



Financial Report

for the period July 2022 to December 2022

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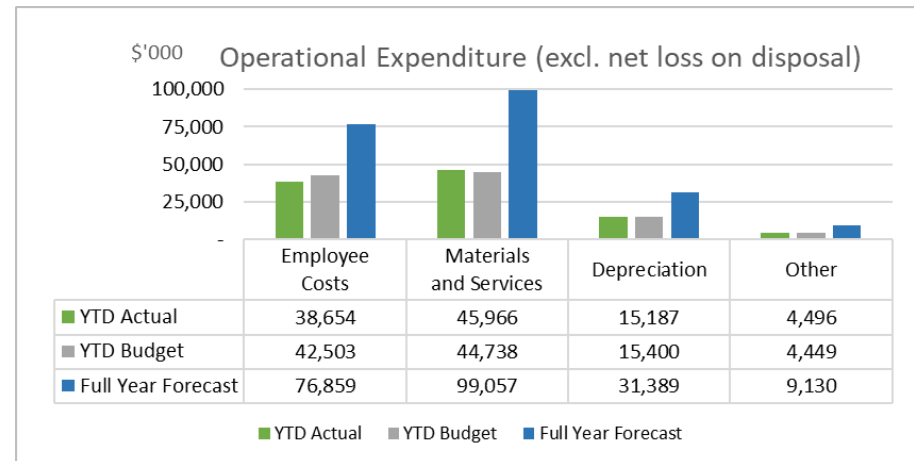
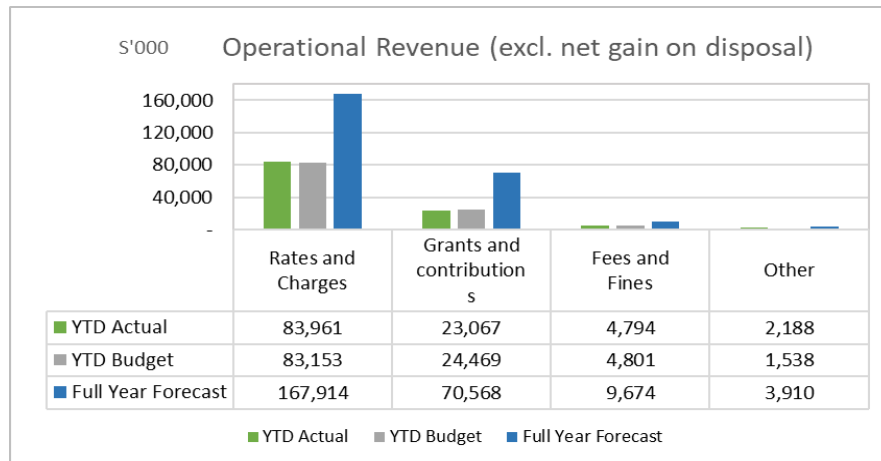
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Executive Summary

This report provides a summary of the December 2022 position for Yarra Ranges Council. Council is currently tracking ahead of budget after the first six months, with Council forecasting a full financial year result that will be lower than budget. These variances are largely related to the timing of recognition of capital grant income and storm recovery income and rising costs of materials and services as detailed below.

Income & Expense Summary

	December 2022				YTD December 2022				Annual Total			
	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Adopted Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Total income	22,701	26,549	(3,848)	(14.5)%	114,010	113,961	49	0.0%	248,590	252,065	3,476	1.4%
Total expenses	23,288	18,056	(5,232)	(29.0)%	104,304	107,090	2,786	2.6%	208,914	216,435	(7,522)	(3.5)%
Net Gain/(Loss) on Disposal	(8)	0	(8)	0.0%	(650)	0	(650)	0.0%	0	(404)	(404)	100.0%
Net Surplus/(Deficit)	(594)	8,492	(9,087)	(107.0)%	9,056	6,869	2,185	31.8%	39,676	35,226	(4,450)	(12.6)%
Operating (Underlying) Surplus/(Deficit)	2,811	19,225	(16,413)	(85.4)%	(2,647)	(9,674)	7,027	72.6%	(5,039)	(7,436)	(2,397)	(32.2)%



Comprehensive Result (Net Surplus)

