,461	6,865	↑	4,050
Sustainability	1	4	3	↑	80	81	(1)	→	0
Town Centre	219	375	155	↑	858	885	(27)	→	0
Total capital works expenditure	**27,157**	**29,323**	**2,166**	↑	**72,399**	**58,892**	**13,507**	↑	**5,223**
Capital works income	**4,815**	**0**	**4,815**	↑	**1,181**	**5,592**	**4,411**	↑	**0**

Status Legend	
Above YTD budgeted revenue or under YTD budget expenditure	↑
Below YTD budgeted revenue or over YTD budgeted expenditure <10%	→
Below YTD budgeted revenue or over YTD budgeted expenditure >10%	↓

Capital Works Context - Operating Environment

International events, including conflicts in the middle east and the COVID-19 pandemic, continue to affect material supply and contractor availability, impacting Council's ability to deliver its 2023/24 CWP within scope, time, and budget. This impact is being felt most in the construction industry, affecting materials such as concrete, timber and steel; and in the transport sector, affecting energy supplies.

In addition to this, Victoria's Build program, worth over $90 billion investment delivering over 165 major road and rail projects across the state, is also continuing to place further demand and competition for construction materials as well as limiting access to skilled workforce.

More local issues that have impacted the delivery of some projects include delays related to the process for CHMP, including engagement with traditional owners, assessments and offsets for native grasslands, heritage, third party approvals and other planning related matters.

Projects Completed

The following projects, inclusive of the project value at the time of reporting, have reached the completion stage as of 31 March 2024.

Please note that a number of the projects listed below are from the 2022/23 Capital Works Program and were completed in this financial year.

- Community Facilities
  - Kitchen upgrade program | $200,000
  - Flooring upgrade program | $65,000
  - Storage upgrade program | $35,000

  TOTAL | $300,000

- Sports Facilities
  - Sportsground fence replacement program | $55,000
  - Shade shelter installation program | $70,000
  - More Park Stage 1 - New Sports Pavilion and Car Park Upgrade Sports Facilities | $857,853

  TOTAL | $982,853

- Road Works
  - Biggs Street, St Albans | $703,200
  - Derrimut Street, Albion | $498,242
  - Frank Street, Sunshine West | $111,605
  - Hutchinson Street, Albion | $555,783
  - Yallourn Street, Ardeer | $251,775
  - Bernborough Court, Keilor Downs | $217,620
  - Berry Street, Sunshine North | $347,595
  - Devon Place, Sunshine | $402,400
  - Denton Avenue, St Albans | $1,405,377
  - East Esplanade, St Albans | $524,992
  - Evergreen Avenue, Albanvale | $1,319,500
  - Grevillea Road, Kings Park | $1,395,680
  - Hammerwood Avenue, Derrimut | $756,992
  - John Court, St Albans | $129,744
  - Lantana Court, St Albans | $191,880
  - Lyndford Court, St Albans | $306,280
  - Mailey Street, Sunshine West | $555,500
  - Nandeen Court, Keilor Downs | $202,280
  - Sofia Court, Sunshine North | $200,720
  - Sorghum Way, Delahey | $370,000
  - St Leonards Avenue, Derrimut | $248,043
  - Tullaroop Court, St Albans | $247,000
  - Thistle Court, Delahey | $283,400
  - Welwyn Parade, Deer Park | $510,000

  TOTAL | $11,737,548

- Pathways
  - Mathews Hill Reserve, Sunshine | $47,238
  - Debenham Drive, St Albans | $40,809
  - King Edward Avenue and Derrimut Street, Albion | $16,279
  - Simmie Street, Sunshine West | $9,877
  - Green Gully Reserve - Green Gully Close to Denbigh Court | $200,000

  TOTAL | $314,203

- Stormwater Drainage
  - Installation of Gross Pollutant Traps | $250,000

  TOTAL | $250,000

- Traffic Management
  - School crossings @ various locations | $15,000
  - Construction / modification of roundabouts @ various locations | $200,000
  - Traffic island and kerb modifications @ various locations | $15,000
  - Bus Improvement Plan @ various locations

  TOTAL | $230,000

<u>Changes to the 2023/24 Capital Works Program</u>

Changes to the Capital Works Program are necessary at times throughout the year to address changes in circumstance whether relating to project scope, cost or timeframe. Where the change is material, this is managed via a process to ensure any change is approved according to delegated authority. A budget variance to a project may result in under expenditure or a request for additional funding. Under expenditure may be treated as a saving, or may be reallocated to assist the delivery of other projects. A request for additional funding will be assessed in terms of necessity, priority and the ability to allocate additional funding; where the quantum of funding is beyond the delegation of the Project Manager or Project Sponsor, approval will be sought via the CEO or Council.

