



Financial Report

December 2024

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Key Highlights

This report provides a summary of the financial Performance of the Yarra Ranges Council as at the 31st December 2024

Area	RAG	Key Message	Slide #
YTD Underlying Result	●	Favourable \$7.9m Underlying Result (\$8.4m Actual Surplus v \$0.5m Budget Surplus). Grant commission 23/24 paid in Jul-24 and budgeted in prior year \$8.4m favourable impact YTD. With grant removed the result would be -\$0.5m unfavourable to Budget, YTD. Storm impacts from 3 events YTD \$2.0m unfavourable, offset by additional grant income & carry forwards (\$2m), and other negative variances in Interest and employee & temp costs.	7
Annual Forecast	●	Unfavourable \$3.6m Underlying full year result forecasted. (Current Forecast \$7.1m deficit v \$3.5m Budget Deficit). Major movements: Storms \$2.3m unfavourable impact	7
Internal financing	●	Net Operating Cashflow/Net capital expenditure: Unfavourable due to timing of rate collections and capital expenditure. This will even out as the year progresses.	9
Liquidity	●	Current Assets / Current Liabilities: Favourable showing for every dollar of current liabilities there is 1.41 of assets to cover. As noted in the Cashflow the Cash On hand is declining based on the following factors: <ul style="list-style-type: none"> - Cashflow budget had the assumption that Capital Grant income was cash to be received however further analysis indicated that \$17m was carried forward/income received in advance. - Rates in arrears from prior years of \$26.5m puts pressure on the current year financing of operational expenditure requirements - Prior year Borrowings budgeted of \$18.9m was not drawn down further impacting the borrowing capacity in the current financial year with budgeted \$20.448m borrowings now fully drawn down 	9
Capital Expenditure	●	Forecasted expenditure is on track noting that YTD \$26.7m has been spent of the adopted budget of \$33m YTD. Underspend of \$6.3m due to delayed expenditure in Community & Recreation \$0.8m, Roads & Drainage \$1.1m, Footpaths & Cycleway \$0.6m, Open space \$3.1m, Roads \$1.3m and Buildings \$0.8m.	13-18
Rates in arrears	●	Currently \$26.5m from prior to 2024/2025.	19-24

Full Year Under / Over Impacts: Income (\$'000)

Income Statement Category	Explanation Summary	Full Year Variance	Explanation Detail
Statutory Fees & Fines	1. Planning Statutory Fees	-\$0.4m	- Reduction in Planning applications (down 24% currently) -\$0.4m
Grants Operating	1. Grant Commission Funding	+\$1.0m	- 24/25 Grant funding \$17.9m, Budget \$16.9m
Other Income	Interest on Investments	-\$1.1m	Investments expected to be utilised to reduce borrowing requirements. Interest Forecast \$0.8m, Budget \$1.9m
<i>NEW INCOME</i>	<i>New Revenue opportunities to be advised</i>	<i>+\$1.0m</i>	<i>Parking program, new initiatives, \$1.0m (needs review)</i>
TOTAL INCOME		+\$0.5m	

Full Year Under / Over Impacts: Expenditure (\$'000)

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Income Statement Category	Explanation Summary	Full Year Variance	Explanation Detail
Employee Benefits	1. YR Connect – Employees	+\$1.2m	1. YR Connect – project completion date extended to Jun-26. ELT approved operational carry forward to FY2025, but not reflected in the Budget
Materials & Services	1. Trees	+\$2.7m	1. Trees YTD +\$2.2m unfavourable to Budget, mainly in Reactive works.
	2. Temporary Staff	+\$1.0m	2. Currently overspent by \$1.0m, but offset by vacancies and savings in Salaries and Wages
	3. Operational Savings	-\$0.8m	3. Operational savings identified
Storms	Natural Disaster costs 24/25 Recoveries accrued	+\$2.3m	Three storm events to date YTD \$8.9m, full cost expected to be \$12.0m, with \$9.3m Operating Grant income recovery (77% income recovery)
Loss on Disposals (Asset Write Offs)	Write downs or write offs of assets (due to replacements etc)	+\$1.0	Additional write offs anticipated. No budget for asset write offs. No cash impact
SAVING INITIATIVES	1. Employee Benefits	-\$0.8m	Current full year forecast is showing savings as follows: Communities -\$0.5m, P&SF -\$0.9m, BE&I -\$0.3m but needs further review (\$1.7m total).
	2. Other	-\$2.5m	Other areas forecasting savings
TOTAL EXPENDITURE		+\$14.3m	
TOTAL UNDERS / (OVERS)		(\$3.6m)	

Executive Summary – Operating Result

This report provides a summary of the financial Performance of the Yarra Ranges Council as at the 31st December 2024.

	MTD December 2024				YTD December 2024				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Forecast \$'000	Budget \$'000	\$ variance \$'000	% variance
Total Income	21,977	22,228	(252)	(1.1)% ●	140,159	127,290	12,869	10.1% ●	263,301	252,916	10,386	4.1% ●
Total Expenses	23,435	21,642	(1,793)	(8.3)% ●	123,260	116,167	(7,092)	(6.1)% ●	247,644	235,146	12,498	5.3% ●
Net Gain/(Loss) on Disposal	12	0	12	0.0% ●	237	0	237	0.0% ●	(954)	0	(954)	0.0% ●
Net Surplus/(Deficit)	(1,446)	587	(2,032)	346.5% ●	17,137	11,123	6,014	54.1% ●	14,703	17,769	(3,066)	(17.3)% ●
Operating (Underlying) Surplus/(Deficit)	(4,182)	(1,182)	(3,000)	253.8% ●	8,364	512	7,852	1,533.7% ●	(7,065)	(3,453)	(3,613)	104.6% ●

MTD Variance (Over/Under)	Explanation	YTD Variance	Explanation
Income: \$0.3m under budget	Rates and user fees (\$0.8m) and Interest Income (\$0.2m) under budget offset with Contributions – gifted and found assets \$0.8m due to the reconciliation of drainage assets by the SAM team.	Income \$12.9m over budget	<ol style="list-style-type: none"> Operating Grants \$16.2m over budgeted due to the Grant Commission Funding being budgeted to be received in FY24 however was received in July and August 2024 (+\$8.1m), Storms recoveries +\$6.4m income accrued for 24/25 events User fees are up on budget by \$0.1m YTD. Partially offset with under's in Grants – Capital (\$1.7m) due to timing of income recognised in the prior year Rates- Special Charges \$0.6m Interest income is under budget by (\$0.7m) due to the restrained cash position and maturation of Term Deposits \$5.5m YTD
Expenses: \$1.8m over budget	<ol style="list-style-type: none"> Employee Benefits over budget by \$0.6m due to the backpay of the EBA being passed with the rate cap of 2.75% Materials and Services over budget by \$1.1m due to \$0.4m Trees due to weather events, \$0.4m infrastructure services due to timing, \$0.2m due to timing of spend on oval maintenance Turf services on sport fields full year is inline with budget. 	Expenses over budget by \$7.1m	<p>Due to unbudgeted overspends</p> <ol style="list-style-type: none"> Employee benefits \$1m – due to the extension of YR Connect project & 24/25 Cost of Living payment accrued. Materials and Services: Storms \$7.6m due to 3 events, \$3.2m Parks, Trees & Trails, predominantly driven by Trees Reactive (1214), due to an increase in requests because of the recent storms. \$0.5m due to depreciation and amortisation with the capitalisation of assets \$34m YTD.
Operating/Underlying Surplus/(Deficit) \$3m unfavourable to budget	Excluding the Capital Grants add back of \$2.7m being added back to the net surplus the deficit of \$1.4m is under budget by \$2m due to over expenditure as noted above.	Operating/ Underlying Surplus/(Deficit) \$7.9m over budget	Over budget due to the receipt of the Capital Grant in July/August partially offset by over expenditure in Staffing and Materials and Services.