YTD comprehensive result of \$9.1m is \$2.2m or 31.8% higher than the adopted budget mainly due to:

- Lower employee costs due to unfilled positions across the organisation (\$3.8m) with the largest variances in Building & Planning services (\$1.1m) and Family & Children services (\$0.5m)
- Lower Covid-19 recovery costs to date (\$1.2m)

These were partially offset by:

- Grant funding recognised to date being \$1.1m below budget mainly related to the Roads for Community Initiative and delays across the capital project delivery program from poor weather, supply chain issues, significant community consultations and waiting for ministerial approvals/reviews.
- Higher materials and services including for building maintenance works related to essential safety measures (\$0.9m) and temporary staff to backfill vacant positions due to labour shortages (\$1.4m)

The annual forecast result of \$35.2m is expected to be below budget by \$4.5m or 12.6% mainly due to higher materials and services costs including:

- Unbudgeted Preparing Australian Communities (PAC) project costs which were unknown at the time of preparing the Budget (\$2.6m), this is fully offset by grant funding.
- Unbudgeted building maintenance works related to essential safety measures (\$1.5m).
- Unbudgeted Consultancy for the Sustainable Streetlighting Program, this is offset by savings from the 2021-22 Capital Expenditure Program and Victorian Energy Efficiency Certificate rebates (\$0.8m).
- Higher temporary staff to cover vacancies across the organisation (\$1.2m)

These are partially offset by higher non-recurrent funding (\$2.7m) related to prior year carried forward capital projects and storm recovery costs; as well as unbudgeted funding for some projects including the Blackspot project and the Preparing Australian Communities (PAC) grant.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$39.4m as at 31 December 2022, which reflects a positive cash position year-to-date, noting that when full year forecast projections are taken into consideration, this will have a small impact Council's full year cash position. The Balance Sheet presents a working capital of \$18.4m (total current assets of \$129.4m less total current liabilities of \$111.0m). The annual budgeted working capital is still expected to be positive at \$9.2m reflecting Council's ability to meet its obligations as and when they fall due.

Capital Program

Capital expenditure of \$29.5m is \$16.3m or 35.6% below the YTD Adopted Budget of \$45.8m.

The underspend is mainly in:

- Infrastructure – Roads: Road for the Community Initiative (\$6.0m) and road rehabilitation and resurfacing (\$2.0m).
- Property – Buildings: Pinks Reserve Pavilion and Stadium (\$1.1m), Climate Resilient Buildings (\$1.4m) and Powelltown Pavilion (\$0.9m). These were partially offset by Civic Centre Redevelopment (\$0.6m) and the land purchase deposit for 150 Cambridge Rd land (\$0.6m).

- Infrastructure - Open Space: Trails (\$2.6m) including RidgeWalk, Yarra Valley and Warburton Mountain Bike Destination.

The table below outlines where Council is tracking against key VAGO performance indicators.

VAGO Performance Indicators as at December 2022							
Indicator	Measure					YTD Actual	Full year Budget
Net result	Net surplus (deficit) / Total revenue	Less than -1.0%	-10% to 0%	More than 0%	%	7.9%	16.0%
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	Less than 0%	0% to 5%	More than 5%	%	-2.6%	-2.5%
Liquidity	Current Assets / Current Liabilities	Less than 0.75	0.75 to 1.0	More than 1.0	X	1.17	1.11
Internal financing	Net operating cashflow / Net capital expenditure	Less than 75%	75% to 100%	More than 100%	%	-29.6%	82.2%
Indebtedness	Non current liabilities / Own sourced revenue	More than 60%	40% to 60%	40% or Less	%	11.6%	20.1%

- *Net result – is revenue/income from transactions minus expenses from transactions, as a percentage of total revenue.*
Actual result is positive due to lower YTD expenditure employee costs, depreciation and finance costs. The higher budgeted net result is due to the full recognition of rates by the end of the financial year.
- *Adjusted underlying result – is the net result exclusive of 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.*
YTD actual is mostly related to timing of expenditure for infrastructure maintenance, facilities management and disaster recovery. The budget factored in storm and pandemic recovery for FY23 causing short term deficit in this measure.
- *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.*
Strong cash balance and higher rate debtors at the mid-year point of the financial year fully offsets current payables and liabilities.
- *Internal financing – The ability to finance capital works from net operating cashflow.*
Operational expenditure (materials, services and employee costs) and capital expenditure are higher than rate revenue actually collected, and grant funding received at this time of the year.
- *Indebtedness - The ability to repay debt due after the next 12 months from own-sourced revenue (Total revenue excluding grants and contributions).*
YTD and full year budget reflect Council's low level of debt compared to own-sourced revenue generated.