As of the 29 March 2024, a total of $5,504,957 has been identified as approved under expenditure (which reflects the cumulative effect of the approved changes requests, shown below). All project under expenditure is held as funds which can then be re-allocated to offset cost increases on other projects in the Capital Works Program.

In contrast to the under expenditure, there has been a total of $4,258,717 identified as combined cost increases with funding reallocated to enable the delivery of these projects. The net difference between combined under expenditure ($5,504,957) and combined cost increases ($4,258,717), as a result of approved changes requests, is $1,246,240 (under expenditure).

Officers will continue to identify projects in 2023/24 that can be funded via under-expenditure in the program, and will prioritise projects which reduce risk, add value to existing projects or priorities, or which can reduce the renewal gap and/or the broader financial burden in 2024/25, and will report these to Council in future reports, as required. Officers note the figures above may not be immediately obvious in the 'Statement of Capital Works'; this is due to system reporting limitations. However, Officers are confident the amounts reported as under-expenditure and cost increases, and the figure available for reallocation, are accurate as they reflect advice from project managers on each project.

Please refer below to Change Request Running Sheet 2023/24 to view the list of projects that have an approved variance from what was originally adopted in the 2023/24 Capital Works Program by Council.

<u>Projects at Risk</u>

In addition to projects that have already declared a change, flagging a change to scope or cost (with individual project impacts and the cumulative financial impact captured in Change Request Running Sheet 2023/24), the following 24 projects have been identified as being at risk of not achieving the intended scope of works by June 2024; these projects may be subject to further change, and if so, will be reported to Council.

Project Title and Adopted Budget	Project Description	Explanation of Risk
JR Parsons Reserve ($240,000)	Construction of a new sports pavilion for cricket and football including car parking.	The process to engage the Football & Cricket Club to inform the Concept Plan, and timeframes involved, have delayed the completion date for this project. Further project planning will be carried out in 2024/25, with construction proposed from 2025/26 (STCA).
JR Parsons Reserve ($150,000)	Construction of a new tennis pavilion, including car parking.	The process and timeframes to engage the Tennis Club to inform the Concept Plan has delayed the completion date for this project. Further project planning will be carried out in 2024/25, with construction proposed from 2025/26 (STCA).
Delahey Reserve ($350,000)	Construction of new fully enclosed dog off-leash park and improvements to existing park.	Due to delays relating to permit approvals. This project is unlikely to be completed by June 2024, with delivery likely in 2024/25, subject to budget consideration in Councils draft 2024/25 budget.
Flagship Park Renewal Program ($950,000)	Ongoing renewal of flagship parks. 2023/24 Sites: Delivery of Kevin Flint Memorial Reserve	This project is ready for tender in February 2024. It is anticipated that the works will commence late in the 2023/24 financial year and therefore expecting an under expenditure in 2023/24, with some funding required in 2024/25 to complete the project.