Executive Summary – Balance Sheet & Cashflow

This report provides a summary of the Financial Position of the Yarra Ranges Council as at the 31st December 2024.

Balance Sheet - as at Dec 2024				
\$'000	Actuals YTD (Dec 2024)	Actuals YTD (Dec 2023)	Adopted Budget (to Jun 2025)	Adopted Budget (to Jun 2024)
Total current assets	114,269	146,936	134,462	90,784
Total non-current assets	1,645,197	1,375,720	1,453,387	1,643,558
Total assets	1,759,466	1,522,656	1,587,849	1,734,342
Total current liabilities	80,349	116,845	110,922	87,294
Total non-current liabilities	38,041	10,913	40,112	24,466
Total liabilities	118,390	127,758	151,034	111,760
Net assets	1,641,076	1,394,898	1,436,815	1,622,582
Total equity	1,641,076	1,394,898	1,436,815	1,622,582
Working Capital	33,920	30,091	23,540	12,656

Statement of Cash Flows - as at Dec 2024			
\$'000	Actuals YTD (Dec 2024)	Annual Budget (to Jun 2025)	Prior year (to Jun 2024)
Net cash provided by operating activities	989	63,026	4,595
Net cash used in investing activities	(33,210)	(77,696)	(71,090)
Net cash provided by (used in) financing activities	18,234	15,086	(5,413)
Net increase/(decrease) in cash and cash equivalents	(13,987)	416	(71,908)
Cash and cash equivalents at beginning of the financial year	24,742	78,242	96,650
Cash and cash equivalents	10,755	78,658	24,742

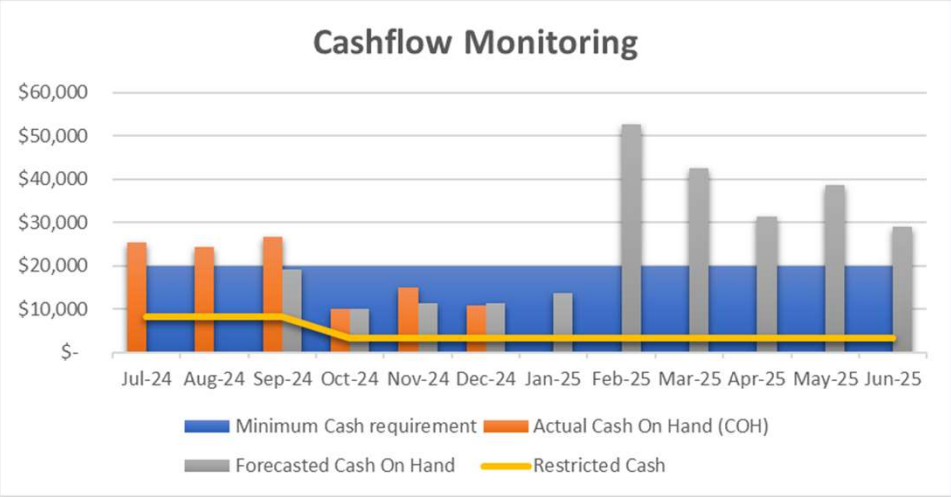
Executive Summary – Indicators

This report provides a summary of the Financial Position of the Yarra Ranges Council as at the 31st December 2024.

VAGO Performance Indicators as at Dec 2024								
Indicator	Measure					YTD Actual	Full year Budget	Ref
Net result	Net surplus (deficit) / Total revenue	Less than (1.0%)	(10%) to 0%	More than 0%	%	12.2%	7.0%	1
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	Less than 0%	0% to 5%	More than 5%	%	6.4%	(1.5%)	2
Liquidity	Current Assets / Current Liabilities	Less than 0.75	75% to 100%	More than 1.0	x	1.41	1.21	3
Unrestricted Liquidity	Current Assets (less restricted cash) / Current Liabilities	Less than 0.75	75% to 100%	More than 1.0	x	1.12	-	4
Internal financing	Net operating cashflow / Net capital expenditure	Less than 75%	75% to 100%	More than 100%	%	3.0%	81.1%	5
Indebtedness	Non current liabilities / Own sourced revenue	More than 60%	40% to 60%	40% or Less	%	42.2%	20.1%	6

- Net result** – is revenue/income from transactions minus expenses from transactions, as a percentage of total revenue. Full Year actual result remains positive due to a favourable result in operating grants.
- Adjusted underlying result** – is the net result exclusive of capital grants and contributions. It is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives. Full Year actual is favourable due to the increase in Operating Grants due to the timing of the grant funding received in FY25 budgeted for FY24. Budget is negative due to the adjusted result with the add back for Capital Grants budgeted and contributions of \$24m.
- Liquidity** - The ability to pay liabilities due within the next 12 months. For every dollar of liabilities this ratio represents the cash and liquid assets to repay the debts when they fall due.
- Unrestricted Liquidity** - The ability to pay liabilities due within the next 12 months. A ratio of one or more means that an entity has more cash and liquid assets than short-term liabilities. YRC is comfortable to meet short-term financial obligations after deducting restricted cash.
- Internal financing** – The ability to finance capital works from net operating cashflow. Actual result reflects low net cash inflows as capital expenditure is higher than the rate revenue collected, and grant funding received at this time of the year. The full year budget expects net capital expenditure to exceed net cash from operating activities due to timing of Operating grant funding received.
- Indebtedness** - The ability to repay debt due after the next 12 months from own-sourced revenue (Total revenue excluding grants and contributions). Full year actual and budget reflect Council's level of debt compared to own-sourced revenue generated. Due to timing of rate revenue and the operating grants received in July 2024 not budgeted this indicator is showing an unfavourable result however this will rectify as the year progresses and rate revenue exceeds grant revenue.

Financial Sustainability



Assumptions:

1. Minimum cash requirement is set at approximately \$20m being 2 months of operating expenditure.
2. Restricted Cash \$3.2m: Consists of \$0.8m of deposits held for Kinley Estate project and \$2.4m for deposits held in trust.
3. Borrowings determined by FY25 Budget set at \$20.448m. Currently drawn down \$15m in August 2024 and \$5.448m in November 2024. Further drawdown per revised Budget in May 2025 \$18.9m.
4. Term Deposits are included in cash on hand currently \$2m invested.
5. TCV Loan of \$20.448m biannual repayments set over 5 years with February 2025 and August 2025 repayment dates.

Loans and borrowings

Account Name \$'000	Original Loan Amount \$'000	Applicable interest rate	Current Liability \$'000	Non Current Liability \$'000	Total \$'000
Loan					
TCV 21/8/24	15,000	4.295%	1,361	13,639	15,000
TCV 6/11/24	5,448	4.755%	990	4,458	5,448
Loan Balance			2,351	18,097	20,448

Note: Due to the delay in drawdown of borrowings in FY24 and based on the assumption of maintaining 2 months of operational expenditure a minimum balance of \$20m cash on hand is required. It is proposed that an additional borrowings of \$18.9m is needed to maintain a financially sustainable cash on hand balance.