Financial Performance for the period ending 31 December 2022

Comprehensive Income Statement

Income & Expense Statement

	December 2022				YTD December 2022				Annual Total			
	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Adopted Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Income												
Rates - General Rates	13,646	13,384	262	2.0%	80,956	80,302	654	0.8%	160,604	160,604	0	0.0%
Rates - Special Rates & Charges	0	1,849	(1,849)	(100.0)%	3,005	2,850	154	5.4%	7,704	7,309	(395)	(5.4)%
Statutory Fees and Fines	433	299	134	44.7%	1,554	1,539	14	0.9%	3,079	3,076	(2)	(0.1)%
User Fees	322	540	(218)	(40.4)%	3,241	3,261	(21)	(0.6)%	6,480	6,598	118	1.8%
Contributions - Cash	341	525	(184)	(35.0)%	1,730	1,996	(266)	(13.3)%	4,340	4,644	303	6.5%
Grants - Recurrent	3,590	566	3,024	533.9%	10,852	6,440	4,412	68.5%	35,657	31,560	(4,097)	(13.0)%
Grants - Non Recurrent	3,510	9,113	(5,603)	(61.5)%	10,484	16,033	(5,549)	(34.6)%	24,556	31,364	6,808	21.7%
Other Revenue	131	151	(20)	(13.2)%	684	803	(120)	(14.9)%	1,699	1,782	83	4.7%
Interest	729	122	606	494.8%	1,505	735	770	104.7%	1,470	2,127	657	30.9%
Contributions - Non Cash	0	0	0	0.0%	0	0	0	0.0%	3,000	3,000	0	0.0%
Total income	22,701	26,549	(3,848)	(14.5)%	114,010	113,961	49	0.0%	248,590	252,065	3,476	1.4%
Expenses												
Employee Benefits*	9,366	7,086	(2,280)	(32.2)%	38,654	42,503	3,849	9.1%	76,651	76,859	(208)	(0.3)%
Materials and Services*	10,907	7,754	(3,153)	(40.7)%	45,966	44,738	(1,229)	(2.7)%	91,737	99,057	(7,321)	(7.4)%
Bad and Doubtful Debts	0	0	0	100.0%	6	1	(5)	(1,037.1)%	51	53	(2)	(3.1)%
Depreciation and Amortisation	2,562	2,567	4	0.2%	15,187	15,400	213	1.4%	31,234	31,389	(155)	(0.5)%
Other Expenses	434	556	122	21.9%	4,356	3,891	(466)	(12.0)%	8,110	8,361	(250)	(3.0)%
Finance Costs (Interest)	19	93	74	79.9%	134	558	424	76.0%	1,131	717	414	57.7%
Total expenses	23,288	18,056	(5,232)	(29.0)%	104,304	107,090	2,786	2.6%	208,914	216,435	(7,522)	(3.5)%
Net Gain/(Loss) on Disposal	(8)	0	(8)	0.0%	(650)	0	(650)	0.0%	0	(404)	(404)	100.0%
Net Surplus/(Deficit)	(594)	8,492	(9,086)	(107.0)%	9,056	6,871	2,184	31.8%	39,676	35,226	(4,450)	(12.6)%
Operating (Underlying) Surplus/(Deficit)	2,811	19,225	(16,413)	(85.4)%	(2,647)	(9,674)	7,027	72.6%	(5,039)	(7,436)	(2,397)	(32.2)%

The operating (underlying) result is calculated by removing capital related income (grants and contributions) from the comprehensive result to determine the true operating result of Council's operations.