Sydenham Rail Corridor Bicycle Track ($547,520)	Development of the off-road cycling route along the Sydenham railway corridor, linking the Sydenham, St Albans and Sunshine Town Centres. This includes new pedestrian/cycling bridge over Taylors Road and new Shared User Path along Sydenham Road.	Currently finalising documentation package for tender for Part 1 of the Shared User Path, along St Albans Road. MTM approvals are required, which are likely to take a considerable period of time to be approved, therefore placing the project at risk of construction not commencing before 30 June 2024. Budget allocation will be considered once the timeframe for approvals is confirmed.
Security Lighting in reserves program ($100,000)	Installation of security lighting	Works is expected to commence in April / May 2024 and not expected to be completed by June 2024.
Water security program ($300,000)	This project is to undertake an expansion of the stormwater harvesting system in Green Gully.	This project is now expected to cost considerably more than estimated. In addition, as the civil works would be best to occur in the summer months, this project is not likely to be completed by June 2024. The approach to this project requires further consideration.
East-west transmission line cycle path - M80 Trail to Kororoit Creek path, St. Albans ($250,000)	Stage 1 detailed design underway including solar lighting.	Project at risk of not being completed by June 2024 due to the timeframe relating to receiving planning permit. Additional budget allocation will be considered once the timeframe for approvals is confirmed.
Local Park and Reserves upgrade program ($200,000)	Upgrade of various Local Reserves including tree planting and furniture installation as part of Creating Better Parks Implementation and in response to community requests. 2023/24. Sites: Pindari Avenue Taylors Lakes Access, Cocoparra Crescent Reserve, Taylors Lakes	Pindari Crescent Path is completed. Cocoparra Cresent Path is currently on track to commence in February 2024 and expected to be completed by June 2024. Lipton Street Reserve is not likely be completed by June 2024 due to timeframes to confirm permit approvals.
Lloyd Reserve, Sunshine Soccer / Cricket pavilion upgrade ($750,000)	Sports pavilion upgrade	Due to protracted delays in the awarding of the construction contract, project has been delayed and expected to be completed by October 2024.
Local cycle route connection program ($260,000)	Program to continue the roll-out off-road cycle routes to complete missing link as part of the Cycling & Walking Strategy implementation	The project is at risk of not being completed by June 2024 due to time required to obtain permit approvals, and lack of contractor availability.
Lionheart Reserve Tennis Pavilion Upgrade, Taylors Lakes ($1.75M)	Tennis pavilion refurbishment.	Project was re-tendered due to original submissions over budget and tenderers considered to be a risk to Council. Currently out to tender again. Expecting contract to be awarded in May 2024. Project is behind schedule and will not be completed by June 2024. Additional budget allocation will be considered for 2024/25 once the timeframe for approvals is confirmed, and project cost is better understood.
Jones Creek trail extension ($200,000)	Trail extension, Cairnlea - Cairnlea to the M80 Ring Road Trail	Project has been delayed due to the time taken to obtain all relevant project permits. Project is not likely to be completed by June 2024.
Taylors Lakes Easement Shared User Path ($300,000)	Shared User Path	Project has been delayed due to protracted CHMP requirements. Project is not likely to be completed by June 2024, and is now intended to be delivered in 2024/25.
Bon Thomas Reserve development, Deer Park ($200,000)	Installation of a circuit path	Project has been delayed due to protracted discussions with DEECA assessment team. Project is not likely to be completed by June 2024.
Sydenham Park, Keilor North - Share User Trail - Stage 2 ($2.0M)	Share User Trail - Stage 2	Project has been delayed due to the need for additional planning and staging of works. Project is not likely to be completed by June 2024, and is expected to be progressed in 2024/25.
Town Centre lighting strategy ($200,000)	Review of lighting levels in the Town Centres and implementation plan to achieve recommended levels for safety and amenity. 2023/24 Sites: Princess Lane, St Albans	Project has been delayed due to requiring further planning and staging of works. Project is not likely to be completed by June 2024.
Municipal Gateway Landscaping ($100,000)	Upgrade and renewal of Municipal Gateway Landscaping.	Project has been delayed due to the need for additional planning. Project is not likely to be completed by June 2024.
Sunshine Energy Park ($500,000)	Reconstruction of a suitable landfill gas collection system, installation of additional gas wells as required, construct and commission high temperature flare to manage recovered landfill gas. Carrington Drive Reserve, St Albans – Installation of landfill gas mitigation measures to reduce the migration risk posed to adjacent private residential	Project has been delayed due to delays in meeting EPA Notice and VCAT requirements. Project is not likely to be completed by June 2024.

	properties. Auditor recommendation and EPA requirement.	
Road Rehabilitation – Devonshire Road, Sunshine ($1,040,000)	Rehabilitation of road at Devonshire Road, Sunshine	Project has been delayed due to delay in appointing contractor. Project is expected to be completed in July 2024.
Sports Netting Replacement Program ($150,000)	Program to upgrade or replace sports nets in sporting facilities.	One (1) project location of three (3) is at risk of not being completed by June 2024.
Plant and Machinery ($1,770,000)	Supply of plant, machinery and heavy equipment.	We are still experiencing long delays in the supply and delivery of trucks.
Skate Facilities Upgrade Program ($150,000)	Improvement to existing facilities and new facilities as per Creating Better Parks. 2023/24: Construction of Derrimut Site	Preferred tenderer is unable to commence works before June 2024. Construction is expected to commence in the second half of 2024 and completed by the end of the year.
Robertson's Homestead Restoration ($500,000)	Structural restoration works of the Robertson's Homestead.	Project has been delayed due to protracted advice with Heritage Victoria and CHMP requirements. Construction is expected to commence in 2024/25.