Income Statement

	MTD December 2024				YTD December 2024				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Forecast \$'000	Budget \$'000	\$ variance \$'000	% variance
	25PJACT	25PJBUD			25PJACT	25PJBUD			25PJFOR	25PJBUD		
Income												
Rates - General	15,054	15,074	(21)	(0.1)%	90,500	90,446	54	0.1%	181,093	180,893	200	0.1%
Rates - Special Rates and Charges	0	105	(105)	(100.0)%	0	629	(629)	(100.0)%	1,516	1,258	258	20.5%
Statutory Fees and Fines	236	313	(78)	(24.8)%	1,577	1,881	(303)	(16.1)%	4,332	3,761	571	15.2%
User Fees	537	1,154	(618)	(53.5)%	3,550	3,428	122	3.6%	6,832	6,394	437	6.8%
Contributions - Cash	179	274	(95)	(34.8)%	1,296	1,524	(228)	(14.9)%	3,144	3,113	30	1.0%
Grants - Capital	2,731	1,761	970	55.1%	8,818	10,565	(1,747)	(16.5)%	21,515	21,129	386	1.8%
Grants - Operating	1,567	2,471	(904)	(36.6)%	31,538	15,364	16,174	105.3%	39,443	29,250	10,193	34.8%
Other Revenue	119	126	(7)	(5.4)%	862	754	109	14.4%	1,623	1,715	(92)	(5.4)%
Interest	14	200	(186)	(93.1)%	477	1,201	(724)	(60.3)%	813	2,402	(1,589)	(66.2)%
Contributions - Non Monetary Assets	1,541	750	791	105.4%	1,541	1,500	41	2.7%	2,991	3,000	(9)	(0.3)%
Total Income	21,977	22,228	(252)	(1.1)%	140,159	127,290	12,869	10.1%	263,301	252,916	10,386	4.1%
Expenses												
Employee Benefits	8,267	7,709	(558)	(7.2)%	41,803	40,804	(998)	(2.4)%	80,653	80,230	423	0.5%
Materials and Services	10,554	9,436	(1,118)	(11.8)%	55,647	49,942	(5,705)	(11.4)%	116,191	104,814	11,377	10.9%
Bad and Doubtful Debts	0	16	16	100.0%	2	32	30	94.0%	64	64	0	0.0%
Depreciation and Amortisation	3,345	3,299	(47)	(1.4)%	20,271	19,793	(478)	(2.4)%	39,882	39,586	295	0.7%
Other Expenses	1,121	1,054	(68)	(6.4)%	4,823	4,823	(0)	(0.0)%	9,318	8,906	412	4.6%
Finance Costs (Interest)	147	129	(19)	(14.5)%	714	773	59	7.6%	1,538	1,546	(8)	(0.5)%
Total Expenses	23,435	21,642	(1,793)	(8.3)%	123,260	116,167	(7,092)	(6.1)%	247,644	235,146	12,498	5.3%
Net Gain/(Loss) on Disposal	12	0	12	0.0%	237	0	237	0.0%	(954)	0	(954)	(100.0)%
Net Surplus/(Deficit)	(1,446)	587	(2,032)	346.5%	17,137	11,123	6,014	54.1%	14,703	17,769	(3,066)	(17.3)%
Operating (Underlying) Surplus/(Deficit)	(4,182)	(1,182)	(3,000)	(253.8)%	8,364	512	7,852	1,533.7%	(7,065)	(3,453)	(3,613)	104.6%

Balance Sheet

Balance Sheet - as at Dec 2024				
\$'000	Actuals YTD (Dec 2024)	Actuals YTD (Dec 2023)	Adopted Budget (to Jun 2025)	Actual (to Jun 2024)
Current Assets				
Cash and cash equivalents	8,754	42,767	78,659	17,242
Trade and other receivables	77,160	72,370	41,833	43,657
Other financial assets	2,000	7,500		7,500
Prepayment	2,109	1,548		2,018
Non-current assets classified as held for sale	3,363	3,205		3,263
Contract assets	14,623	3,533	13,970	17,104
Total current assets	108,009	130,923	134,462	90,784
Non-current assets				
Trade and other receivables	5,003	6,292	2,383	6,099
Investments in associates and joint venture	2,924	2,613	2,550	2,924
Property, infrastructure, plant & equipment	1,620,050	1,366,990	1,429,997	1,611,462
Intangible asset	6,069	6,151	2,840	5,625
Right-of-use assets	16,349	17,848	15,617	17,448
Total non-current assets	1,650,396	1,399,894	1,453,387	1,643,558
Total assets	1,758,405	1,530,817	1,587,849	1,734,342
Current liabilities				
Trade and other payables	34,034	24,049	31,061	27,500
Contract and other liabilities	19,027	56,785	46,000	31,779
Trust funds and deposits	3,212	8,660	14,802	8,589
Provisions	16,048	16,662	15,056	16,575
Interest-bearing loans and borrowings	2,350	1,250	2,045	640
Lease liabilities	2,036	1,856	1,958	2,211
Total current liabilities	76,707	109,262	110,922	87,294
Non-current liabilities				
Provisions	8,833	9,486	8,647	8,832
Interest-bearing loans and borrowings	18,098	639	17,807	0
Lease liabilities	14,680	16,213	13,658	15,634
Total non-current liabilities	41,611	26,338	40,112	24,466
Total liabilities	118,318	135,600	151,034	111,760
Net assets	1,640,087	1,395,217	1,436,815	1,622,582
Equity				
Accumulated surplus	645,629	638,542	690,558	645,628
Reserves	976,953	746,256	746,257	976,954
Current Operating Surplus/(Deficit)	17,505	10,419	0	0
Total equity	1,640,087	1,395,217	1,436,815	1,622,582
Working Capital	31,302	21,661	23,540	3,490

Commentary

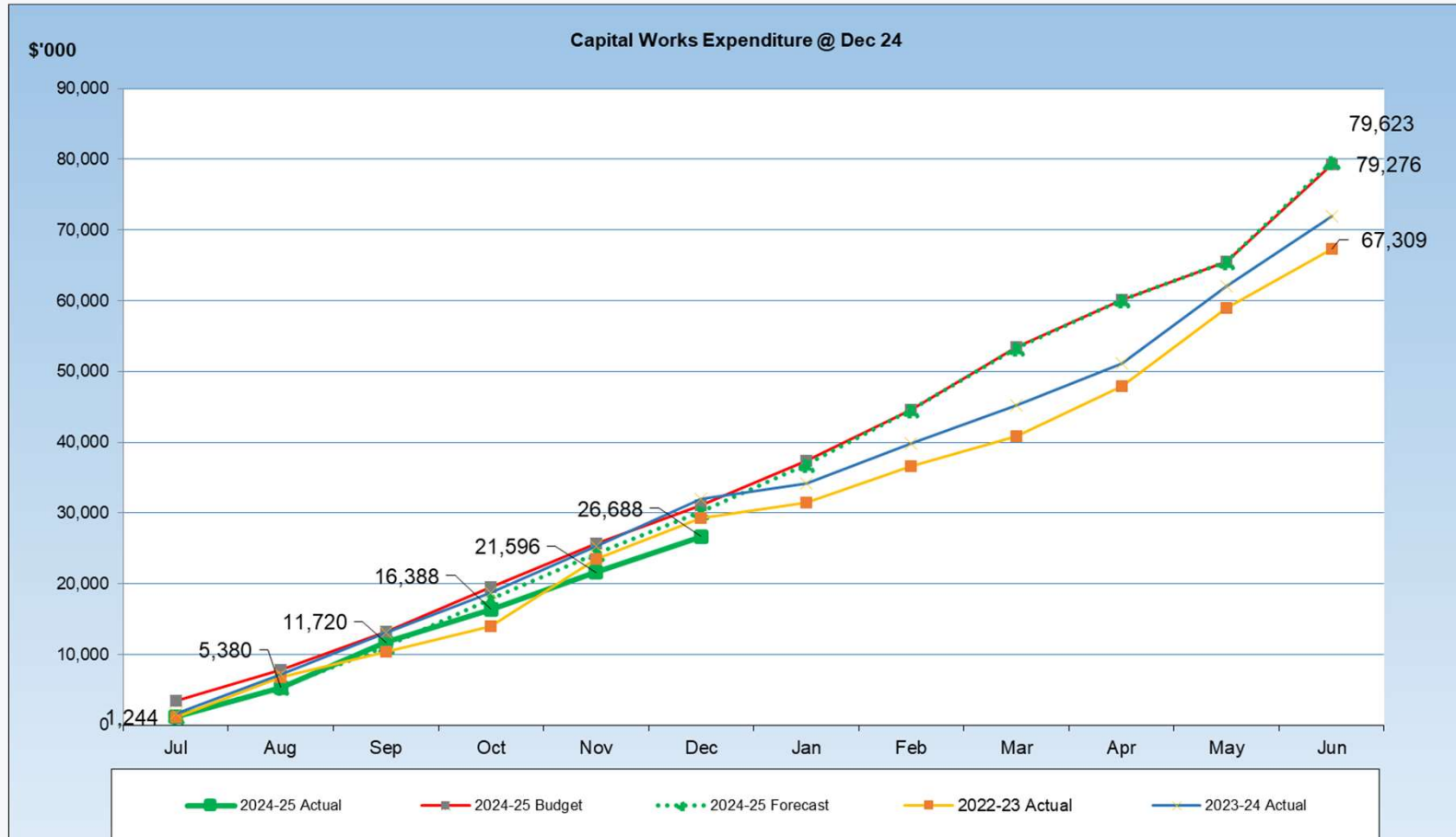
- Cash and cash equivalents excludes Term Deposits invested of \$2m. The \$2m in Term Deposits are included in Other financial assets and due to mature in January 2025.
- Working Capital (Current assets - current liabilities) = \$31.3m which is a positive result ensuring that YRC can meet its current liabilities when and if they fall due.
- Interest bearing liabilities (current and non-current) is the TCV new borrowings in August 2024 of \$20.448m.
- Lease liabilities consists of the new waste contract
- Provisions covers employee provisions such as Long Service Leave and Annual Leave.
- Property, Plant and Equipment has increase substantially from budget due to the revaluation increment that was processed in June for the Land under roads valuation. Total asset revaluation increment for FY24 was \$229.8m.