Variations and Insights

Year to date performance against budget (>\$500k or 10%)

Variance type	Variance Commentary	\$ impact
General Rates	General Rates - variance is due to timing allocations of general rates and charges.	\$0.7m favourable to budget
Contributions - Cash	The unfavourable variance is mainly related to timing of the Native Timber Industry Transition contribution (\$0.2m) and contributions related to capital projects including: public open space contributions (\$0.7m) and contribution for the Warburton Mountain Bike Destination project (\$0.1m). These are partially offset by earlier receipt of the Lilydale Quarry developer contributions (\$0.2m) and Pinks Reserve Netball Court (\$0.3m).	\$0.3m unfavourable to budget
Grants – Recurrent and Non-Current	<p>The unfavourable variance is largely due to:</p> <ul style="list-style-type: none"> Roads for Community Initiative (\$2.7m) Delays across the capital project delivery program from poor weather, supply chain issues, significant community consultations and waiting for ministerial approvals/reviews. The largest variances are for Climate Resilient Buildings (\$1.1m), RidgeWalk (\$0.6m), Powelltown Pavilion (\$0.7m), Yarra Valley Trail (\$0.8m). <p>This is partially offset by:</p> <ul style="list-style-type: none"> Revenue recognition of Storm recovery funding (\$2.7m) Unbudgeted Preparing Australian Communities (PAC) funding (\$0.3m) unbudgeted funding for Climate & Nature program (\$0.2m) earlier receipt of recurrent grant revenue mainly for Emergency Management (\$0.2m), Corridors of Green project (\$0.2m), Children services (\$0.1m). 	\$1.1m unfavourable to budget
Employee Benefits	<p>Underspend in employee costs is mainly due to unfilled vacancies across the organisation. The largest variances are in:</p> <ul style="list-style-type: none"> Communities (\$1.8m) - Family & Children Services (\$0.8m), Safer Communities (\$0.7m), Cultural Development (\$0.3m) Environment & Infrastructure (\$0.9m) - Infrastructure Maintenance (\$0.3m), Parks and Bushland (\$0.4m), Waste Management (\$0.4m) Planning Design and Development (0.6m) - Building Services (\$0.6m) <p>These are partially offset by timing of salary capitalisation (\$1.0m).</p>	\$3.8m favourable to budget

Variance type	Variance Commentary	\$ impact
Materials and services	Unfavourable variance is mainly due to: <ul style="list-style-type: none"> • Building maintenance works related to essential safety measures (\$0.9m) • Parks and Bushland trees management and pruning (\$0.6m) • Higher temp staff to backfill vacant positions due to labour shortages (\$1.4m) • The Preparing Australian Communities (PAC) initiation phase which was not budgeted (\$0.2m) These are partially offset by underspend in Covid-19 Recovery (\$1.2m).	\$1.3m unfavourable to budget

Full year forecast analysis against budget

Variance type	Variance Commentary	\$ impact
Grants – Recurrent and Non-Current	<p>The favourable variance is largely due to:</p> <ul style="list-style-type: none"> • Recognition of Storms recovery prepaid and unearned income from the previous year as works are completed this year in accordance with accounting standards (\$1.6m) • Carried forward funding from FY22 including Mount Evelyn Sports Pavilion (\$1.3m) and Pinks Reserve (\$1.2m) • Unbudgeted funding for Blackspot project (\$1.2m), McMahons Creek Bridge (\$0.5m) and the Preparing Australian Communities (PAC) grant funding (\$2.8m). <p>This is offset capital funding expected to be carried forward including the Roads for the Community Initiative (\$4.0m), Climate Resilient Buildings (1.8m), RidgeWalk (\$1.1m)</p>	\$2.7m favourable to budget
Interest Revenue	Higher opening cash balance than anticipated and increase in interest rates.	\$0.7m favourable to budget
Materials and services	<p>The unfavourable variance is largely driven by:</p> <ul style="list-style-type: none"> • Unbudgeted Preparing Australian Communities (PAC) project costs which were unknown at the time of preparing the Budget (\$2.6m). • Unbudgeted building maintenance works related to essential safety measures (\$1.5m) • Unbudgeted Consultancy for the Sustainable Streetlighting Program, this is offset by savings from the 2021-22 Capital Expenditure Program and Victorian Energy Efficiency Certificate rebates (\$0.8m) • Higher temporary staff to cover vacancies across the organisation (\$1.2m) • Software - Cloud services (\$0.9m) 	\$7.3m unfavourable to budget