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
1	Community Facilities	Community Facilities Heating / Cooling Upgrade Program	Rolling program to upgrade heating and cooling. Various locations as identified in the Community Services and Infrastructure Plan. 2023/2024 Sites: Glengala Community Centre.	60,000		60,000	✓	-	-	Additional fund is to complete additional duct work that is required for new air conditioning unit, as well as the installation of an energy efficient Variable Speed Drive unit to meet National Construction Code (BCA) requirements. Existing duct work was intended to be used but the new Air Conditioning Unit requires upgraded duct work for the unit to reach its optimal design. Approved under delegation, November, 2023
2	Community Facilities	Children's Service Facilities Playgrounds Upgrade Program	Replace non-compliant playground equipment in Council's children's facilities and bring all playgrounds into compliance with relevant regulations as identified in the Community Services and Infrastructure Plan. 2022/2023 Sites: Keilor Park and Keilor Gatehouse. 2023/2024 Sites: Orama Street Children's Centre, Remus Way Child Care Centre	$250,000	0	0	-	✓	✓	Project listed in 2022/2023 budget were not delivered due to time constraint. Requesting to undertake playground projects listed in 2022/2023 budget (Keilor Park and Keilor Gatehouse) that were not delivered and push the 2023/2024 listed projects (Orama and Remus Way Kindergartens) back to 2024/2025. Approved under delegation, November, 2023
3	Community Facilities	Community Facilities Toilet Upgrade Program	Upgrade existing toilets to be compliant with the Disability Discrimination Act and/or to refurbish ageing toilets. Various locations as identified in the Community Services and Infrastructure Plan. 2023/2024 Sites: Sydenham Children's Hub, Delahey Community Centre, Keilor Village Kinder, Deer Park Hall, Orama Street Child Care Centre	$200,000	0	80,000	✓	-	✓	Additional $80K is required due to cost escalation in materials and labour, and additional costs to remove existing wall linings including tiles and cement sheets. Cost estimates are based on finalised quotations from the contractor for specific schedule of works. Approved under delegation, November, 2023
4	Community Facilities	Robertson's Homestead Restoration	Structural restoration works. 2022/23: Design 2023/24: Commence construction 2024/25: Complete construction	$500,000	-320,680		✓	✓	-	Due to delays in appointing the consultant, formulating the brief the consultant, as well as impacts due to CHMP advise, ecological report, archaeological survey, and delay in obtaining Planning Permit and approvals from HV. In all, this project is expected to be delayed by 6 to 9 months and predicting to spend $180K in 2023-2024, hence required $320K carry forward. Approved under delegation, November, 2023
5	Sports Facilities	Sports Reserve Lighting Upgrade Program	Annual rolling program to upgrade or install new sportsground lighting. 2023/2024 Sites: Sassella Tennis 5 and 6, and Selwyn Park Tennis Courts 1 to 6 Inc.	$276,484	0	173,516	✓	✓	-	Sassella Park Tennis Courts is a carryover project from 2022/23 and will be completed in 2023/2024 under a separate cost code. But required additional fund of $173K that will be transferred from Selwyn Park Tennis project. The remaining $276K in this project should be sufficient for Selwyn Park Tennis Courts 1 to 6. Approved under delegation, November, 2023
6	Sports Facilities	New sportsground development program	Green Gully Reserve Oval 2 (access road, car park, sportsground lighting, sports change rooms) 2022/23 - Commence construction 2023/24 - Complete construction	$3,850,000	-3,285,000		✓	✓	-	Due to the Commonwealth and State Government protected native grass approvals and cultural heritage approvals, this project will be considerably delayed, and the projected unspent $3.3M the expenditure will be replanned. Approved under delegation, November, 2023

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
7	Sports Facilities	Sports Netting Replacement Program	Program to upgrade or replace sports nets in sporting facilities. 2022/2023 Sites: Barclay Baseball Batting Cage/Shed	$199,235	0	90,000	✓	-	-	Additional $90K fund required for power works to abolish existing power to site as the site has 3 incoming power connections and Powercor advised this needs to be reduced. Due to these works, power will need to be upgraded back to the pavilion to allow power back to the new batting shed. Approved under delegation, November, 2023
8	Sports Facilities	Sports Netting Replacement Program	Program to upgrade or replace sports nets in sporting facilities. 2023/24 Sites: Selwyn Park, Cricket	$150,000	0	229,000	✓	-	-	Based on the quotation received, costs to deliver the project has increased. The original budget for this rolling program is not enough to complete the project. Required additional $229K. Approved under delegation, November, 2023
9	Sports Facilities	Sportsground Irrigation Upgrade Program	Installation of new irrigation systems as part of an annual rolling irrigation program. 2023/24 Sites: Keilor Lodge Soccer Pitch 1	$100,000	0	20,000	✓	-	-	Additional $20K is required based on the quotes received. This is due to an unexpected increase in materials and labour. Approved under delegation, November, 2023
10	Sports Facilities	Dempster Park Tennis Refurbishment	Rolling program to upgrade and refurbish ageing kitchens in sporting facilities. 2022/23 Sites: Dempster Park Tennis Pavilion	$102,204	0	$504,501	✓	✓	✓	The scope was changed from a kitchen upgrade to a refurbishment due to SRV funding approval, and club's contributions. An additional $835K required to complete the project, Council's already secure external funding of $287K so, Council's contribution will be $504K that has been approved by the council CM9 Ref: 23/382268 - 23 3329 OCM 16 May 2023 Governance Report. Approved under delegation, November, 2023
11	Sports Facilities	Sportsground Fence Replacement Program	Annual rolling program to replace fences at sports grounds to promote participation of local Brimbank residents on sporting reserves. 2023/24 Sites: Parsons Reserve Oval 2	$55,000	0	8,961	✓	-	-	The three quotations received exceed the Capital Works 2023/24 budget. The change request is for an additional $8,961. Approved under delegation, November, 2023