Cashflow Statement as at 31st December 2024

Statement of Cash Flows - as at Dec 2024			
\$'000	Actuals YTD (Dec 2024)	Annual Budget (to Jun 2025)	Prior year (to Jun 2024)
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges	83,842	182,616	157,558
Statutory fees and fines	2,477	4,141	8,738
User fees (inclusive of GST)	3,835	7,040	7,279
Grants - operating (inclusive of GST)	27,839	29,279	14,009
Grants - capital (inclusive of GST)	1,504	21,150	6,707
Contributions (inclusive of GST)	1,291	3,020	3,742
Interest received	553	2,401	3,314
Trust funds and deposits	(5,216)	0	3,617
Other receipts (inclusive of GST)	834	2,296	3,125
Net GST refund	7,922	15,502	17,232
Materials and Services (inclusive of GST)	(76,582)	(114,882)	(129,817)
Employee costs	(42,062)	(79,756)	(79,736)
Other payments	(5,248)	(9,781)	(11,173)
Net cash provided by operating activities	989	63,026	4,595
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment	(32,739)	(77,696)	(72,224)
Payments for intangibles	(770)		
Proceeds from sale of property, infrastructure, plant and equipment	299	0	1,134
Investments in associates			
Net cash used in investing activities	(33,210)	(77,696)	(71,090)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs	(16)	(672)	(176)
Proceeds from interest bearing loans and	20,448	20,448	(2,472)
Repayment of borrowings	(640)	(1,239)	0
Interest paid - lease liability	(428)	(874)	(667)
Repayment of lease liabilities	(1,130)	(2,577)	(2,098)
Net cash provided by (used in) financing activities	18,234	15,086	(5,413)
equivalents	(13,987)	416	(71,908)
Cash and cash equivalents at beginning of the financial year	24,742	78,242	96,650
Cash and cash equivalents	10,755	78,658	24,742

	Dec-24
Cash and Cash Equivalent Balance \$'000	10,754.5
Restricted cash	17,019.8
Reserve - Public Open Space	11,665.5
Reserve - Waste	197.9
Reserve - Biodiversity Offset Program	603.5
Reserve - Pandemic Recovery Reserve	800.0
Reserve - Disaster Response	300.0
Reserve - Digital Transformation	300.0
Trust Funds - Deposits, Planning, Builder etc	3,153.0

Capital Works Expenditure Graph December 2024 YTD



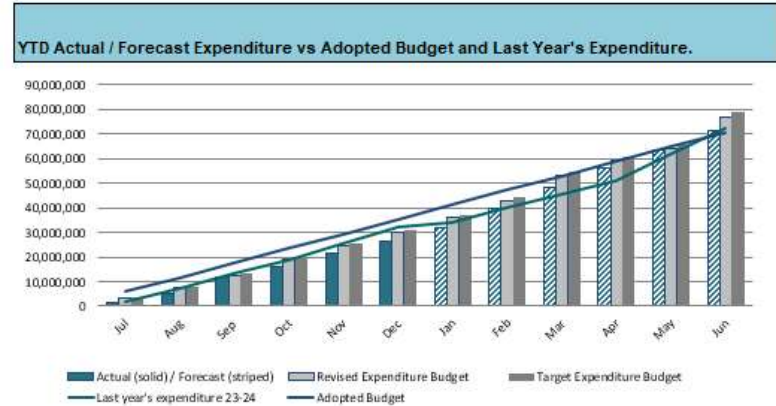
Capital Works Statement

	MTD December 2024				YTD December 2024				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Forecast \$'000	Budget \$'000	\$ variance \$'000	% variance
Expenditure												
Infrastructure - Asset Management	(67)	67	134	200.6%	1,919	400	(1,519)	(379.7)%	5,453	5,509	(56)	(1.0)%
Infrastructure - Bridges	0	39	39	100.0%	70	233	163	69.8%	824	466	358	76.8%
Infrastructure - Community & Recreation	139	554	415	75.0%	2,614	3,326	711	21.4%	3,605	6,651	(3,046)	(45.8)%
Infrastructure - Drainage	242	288	45	15.8%	585	1,727	1,142	66.1%	2,824	3,453	(629)	(18.2)%
Infrastructure - Footpaths & Cycleways	4	159	155	97.5%	395	956	561	58.7%	2,113	1,912	201	10.5%
Infrastructure - Off-street Carparks	18	32	13	42.5%	121	190	69	36.4%	380	380	0	0.0%
Infrastructure - Open Space	1,035	1,258	223	17.7%	4,475	7,550	3,074	40.7%	14,868	15,099	(231)	(1.5)%
Infrastructure - Roads	1,419	1,518	99	6.5%	7,793	9,108	1,315	14.4%	21,329	18,216	3,113	17.1%
P&E - Computers & Comms	327	198	(130)	(65.5)%	1,167	1,187	20	1.7%	3,042	2,374	668	28.1%
P&E - Fixtures, Fittings & Furniture	0	2	2	100.0%	0	9	9	100.0%	17	19	(2)	(10.5)%
P&E - Plant, Machinery & Equipment	30	204	174	85.3%	1,224	1,224	(0)	(0.0)%	2,306	2,447	(141)	(5.8)%
Property - Buildings	1,854	1,176	(679)	(57.7)%	6,225	7,053	829	11.8%	14,510	14,107	403	2.9%
Property - Land	90	0	(90)	0.0%	100	0	(100)	0.0%	10	0	10	100.0%
TOTAL	5,092	5,494	402	7.3%	26,688	32,962	6,274	19.0%	71,282	70,633	648	152.6%