Balance Sheet

Balance Sheet - as at Dec 2022			
\$'000	Actuals YTD (Dec 2022)	Adopted Budget (to June 2023)	Prior year (to June 2022)
Current assets			
Cash and cash equivalents	39,353	66,330	84,674
Trade and other receivables	74,859	21,560	36,781
Other assets	15,170	5,418	15,343
Total current assets	129,382	93,308	136,798
Non-current assets			
Trade and other receivables	3,861	1,406	1,088
Investments in associates and joint ventures	3,561	5,400	3,561
Property, infrastructure, plant & equipment	1,295,977	1,259,485	1,282,486
Right-of-use assets	3,349	1,303	585
Intangible asset	492	819	3,349
Total non-current assets	1,307,240	1,268,413	1,291,069
Total assets	1,436,622	1,361,721	1,427,867
Current liabilities			
Trade and other payables	70,373	15,349	70,435
Trust funds and deposits	19,122	43,270	16,037
Provisions	18,568	19,252	20,436
Interest-bearing loans and borrowings	1,194	5,856	3,184
Lease liabilities	1,694	427	1,694
Total current liabilities	110,951	84,154	111,786
Non-current liabilities			
Provisions	5,702	5,843	5,167
Interest-bearing loans and borrowings	3,111	31,165	3,111
Lease liabilities	1,944	867	1,944
Total non-current liabilities	10,757	37,874	10,222
Total liabilities	121,708	122,028	122,009
Net assets	1,314,914	1,239,693	1,305,858
Equity			
Accumulated surplus	603,052	599,089	566,025
Reserves	702,806	600,928	702,806
Current Operating Surplus/(Deficit)	9,056	39,676	37,027
Total equity	1,314,914	1,239,693	1,305,858
Working Capital	18,431	9,154	25,011

Statement of Cash Flows

Statement of Cash Flows - as at Dec 2022

\$'000	Actuals YTD (Dec 2022)	Annual Budget (to June 2023)	Prior year (to June 2022)
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges	52,885	169,324	156,225
Statutory fees and fines	1,492	3,392	2,665
User fees (inclusive of GST)	6,599	7,138	6,722
Grants - operating (inclusive of GST)	12,701	21,879	19,591
Grants - capital (inclusive of GST)	18,753	36,009	51,303
Contributions (inclusive of GST)	1,759	3,944	3,467
Interest received	1,488	1,470	354
Trust funds and deposits	191	37	13,608
Other receipts (inclusive of GST)	726	5,363	6,007
Net GST refund	7,870	16,015	9,266
Materials and Services (inclusive of GST)	(60,674)	(73,042)	(69,324)
Employee costs	(42,376)	(93,820)	(87,555)
Other payments	(11,329)	(17,362)	(21,634)
Net cash provided by operating activities	(9,915)	80,347	90,695
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment	(33,541)	(97,753)	(68,155)
Proceeds from sale of property, infrastructure, plant and equipment	263	0	828
Investments in associates	-	0	2,000
Net cash used in investing activities	(33,278)	(97,753)	(65,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs	(138)	(1,116)	(411)
Proceeds from interest bearing loans and borrowings	-	23,497	0
Repayment of borrowings	(1,990)	(5,701)	(3,838)
Interest paid - lease liability	-	(15)	(232)
Repayment of lease liabilities	-	(423)	(1,774)
Net cash provided by (used in) financing activities	(2,128)	16,242	(6,255)
Net increase/(decrease) in cash and cash equivalents	(45,321)	(1,164)	19,113
Cash and cash equivalents at beginning of the financial year	84,674	67,494	65,561
Cash and cash equivalents	39,353	66,330	84,674

The breakdown of the Cash and Cash Equivalents can be found below under "Investments".