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
12	Sports Facilities	Female Sports Facilities Upgrade	Rolling program to Increase equity, access and opportunities for existing and emerging female participants and officials in sport and active recreation. 2023/24 Sites: Robert Bruce Reserve pavilion refurbishment	$948,902	0		✓	✓	✓	This project currently has a carry forward from 2022/23 Robert Bruce Reserve pavilion refurbishment of $948,902 plus the income of $612,000. This is not a request for additional funds, but rather recognising income from 2022/23. Change Request due to the income expenditure needs to be adjusted. Approved under delegation, November, 2023
13	Sports Facilities	Bon Thomas Reserve Stage 2	Development of new sports facilities at Bon Thomas Reserve, Deer Park. The scope includes a new cricket nets/multipurpose area, new path network, car park upgrade and irrigation upgrade on the oval.	$159,405	0	266,397	✓	-	-	Carry forward amount is the unspent fund $159K of $1M funding from the Victorian Government's Community Sports Infrastructure Stimulus Program – Round #2 (SRV). To fulfil the funding condition, the project needs to be completed although now the project cost is higher then anticipated. Additional $266,397 to complete the project including circuit path. Contract has been awarded and the contract number is 23/3381Q. Approved under delegation, November, 2023
14	Playgrounds, Parks & Gardens	Park playground renewal program	Works, as identified from annual playground audit, include refit of playground & park assets to ensure safety and functionality. Various sites.	$200,000	0	200,000	✓	-	✓	Urban Design has been advised that a large structure at Cliff Harvey Lagoon Reserve is in urgent need of replacement.These costs cannot be accommodated under the existing budget of $180,000 due to committed work.Works to CHLR as estimated to cost approx. $200,000. Additional works already committed to this budget include a playground renewal at Corunna Avenue Reserve ($70,000 - committed to the community), fencing to Ainsworth Reserve ($10,000 - requested by Leisure for safety concerns around cricket balls hitting playground) and any other minor works park and playground repairs (min. $60,000 to undertake reactive works). Approved under delegation, November, 2023
15	Playgrounds, Parks & Gardens	Skate facilities Upgrade Program	Improvement to existing facilities and new facilities as per Creating Better Parks. 2023/24: Construction of Derrimut Site	$150,000	0	594,000	✓	✓	-	Original funding and delivery approach in 10 year plan was to deliver over two financial years. $150,000 was allocated in first year. This project is 'shovel ready' and other projects scheduled for delivery are at risk of not being delivered on time. Additional fund is proposed to source from the savings of Dog Off Leash budget appx ($215k) and Neighbourhood Park Budget for ($50k) which are projects unlikely to be delivered in 2023/2024. The rest of the money $329K ($594K – ($215K + $50K) will be sourced from consolidated savings from the 2023/2024 CWP. Approved under delegation, November, 2023