Capital Expenditure Program Quarterly Report

For the period 1 July 2024 to 31 December 2024

Approved 2024-25 Capital Expenditure Program (CEP) Budget		\$'000
Published Capital Budget Allocation: Council contribution		48,153
Published Capital Budget Allocation: external income		22,480
Adopted Capital Expenditure Program Budget		70,633
Additional carried forward from 2023-24 to 2024-25		8,274
Capital Expenditure Program budget at 1 July 2024		78,907
Mid-year adjustments, including additional income <i>expected</i>		-748
Capital Expenditure Program Budget (Revised Budget)		78,158
Target Expenditure Budget (as at August 2024)		79,079
Expected to be spent by the end of the financial year		71,282
YTD Actual Spend to 31 December 2024		26,688
Percentage of the Revised Budget Expected to be Spent¹		91%



¹Status:
✔ **90% or more of the revised budget is expected to be spent**
⚠ **Between 80% and 90% of the revised budget is expected to be spent**
✘ **Less than 80% of the revised budget is expected to be spent**

Terminology:

- Adopted Budget:** The annual published Council Budget of capital projects for delivery each year. It complies with the State Government reporting guidelines and so, excludes the non-capital components of projects. The carry forward amounts captured are estimates only as they were formed at the time the budget was set, not at the end of the financial year.
- Target Expenditure Budget:** Set by Project Managers before the start of the financial year, this represents the agreed upon Capital Works expenditure for the year. It includes the Adopted Budget plus any carry forwards from the previous final year and budget adjustments/transfers known at the time and as such, is used to report on monthly expenditure.
- Revised Expenditure Budget:** The current total expenditure budget for works to be completed in the current financial year. It includes the Adopted Budget, final carry forward from previous financial year, external grants made within the year and any budget adjustments/transfers approved within the financial year and as such, is used to report against on the annual program.

Capital Expenditure Program

	December 2024				YTD December 2024				Annual Total				
	Actual	Target Budget	\$variance	%variance	Actual	Target Budget	\$variance	%variance	Forecast	Adopted Budget	Revised Budget	\$variance	%variance
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000	
PROPERTY													
Land	90	1,112	(1,021)	(91.9)%	100	-	100	100.0%	10	-	100	(90)	(90.0)%
Buildings	1,854	1,112	742	66.8%	6,225	7,475	(1,250)	(16.7)%	14,510	14,107	14,119	391	2.8%
PLANT, MACHINERY & EQUIPMENT													
Plant & Equipment	30	157	(127)	(80.9)%	1,224	964	260	26.9%	2,306	2,447	2,027	279	13.8%
Fixtures, Fittings & Furniture	-	2	(2)	(100.0)%	-	9	(9)	(100.0)%	17	19	19	(2)	(11.1)%
Computers & Telecommunications	327	253	75	29.6%	1,167	1,516	(349)	(23.0)%	3,042	2,374	3,031	11	0.3%
INFRASTRUCTURE													
Roads	1,419	1,794	(376)	(20.9)%	7,793	7,809	(16)	(0.2)%	21,329	18,216	21,896	(567)	(2.6)%
Bridges	-	-	-	0.0%	70	289	(219)	(75.6)%	824	466	756	68	9.0%
Footpaths & Cycleways	4	3	1	20.8%	395	724	(328)	(45.4)%	2,113	1,912	2,131	(17)	(0.8)%
Drainage	242	71	171	242.0%	585	244	341	139.8%	2,824	3,453	3,826	(1,002)	(26.2)%
Recreational, Leisure & Community Facilities	139	376	(238)	(63.1)%	2,614	1,771	843	47.6%	3,605	6,651	3,931	(326)	(8.3)%
Parks, Open Space & Streetscapes	1,035	1,240	(205)	(16.5)%	4,475	7,080	(2,605)	(36.8)%	14,868	15,099	20,680	(5,812)	(28.1)%
Off-street Carparks	18	50	(32)	(63.6)%	121	200	(79)	(39.6)%	380	380	380	0	0.0%
Other Infrastructure	(67)	434	(501)	(115.5)%	1,919	2,635	(716)	(27.2)%	5,453	5,509	5,262	191	3.6%
TOTAL	5,092	6,603	(1,511)	(22.9)%	26,688	30,715	(4,027)	(13.1)%	71,282	70,633	78,158	(6,876)	(8.8)%



Capital Expenditure Program - Property

	Prior Year Actual 2023-24 \$'000	YTD December 2024			
		Actual \$'000	Target Budget \$'000	\$ variance \$'000	% variance
Land					
Land New / Improvements	1,158	100		100	100.0%
Buildings					
Buildings Rehab / Renewal	2,717	2,339	3,294	(955)	(29.0)%
Buildings New / Improvements	14,207	3,886	4,181	(295)	(7.1)%
	18,083	6,325	7,475	(1,150)	(15.4)%

FY 2024-25 Forecast vs Budget				
Forecast	Adopted Budget	Revised Budget	\$ variance	% variance
			Forecast to Revised Budget	
\$'000	\$'000	\$'000	\$'000	
10		100	(90)	(90.0)%
8,202	6,401	8,614	(412)	(4.8)%
6,308	7,706	5,505	804	14.6%
14,520	14,107	14,219	301	2.1%

YTD Variance to Target Budget Over / (Under)	Explanation
Buildings Rehab / Renewal under budget by \$0.95m	Main variance is a delay in Mt Evelyn Library and Community Room, Selby Tennis Club, Court House, Athenaeum Theatre, Jane Children's Centre, Healesville, Mooroolbark Library and Lilydale Tennis Club (1.2m) offset by accelerated expenditure at Lilydale Bowls Club, Yarra Junction Bowls Club and Charles Street Pre-school (0.6m).
Buildings New / Improvements under budget by \$0.3m	Main variance is accelerated spend at Pinks Reserve Stadium, Climate Resilient Buildings and Advanced Design for Early Years (1.5m) offset by delay in expenditure for PAC Funding (1.6m) and Electrification of Monbulk Aquatic (0.12)

Forecast YTD Variance to Revised Budget Over / (Under)	Explanation
Buildings Rehab / Renewal under budget by \$0.4m	Driven by forecasted underspend and carry forward to 2025-26 input for Lilydale Athenaeum Theatre (\$0.5) and overspend expected for Yarra Junction Bowls Club (\$0.2m).
Buildings New / Improvements over budget by \$0.4m	Driven by forecasted overspend on Pink Reserve stadium Improvements.

Capital Expenditure Program - Plant, Machinery & Equipment

	Prior Year Actual 2023-24 \$'000	YTD December 2024			
		Actual \$'000	Target Budget \$'000	\$ variance \$'000	% variance
Plant & Equipment					
Plant & Equipment Rehab / Renewal	2,701	1,066	897	169	18.9%
Plant & Equipment New / Improvements	1,180	157	67	90	134.5%
Fixtures, Fittings & Furniture	9	-	9	(9)	(100.0)%
Computers & Telecommunications	1,585	1,167	1,516	(349)	(23.0)%
	5,475	2,391	2,489	(99)	(4.0)%

FY 2024-25 Forecast vs Budget				
Forecast	Adopted Budget	Revised Budget	\$ variance	% variance
			Forecast to Revised Budget	
\$'000	\$'000	\$'000	\$'000	
1,940	2,447	1,794	147	8.2%
366	-	233	133	56.8%
17	19	19	(2)	(11.1)%
3,042	2,374	3,031	11	0.3%
5,365	4,840	5,078	288	54.2%

YTD Variance to Target Budget Over / (Under)	Explanation
Computers & Telecommunications under budget by \$0.4m	Budget phasing information not received with forecasted expenditure later in 2024-25.
Plant & Equipment Rehab / Renewal over budget by \$0.3m	Driven by forecasted overspend on Plant & Equip - Plant Replacement

Forecast YTD Variance to Revised Budget Over / (Under)	Explanation
Plant & Equipment New / Improvements over budget by \$0.1m	Forecasted over spend expected for Lysterfield Transfer Station Fire Service.