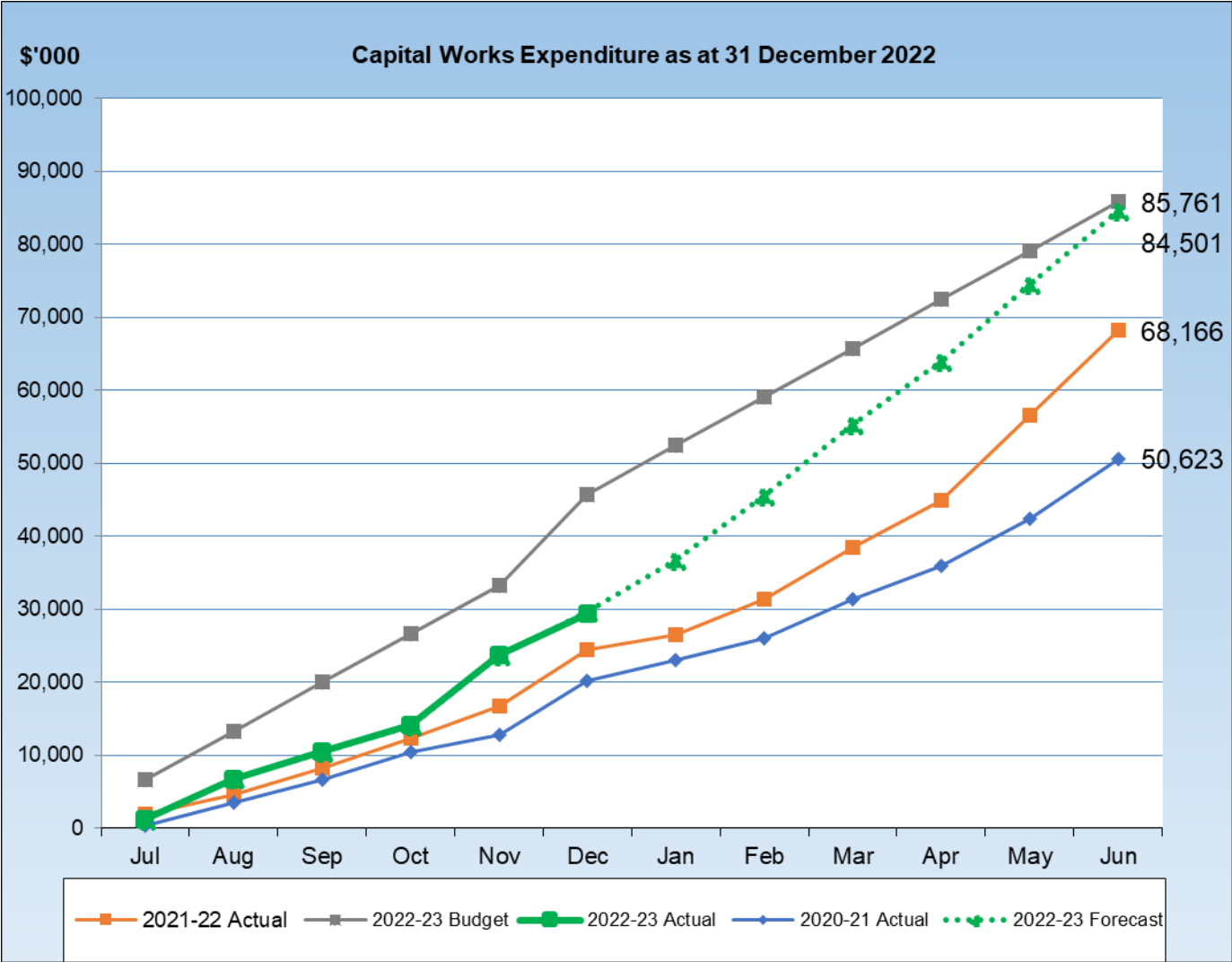
Statement of Capital Works

Capital Works Statement

	December 2022				YTD December 2022				Annual Total			
	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Adopted Budget \$'000	\$ variance \$'000	% variance	Adopted Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Expenditure												
Infrastructure - Asset Management	3	440	438	99.4%	7	2,643	2,635	99.7%	5,285	5,260	25	0.5%
Infrastructure - Bridges	194	56	(138)	(245.2)%	485	336	(149)	(44.2)%	673	1,603	(930)	(58.0)%
Infrastructure - Community & Recreation	131	262	131	50.0%	1,490	1,570	80	5.1%	3,140	5,442	(2,302)	(42.3)%
Infrastructure - Drainage	56	132	77	57.8%	131	794	663	83.5%	1,589	1,266	323	25.6%
Infrastructure - Footpaths & Cycleways	376	196	(180)	(92.0)%	1,057	1,177	120	10.2%	2,353	2,444	(91)	(3.7)%
Infrastructure - Off-street Carparks	68	29	(39)	(133.1)%	183	175	(8)	(4.4)%	350	350	0	0.0%
Infrastructure - Open Space	487	818	331	40.5%	1,959	4,906	2,947	60.1%	9,812	8,052	1,760	21.9%
Infrastructure - Roads	2,154	2,740	586	21.4%	9,097	16,441	7,344	44.7%	32,881	30,113	2,768	9.2%
P&E - Computers & Comms	222	216	(6)	(2.8)%	942	1,298	356	27.4%	2,596	2,106	490	23.3%
P&E - Fixtures, Fittings & Furniture	0	2	2	100.0%	0	9	9	100.0%	18	18	0	0.0%
P&E - Plant, Machinery & Equipment	318	296	(22)	(7.5)%	921	1,775	854	48.1%	3,550	5,017	(1,467)	(29.2)%
Property - Buildings	1,716	1,476	(240)	(16.2)%	6,751	8,859	2,108	23.8%	17,718	16,387	1,331	8.1%
Property - Land	0	5,796	5,796	100.0%	6,444	5,796	(648)	(11.2)%	5,796	6,444	(648)	(10.1)%
TOTAL	5,724	12,460	6,735	54.1%	29,466	45,779	16,312	35.6%	85,761	84,501	1,260	(54.9)%

Further detail on the performance of the Capital Program is provided in the separate monthly capital works report.

The graph below shows the adopted budget and actual Capital Works expenditure for 2022-23 in comparison to previous years.



Natural Disaster Recovery