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
16	Pathways	Keilor Downs Recreation Reserve, Keilor Downs	Construction of the footpath network including a circuit path. 2022/23: Design and planning investigation 2023/24: Construction	$200,000	0	115,000	✓	-	-	Current available budget is insufficient to complete minimum scope of works. Native vegetation offsets costs considerably higher then estimated. This budget increase can be absorbed through savings identified in the dog off leash budget for 2023/2024. Approved under delegation, November, 2023
17	Sports Facilities	Sports reserve car parking upgrade program	Construction of a new asphalt car park and lighting works. 2023/24 Sites: Green Gully Reserve.	$51,533	0	95,000	✓	✓	✓	This Change Request is to carry out additional works as requested by Powercor.Additional compliance works were imposed on Council by Powercor to upgrade the existing electrical cables in the area to be safe prior to Powercor gifting the existing light poles to Council and the rewiring of the MMBW pumping station and German Shepherd Dog Club to a new electrical distribution board.The additional works will provide new, safer and more reliable electrical power supply to the area.Once all completed, the lights to the new car park and new road way at Green Gully Reserve can be switched on. Approved under delegation, November, 2023
18	Community Facilities	Children's Service Facilities Playgrounds Upgrade Program	Replace non-compliant playground equipment in Council's children's facilities and bring all playgrounds into compliance with relevant regulations as identified in the Community Services and Infrastructure Plan. 2023/2024 Sites: Keilor Park and Keilor Gatehouse.	$250,000	0	180,000	✓	-	-	The RFQ process that has just been completed in October 2023 has firmed up the delivery costs for both projects sites.The proposed works are very time sensitive as they can only be carried out during the school holidays.Requesting an additional $180K to deliver the two playgrounds listed in the 2022/23 Capital Works Program which were not completed in the 2023-2024 fiscal year.NOTE: Changes to the Project Sites in 2022/2023 and 2023/2024 have been approved as part of an earlier Change Request (Refer to Change Request No. 02) which will be reported separately to Council as part of the quarterly finance report.The requested changes is consistent with outcomes and objectives of the overarching program, but re-scheduled into the new fiscal year. Approved under delegation, December, 2023
20	Road Works	Road Rehabilitation Program	Due to construction costs coming in lower than expected, we are proposing to include two additional roads in the 2023-2024 CWP. They are:- Dover Street, Albanvale between Trafalgar Street and Tamara Street and- Tamara Street, Albanvale between Dover Street and Robyn Avenue. The required budget amount is $829,470 which will be funded from the Road Rehabilitation Program surplus amount of $1,305,358.	$16,080,000	0		-	-	✓	This change request is not seeking additional funds. Instead, it is seeking a change in scope to the existing road rehabilitation program for 2023-2024.Due to construction costs coming in much lower than expected, we are requesting to use some of the surplus savings to rehabilitate two (2) additional roads in Albanvale that have been identified as being in poor condition. Approved under delegation, December, 2023

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
21	Playgrounds, Parks & Gardens	Suburban Park Upgrade Program	Urban Design received $225,000 LSIF funding from the Department of Jobs, Precincts and Region in 2022/23 financial year for Noble Court PlaygroundUpgrade.The Noble Court playground upgrade was delayed and funds allocated to that project had to be carried forward.However, the external funding amount was missed in the total carry forward amount. As a result the funding required for the delivery of Station Waters Reserve playground is insufficient. 2023/2024 Sites: Station Waters Reserve, Cairnlea	$625,970	0	225,000	✓	-	-	This change request is seeking an additional $225,000 to be allocated to Station Waters Reserve.The original estimated budget of $625,970 was adequate to fund the project. However, since the external funding for last year project was not carried forward, some of the funds for Station Waters Reserve has to be allocated to Noble Court Playground as the project was already under construction. Approved under delegation, March, 2024
22	Playgrounds, Parks & Gardens	Suburban Park Upgrade Program	Two suburban park (St Andrews Park and Odessa Reserve) were included in this budget and costed last year. The cost of construction has increased since then and additional budget is required to deliver Odessa Reserve. St Andrews playground is now completed. 2023/2024 Sites: St Andrews Park, Deer ParkOdessa Avenue Reserve, Keilor Downs	$583,165	0	197,000	✓	-	-	This change request is seeking an additional $197,000 to be allocated to Odessa Reserve. The existing budget of ($328,000) is not sufficient to complete the project. Additional funding is required for the full delivery of the playground.We now have an updated schedule of rate and official quotes from play equipment suppliers. We also included 10% contingency to ensure the budget is adequate. Approved under delegation, March, 2024
23	Sports Facilities	Tennis Court Resurfacing rolling program	As a result of the RFQ process, prices have come back above the allocated budget of $60K. For the project to be delivered an additional budget of $30K will be required. The project cannot be reduced as it is a tennis court resurfacing project. Cost have increased since the budget was adopted. 2023/2024 Sites: Selwyn Park	$60,000	0	30,000	✓	-	-	This change request is seeking an additional $30,000 to be allocated to the resurfacing of the tennis court at Selwyn Park. Approved under delegation, March, 2024
29	Land Rehabilitation	Landfill Gas Management	EPA notice required landfill cap rectification. Additional drainage and revegetation	$770,000	-720,000		✓	✓		This change request is to notify of savings this financial years and funding requirements over the next 2 finacial years. The $55k is not additional we have $770k this financial year. Approved under delegation, March, 2024
30	Sports Facilities	St Albans Leisure Centre, Keilor Downs Redevelopment	Redevelopment of St Albans Leisure Centre	$0	0	77,000	✓		✓	This is not seeking additional funds, it is advising that we have received $1million in income and will spend $77k of this but remaining income will be savings. Approved under delegation, March, 2024
31	Community Facilities	Greenhouse Gas Emissions Reduction Program- Various Council Buildings and Assets	Electrification of Council facilities (to achieve zero greenhouse emissions facilities)	$150,000	0	20,000	✓			The change request is seeking additional funds.The projects have been designed and quoted for. The degassification project requires additional budget beyond initial estimate after proposals noted that the electrical replacement for the gas hot water system can only be installed outdoors, additional cabling, wiring, and safety cage need to be included in the project cost. Approved under delegation, March, 2024