Capital Expenditure Program - Infrastructure

	Prior Year Actual 2023-24 \$'000	YTD December 2024				FY 2024-25 Forecast vs Budget					
		Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Forecast \$'000	Adopted Budget \$'000	Revised Budget \$'000	\$ variance \$'000	% variance	Forecast to Revised Budget
											\$'000
Roads											
Roads Rehab / Renewal	9,436	2,932	2,332	600	25.7%	9,891	10,338	10,633	(742)	(7.0)%	
Roads New / Improvements	1,811	15	248	(233)	(94.1)%	2,875	1,410	3,163	(288)	(9.1)%	
Road Traffic Management	312	190	171	19	11.1%	311	222	342	(31)	(9.2)%	
Roads for the Community Initiative	10,337	4,656	5,058	(402)	(7.9)%	8,252	6,246	7,759	494	6.4%	
Bridges											
Bridges Rehab / Renewal	1,188	-	10	(10)	(100.0)%	545	466	477	68	14.3%	
Bridges New / Improvements	469	70	279	(209)	(74.8)%	279	-	279	-	0.0%	
Footpaths & Cycleways											
Footpaths Rehab / Renewal	649	392	408	(16)	(3.9)%	889	905	905	(16)	(1.8)%	
Footpaths New / Improvements	385	3	316	(312)	(99.0)%	1,225	1,007	1,226	(1)	(0.1)%	
Drainage											
Drainage Rehab / Renewal	331	220	120	100	83.6%	238	263	263	(25)	(9.4)%	
Drainage New / Improvements	1,249	364	291	74	25.4%	2,586	3,190	3,563	(978)	(27.4)%	
Recreational, Leisure & Community Facilities											
Playspace Rehab / Renewal	616	764	552	212	38.3%	869	204	1,105	(235)	(21.3)%	
Playspace New / Improvements	4,266	1,171	682	489	71.6%	1,253	5,040	1,354	(101)	(7.4)%	
Sports Reserves Rehab / Renewal	2,162	450	412	38	9.2%	1,178	1,043	1,169	9	0.8%	
Sports Reserves New / Improvements	892	230	125	105	84.1%	304	364	303	1	0.4%	
Parks, Open Space & Streetscapes											
Open Space Rehab / Renewal	557	412	380	32	8.3%	926	906	958	(32)	(3.4)%	
Open Space New / Improvements	1,205	391	339	52	15.2%	1,386	95	2,375	(989)	(41.7)%	
Townships New / Improvements	1,092	205	831	(626)	(75.3)%	1,080	571	1,778	(698)	(39.3)%	
Trails Rehab / Renewal	912	414	507	(93)	(18.3)%	815	741	807	8	1.0%	
Trails New / Improvements	4,990	3,053	5,022	(1,969)	(39.2)%	10,661	12,786	14,762	(4,101)	(27.8)%	
Off-street Carparks											
Off-street Carparks Rehab / Renewal	359	121	200	(79)	(39.6)%	380	380	380	0	0.0%	
Off-street Carparks New / Improvements	113	-	-	-	0.0%	-	-	-	-	-	
Other Infrastructure											
Infrastructure - Project Management	5,042	1,888	2,355	(467)	(19.8)%	4,709	4,709	4,709	0	0.0%	
Infrastructure - Asset Renewal Reserve	-	-	-	-	0.0%	-	-	-	-	0.0%	
Infrastructure - Asset New / Improve Reserve	61	31	280	(249)	(89.0)%	744	800	553	191	34.6%	
	48,437	17,972	20,917	(2,945)	(14.1)%	51,397	51,686	58,862	(7,465)	(12.7)%	

YTD Variance to Target Over / (Under)	Explanation
Roads Rehab / Renewal over budget by \$0.6m	Forward spend by road resurfacing projects completed early (\$0.9m) and early expenditure of road rehab on Maddens Lane, Gruyere (\$0.6m), offset by underspend on Paid Park (\$0.2m) and Retaining wall Rehabilitation (\$0.1)
Roads for the Community Initiative under budget by \$0.4m	Underspend by RFCI projects Mt Morton, Belgrave Heights (\$0.1), Alpine street Warburton (\$0.1), Station Road Seville (\$0.2), Alfred St & John St Wandin North (\$0.1), and Cedar Court Monbulk (\$0.3), offset by overspend on Bell St Seville.
Bridges New / Improvements over budget by \$0.2m	Earlier than expected YTD expenditure on completion works at McMahons Creek Pedestrian Bridge.
Footpaths New / Improvements under budget by \$0.3m	Delayed commencement of footpath works in Chirnside Park Southern cross and Brentwood project and Healsville Stephens road project.
Playspace Rehab / Renewal over budget by \$0.2m	Budget phasing information not received. Variance due to expenditure on playspace completion in Badger Creek and near completion in Lilydale, Millgrove and Upwey.
Playspace New / Improvements over budget by \$0.6m	Budget phasing information not received. Playspace construction at Morrison Reserve well underway.
Sports Reserves New / Improvements over budget by \$0.1m	Expenditure on projects awaiting budget transfers and earlier than anticipated YTD spend for Capital Development Grant projects.
Townships New / Improvements under budget by \$0.6m	Budget phasing information not received. Expenditure now forecasted later in 2024-25 with some budget carry forward to 2025-26.
Trails New / Improvements under budget by \$1.97m	Driven by lower than expected YTD expenditure for Mountain Bike Destination, Yarra Valley Trail and Yarra Valley Trail Northern Loop. Forecasts have been adjusted and carry forward input for Mountain Bike Destination and Yarra Valley Trail Northern Loop, with Yarra Valley Trail is now forecasted to spend more towards the end of 2024 than budget allocation in 2024-25 and bring forward 2025-26 budget also.

Forecast YTD Variance Over / (Under)	Explanation
Roads Rehab / Renewal under budget by \$0.7m	Quotes for Victoria Rd, Coldstream - Stage 3 were lower than anticipated, reducing expected LRCI funding expenditure. Reduced expenditure redirected to Lomond Ave renewal. Delay in works for Domaine Road, Chirnside Park (.5m)
Roads New / Improvements under budget by \$0.3m	Forecast under budget mainly from Myers Creek Road, Healsville (\$0.3m)
Footpaths Rehab / Renewal under budget by \$0.1m	Budget carry forward expected for Kilsyth Greeves drive and Lena Court in 2025-26.
Playspace Rehab / Renewal under budget by \$0.2m	Budget carry forward input for Kilsyth Recreation Reserve Playspace, with design to be completed this financial year and construction in 2025-26.
Playspace New / Improvements under budget by \$0.1m	Expected underspend on Morrison Recreation Reserve Playspace.
Open Space New / Improvements under budget by \$1m	Budget realigned based on construction timelines and carry forward input for Morrison Recreation Reserve Youth Activation and Bike Park.
Townships New / Improvements under budget by \$0.7m	Budget carry forward input for Township Improvement projects based on scope and delivery timelines.
Trails New / Improvements under budget by \$4m	Budget realigned based on construction timelines and carry forward input for Mountain Bike Destination (\$3m), Yarra Valley - Stage 2A (\$0.5m) and Yarra Valley Trail Northern Loop (\$1.3m). Accelerated expenditure expected for Yarra Valley Trail with a commitment to build the trail to the Yarra River will see budget brought forward from 2025-26 for spend this year (\$0.8m).