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
32	Playgrounds, Parks & Gardens	Water Security Program	Incorporate water efficiency measures into council buildings and open space. Undertake investigation into stormwater harvesting systems at open space areas. Greengully Reserve Stormwater Harvesting dam expansion (Associated with Greengully reserve northern precinct.	$579,354	-490,329		✓	✓	✓	The change request is seeking a reduction of the budget. The variation in budget is to reflect that the expansion of Green Gully Stormwater Harvesting System will not be completed in FY 23/24. Rather, a design for the project will be completed to inform the construction phase. Approved under delegation, March, 2024
33	Pathways	St. Albans Town Centre- Streetscape upgrades	Staged upgrades of St Albans streetscapes to improve pedestrian accessibility and create a consistent pavement finish throughout the activity centre.	$100,000	0			✓		This is a timeline change against the published Council Plan and Budget, which states that construction would start in 23/24. 23/24 FY funds of 100K will be spent. Draft Capital program has 600K for construction (East Esplanade) in 24/25 and 75K in 25/26 for further design work (community gathering space – Alfrieda Street). Design process and approvals from DTP taking longer than anticipated leading to a delay. Construction in 2024/25 and not 2023/24 Approved under delegation, March, 2024
34	Sports Facilities	Goal Post Replacement Program	Rolling program for replacement of coaches boxes and players benches	$35,000	0				✓	To add a new site to be completed in this years rolling program. The site being Selwyn Reserve. No additional funds required as the budget has savings of $12,357 and the intention is to utilise a portion of this amount for Selwyn Reserve, with a project cost of $8,576.30 Approved under delegation, March, 2024
35	Pathways	Cycling & Walking Strategy implementation - Wright Street SUP	Shared User Path connection from Cannon Street to Derrimut Trail.	$100,000	0			✓		This is a timeline change against the published Council Plan and Budget, which states that construction would start in 23/24. No change to budget, the 23/24 budget will be spent. No funding required in 24/25 as time contingency is programmed for that year, to obtain Powercor approvals. Change request for timeline- budget will be expended on design services and approvals rather construction as there were delays in designs being prepared and getting powercor to udnertake lighting upgrades required prior to the SUP Construction- Construction programmed to commence in 2025/2026 and not 2023/2024. 20K savings has been flagged. Approved under delegation, March, 2024

Approved Change Requests (CR) – 2024/25

CR Numebr	Program	Project	Project Description	2023/24 Authorised Fund	Budget Variation Sought		Change Details			Details of Change Request
					Under Expenditure	Funding Reallocation	Budget	Timelines	Scope	
36	Pathways	Cycling & Walking Strategy implementation: Jones Creek trail	Extension of Jones Creek trail including pedestrian bridge crossing (on north side of Jones Creek) to connect to Denton Avenue in St Albans	$200,000	-159,688		✓	✓		Savings reported as project has not been tendered as of Feb 2024 due to delays obtaining planning permit due to Melbourne Water requirements changing around flood modelling. Construction to move from 2023/24 to 2024/25 Approved under delegation, March, 2024
37	Pathways	Cycling & Walking Strategy implementation - East-west transmission line cycle path (M80 Trail to Kororoit Creek path, St. Albans)	Bicycle Route(On-Road & Off-Road) along Willis Street, across Victoria University of Technology Land to existing Shared user path connecting to McKechnie Street in St Albans	$250,000	-209,260		✓	✓		The annual budget said construction would commence in 2023/24. Planning permit needs to be obtained for this project - and so the contract has not been tendered yet. Construction programmed for 2025/2026 not 2023/2024 Approved under delegation, March, 2024
38	Town Centres	Sunshine MAC - Devonshire Rd Streetscape and Public Realm	Streetscape improvements along Devonshire Rd from Harvester Rd to Kennedy Street	$100,000	-70,000		✓	✓		This is a budget and timeline change and a saving (not deferral) of 70K. Only $30K is required this year (for concept design) and $10K required for 24/25 (for detailed design, which will be completed in-house at a lower cost than first anticipated.Concept design only in 2023/24 - There was allocation for Detailed Design but this is not proceeding Approved under delegation, March, 2024
39	Pathways	Cycling & Walking Strategy implementation - local cycle route connection program	New Shared User Path from Robertson's Road to Melton Highway	$300,000	-250,000		✓	✓		A CHMP is required for the project and this was not realised to late in the process when the planning permit process was underway.Construction programmed for 2024/2025 and not 2023/2024 Approved under delegation, March, 2024
40	Sports Facilities	Female Sports Facilities Upgrade	Rolling program to Increase equity, access and opportunities for existing and emerging female participants and officials in sport and active recreation.	$954,500	0	250,000	✓	✓	✓	This project currently has a carry forward from 22/23 Robert Bruce Reserve pavilion refurbishment of $948,902 plus the income of $612,000. Additional $250,000.00 funding required as per tender report recommendation. Approved at August 2023 Council Meeting. Robert Bruce Reserve Refurbishment requires its own project ID bringing the revised budget to $1,810,902.00. Robert Bruce Reserse Refurbishment is a carry forward project that requires there be independent Project ID's. Approved under delegation, March, 2024
44	Road Works	Armstrong Street West Sunshine & Hammerwoord Avenue Derrimut	The Road Rehabilitation Program aims to fully restore sections of the road network that have reached the end of their design life. These peojects are renewal in nature and support the requirements of the Road Management Act 2004	$0	0	843,342	✓		✓	Due to construction costs coming in lower than expected, we are proposing to include two additional roads in the 2023-2024 CWP. They are: 1. Hammerwood Avenue, Derrimut between Windsor Boulevard and Brodie Mews; and 2. Armstrong Street, Sunshine West between Oldfield Street and Ryder Street. The required budget amount is $843,342 which will be funded from the Road Rehabilitation Program surplus amount of $1,305,358. Approved under delegation, March, 2024
				Total =	-5,504,957	4,258,717				
				Net Amount=	-1,246,240					

Environmental Upgrade Agreement Quarterly Report

An Environment Upgrade Agreement (EUA) is a financing agreement to improve the environmental performance of a commercial building. The agreement is between a financial institution, a property owner and Council.

The financial institution advances funds to a commercial property owner to undertake upgrade works. The commercial property owner then makes repayments through their Council rates.

The benefit of Council involvement is that the loan is attached to the Council rates for the commercial property, and therefore has a high level of security. This security enables the financial institution to offer very attractive loan terms.

To be eligible for a EUA the building:

- Must have been rateable premises for the past two years.
- Must be commercial premises with a minimum of 50% of the building operating as commercial.
- Must not have been in arrears with rate payments for the past three years.
- Must not be owned through a superannuation trust.
- Tenanted commercial buildings are eligible

This report provides an update on the Environmental Upgrade Agreements involving Council, as required by the Local Government Act.

In accordance with the Local Government Act 1989, Section 138 Quarterly Statements,

(1) At least every 3 months, the Chief Executive Officer must ensure that a statement comparing the budgeted revenue and expenditure for the financial year with the actual revenue and expenditure to date is presented to the Council at a Council meeting which is open to the public.
(2) The regulations may prescribe matters to be included in the statement.

The Local Government Act 1989 further requires under Section 181G, Quarterly Statement that:

The Chief Executive Officer must ensure that a statement prepared under section 138 includes a record of the following—

a) each environmental upgrade agreement entered into in the last quarter, and the rateable land to which the agreement relates;
b) each environmental upgrade charge approved in respect of the agreements referred to in paragraph (a), and the value of the charges;
c) the total number of environmental upgrade charges in operation in the last quarter;
d) the total value of all environmental upgrade charge payments that have fallen due and have not been paid;
e) the total value of all environmental upgrade charge payments that are yet to fall due.

Reporting requirement	Status as at 31 March 2024
a) Each environmental upgrade agreement entered into in the last quarter, and the rateable land to which the agreement relates	$0
b) Each environmental upgrade charge approved in respect of the agreements referred to in paragraph (a), and the value of the charges	$17,943.31

c) The total number of environmental upgrade charges in operation in the last quarter;	7
d) The total value of all environmental upgrade charge payments that have fallen due and have not been paid;	$0
e) The total value of all environmental upgrade charge payments that are yet to fall due.	$497,906.83