Carry Forwards

Projects that have been delayed and are impacting on anticipated expenditure will request funds to be carried forward for use in the next financial year. Early identification of carry forward funds ensures the optimum utilisation of cash resources. Forward spends occur when capacity becomes available to make an early start on a future year's project.

	Carry Forward of 2024-25 budget to 2025-26 \$'000	Forward spend of 2025-26 budget in 2024-25 \$'000	Total Carry Forward \$'000
PROPERTY			
Land	-	-	-
Buildings	1,006	-	1,006
PLANT, MACHINERY & EQUIPMENT			
Plant & Equipment	-	(62)	(62)
Fixtures, Fittings & Furniture	-	-	-
Computers & Telecommunications	-	-	-
INFRASTRUCTURE			
Roads	510	-	510
Bridges	-	-	-
Footpaths & Cycleways	-	-	-
Drainage	1,087	-	1,087
Recreational, Leisure & Community Facilities	284	-	284
Parks, Open Space & Streetscapes	6,526	(821)	5,705
Off-street Carparks	-	-	-
Other Infrastructure	-	-	-
	9,414	(883)	8,531

Projects with Carry Forward in excess of \$100k	
	\$'000
Mountain Bike Destination, Warburton	2,986
Yarra Valley Trail Northern Loop	1,317
Morrison Recreation Reserve Youth Activation and Bike Park	888
Yarra Valley Trail - Stage 2A	535
WP CBMW - Lilydale Athenaeum Theatre	514
Townships Improvements	400
Township Improvements, Belgrave	300
Kilsyth Recreation Reserve Playspace - Stage 2	270
Cedar Court Road Group, Monbulk - RFCI	117
Morrison Recreation Reserve District Playspace, Mt	101
Alfred St and John St, Wandin North - RFCI	
Projects with Forward Spend in excess of \$100k	
\$'000	
Yarra Valley Trail	(821)

Rates in Arrears (Includes Special Rates & Charges)

Rates Debts Outstanding ('000)		
Current Rates 23/24	116,798.2	
Current Interest	-	
Legal Costs on Current	62.5	116,860.8
<hr/>		
Arrears (prior to 24/25)	23,587.6	
Interest on Arrears	2,529.8	
Legal costs on Arrears	358.3	26,475.7
<hr/>		
Total rates & charges Outstanding		143,336.4

Rate Debts outstanding

The Balance Sheet shows an amount of \$143.3m total for Receivables – Property. Including \$26.5m from prior year.



Rates outstanding comparison year on year

The level of outstanding current rates measured in real terms (+2.75% Rates Cap Increase) compared to the same period last year has increased by 0.14%

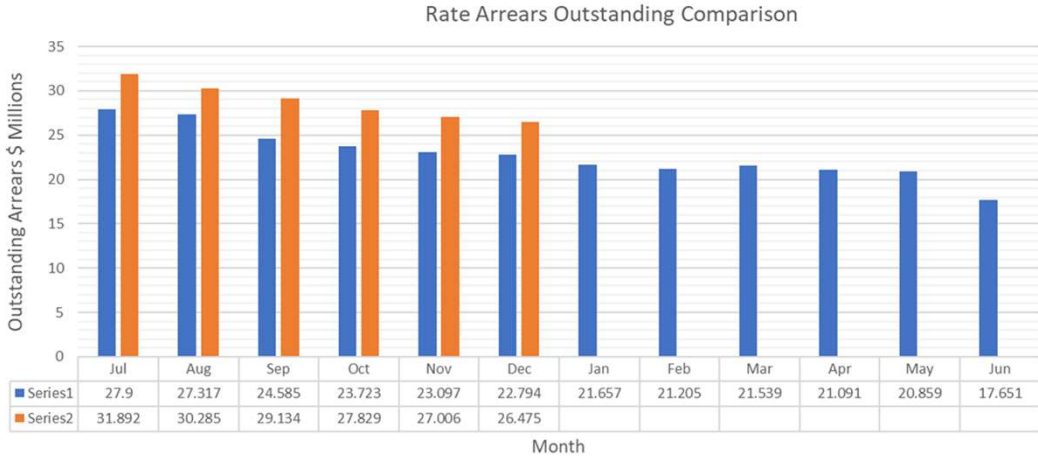
In 2024/2025 there are less customers that have opted to pay instalments. This will lead to the current rates payments improving in comparison to previous years closer to the February 15 in full payment due date.

**When calculating real terms, the increases in waste service charges has not been considered, only the rate cap (increase in general rates) the increase in waste service charges is significant enough to impact this data.*



Rates in Arrears

Rate Recovery Activity							
Rate Recovery Category	Activity	Arrears	Interest on Arrears	Legal Costs	Total O/S	Number of Assessments	Current Including Assessment
Financial Hardship	Deferment in place	4,024.5	261.2	50.7	4,336.4	562	1,330.2
	Recurring Deferment	100.8	1.3	-	102.1	17	27.7
	Deferment recently completed	641.9	36.7	2.9	681.5	79	212.9
	Defaulted conditions	392.4	73.8	5.7	472.0	42	95.7
Hardship Being Reviewed	Standard deferment being reviewed	1,517.4	47.4	5.5	1,570.2	174	412.1
	Recurring Deferment being reviewed	-	-	-	-	-	-
Payment Plans	Payment Plan in place	4,807.2	128.5	9.5	4,945.2	2,015	4,755.3
	Payment Plan in place with Credit Solutions	2,689.5	191.6	11.4	2,892.5	510	1,311.3
Receivership		152.0	35.2	0.8	188.0	21	50.4
Auction (s181)		21.9	44.6	0.5	67.0	2	0.8
Sale Pending		138.5	22.6	3.9	165.0	179	232.9
Probate Pending		11.7	1.8	0.8	14.4	12	22.1
Legal Action Avenues Exhausted		370.9	219.0	24.1	614.0	19	41.1
Legal Action Continuing		2,894.7	666.1	209.5	3,770.3	257	649.3
Legal Action Pending		6,599.6	1,027.5	214.9	7,841.9	1,508	3,931.1
Totals		24,363	2,757	540	27,660	5,397	13,073



Courtesy reminders issued to all in full payers, including those in arrears are issued on 17th January 2025, and will have the option to pay via Payble for the first time. The amount of customers in arrears and the level of those arrears is expected to decrease, as they have the ability to self-serve to manage their debt.

The above table details the current status of the arrears and rate recovery methods.

Decreases in Hardship and Payment plans due to payment and review are expected to be offset by increases after issue of Courtesy reminders on January 17..

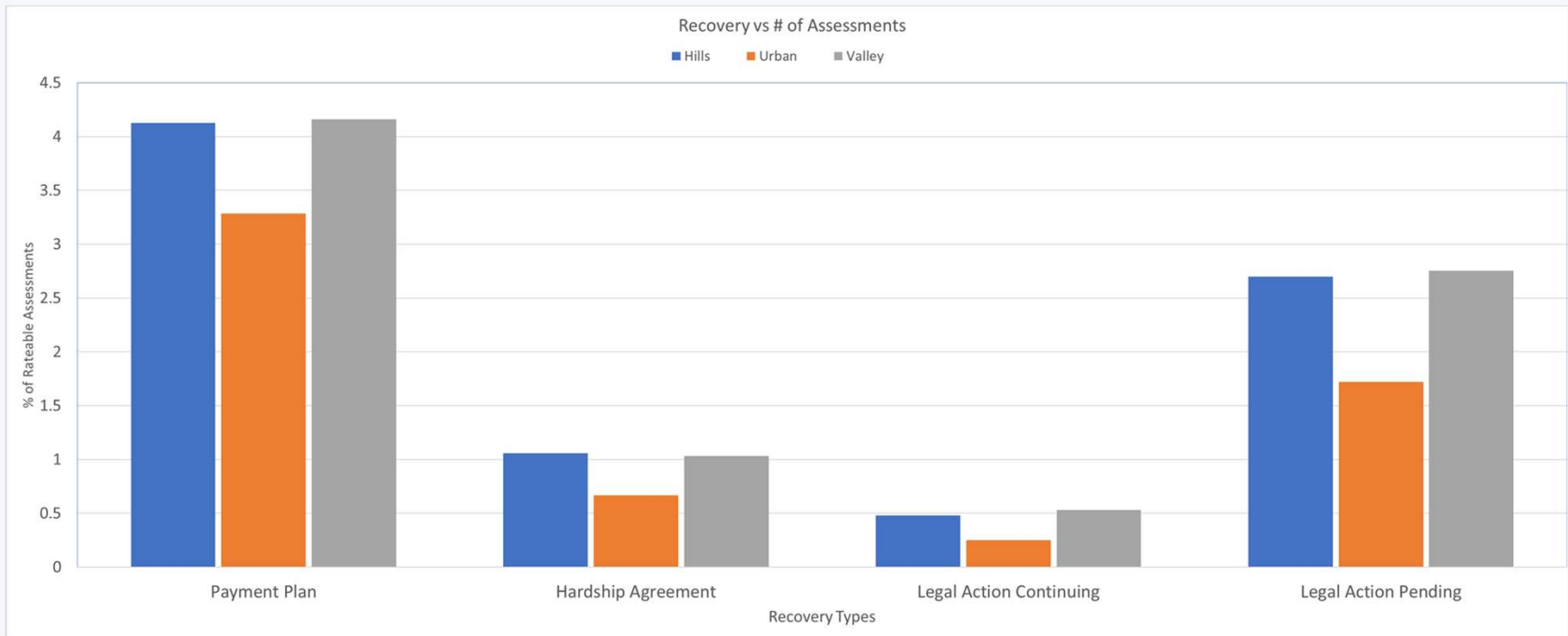


Rates in Arrears

Please refer to the graphs for information regarding Location categories (Hills, Urban,Valley) and the amount of assessments on the following recovery methods:

- Special Payment Arrangement
- Financial Hardship Agreement
- Legal Action Pending (For 2022/2023 outstanding rates)
- Legal Complaint Filed – With the Magistrates Court for Outstanding amounts.

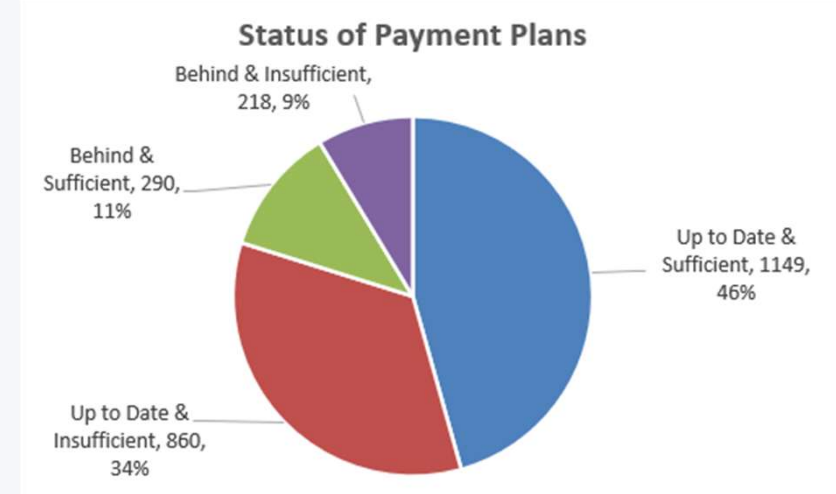




The above graph considers % of assessments on rate recovery methods vs the number of rateable assessments in the location category. **Urban** has a higher number of assessments in all methods of rate recovery, but when compared to the number of rateable assessments in the Urban area it is relatively lower than **Hills** and **Valley** areas.

Payment Plan recovery

Following legislation changes, Council can no longer charge penalty interest rates against Payment Plans. In order to encourage customers to meet the minimum payment criteria against Payment Plans, Payment Plans that are not up to date, or Plans that do not meet the minimum criteria, will be cancelled and must be reapplied for. To become sufficient, the (\$) amount that ratepayers on insufficient payment plans would need to increase their payments by is a combined annual total of \$732,753.



Total Payment Plans 31 Dec 2024		
Status	2,521	%
Up to Date & Sufficient	1149	45.58
Up to Date & Insufficient	860	34.11
Behind & Sufficient	290	11.50
Behind & Insufficient	218	8.65

Assessments with insufficient payment plans will be issued cancellation letters in February.

A submission will be made to ELT, Forum and Council in February 2025, to consider adjusting minimum payment plan amounts will substantially affect these figures.

Insufficient Payment plans – Payments no longer meet minimum criteria of annual rates and charges +0%

Payment plans behind – Assessments are not up to date with agreed upon payment amount and/or schedule.

Supplementary Valuations and Rates Predictions

Since Rates were generated on 1 July 2024 a total amount of \$117,229,996 has been added to valuations on assessments within Council. This change in valuations will equate to predicted increase of \$4,381,666.99 (3.00%) for the 2025/2026 Rates income.

Rate Type	Start of Year			31-Dec-24			Movement (Supps)		2024/2025 Prediction **
	Assessments	CIV (\$)	Rate Value (\$)	Assessments	Value (\$)	Rate Value (\$)	Assessments	Value (\$)	Rate Value
Residential	62449	50,883,276,000.00	126,918,155.00	62560	51,039,071,000	127,306,755	111	155,795,000	131,125,957.44
Vacant Sub Standard	328	14,915,000.00	37,202.00	328	14,915,000	37,202	0	-	38,318.56
Farmland	1568	3,138,405,000.00	5,479,655.00	1539	3,091,645,000	5,398,012	-29	46,760,000	5,559,952.54
Commercial	2344	2,397,555,004.00	8,970,452.00	2342	2,408,475,000	9,011,309	-2	10,919,996	9,281,648.49
Industrial	1085	1,265,710,000.00	4,735,654.00	1085	1,266,035,000	4,736,870	0	325,000	4,878,976.05
Rec & Culture	13	50,950,000.00	76,252.00	13	47,900,000	71,687	0	3,050,000	73,837.75
	67,787	57,750,811,004	146,217,370	67,867	57,868,041,000	146,561,836	80	117,229,996	150,958,690.83

*Rate Values for August 2024 are used to indicate base rates in 2024/2025 year, it is not an indication of rates charged during 2024/2025

**2025/2026 estimates a 3.00% rates cap

***Rates team are committed to having all supplementary valuations and charges updated by 31/1/2025, and will provide a more accurate prediction at this point.

Predicted Rate Increase (\$)	4,741,320.83
Predicted Rate Increase (%)	3.24

PAYREQ Registrations

The Property Rating Services team will be increasing visibility of option to register for PAYREQ – Allowing customers to receive notices via email, rather than post. In 2024/2025 a total increase of 2,352 registrations have been received. The total PAYREQ registrations is now 11,566 active registrations, 17.04% of assessments that represent a saving of \$46,264 in postage & printing costs per annum.

PAYREQ (Email) Registrations

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Total to date
2023/2024 Registrations	337	218	518	213	218	74	130	335	131	103	138	151	1,578
2024/2025 Registrations	159	520	445	838	225	165							2,352
Comparison %	- 52.82	138.53	- 14.09	293.43	3.21	122.97							49.05

Total Active Registrations 11,566

Registrations vs Assessments (%) 17.04

Total savings p.a on post (\$) 46,264

Total Registration to (date) 2,352

Comparable 1,511

Difference 841