Storm Recovery - June 2021 (AGRN 969)

	2022-23 YTD	2022-2023 YTD	2022-2023 YTD	LIFE TO DATE	FULL PROGRAM
	ACTUALS	BUDGET	BUD-ACT VAR	ACTUALS	FORECAST
Funding	1,974,051	2,170,422	(196,371)	14,425,414	18,509,030
People, Culture and Wellbeing	60,036	71,943	11,907	1,310,645	2,928,112
Business, Tourism and Economy	18,816	110,250	91,434	39,503	651,000
Public Infrastructure	103,433	1,089,723	986,290	1,289,911	3,592,836
Environment and Biodiversity	360,675	846,875	486,200	10,048,307	10,712,613
Planning and Rebuilding	34,145	105,193	71,048	93,895	620,000
Recovery Directorate	1,645,961	1,888,431	242,470	5,011,879	5,912,636
Resident Storm Branch Collection	77,586	741,741	664,155	1,342,336	2,000,000
Total Expenditure	2,300,652	4,854,156	2,553,504	19,136,476	26,417,197
Net Position	(326,601)	(2,683,734)	(2,357,133)	(4,711,062)	(7,908,167)

Note: Variances to budget which are unfavourable are shown in brackets ().

Resident Storm Branch Collection

YTD Variance to budget \$664,155.

Budget anticipated that the ERV funded second phase ran from July-September 2022. Actual timing is expected to be September 2022 to June 2023.

Public Infrastructure

YTD Variance to budget \$986,290.

Budget included substantial Asset Reconstruction works. Asset Reconstruction works had not been fully investigated at the time of preparing the budget. Asset Reconstruction program totalling \$307,000 has been approved under DRFA and works are in progress. These works will be largely funded under DRFA.

Environment and Diversity

YTD Variance to budget \$486,200.

Budget included tree clean-up in Parks, Reserves and Bushland which was largely completed in 2021-22. Actual YTD includes first payment of \$283,573 to Treasuring Our Trees and Habitat for Humanity as part of a private property clean-up program totalling \$656,667. This program is 100% funded by ERV. Funding is being recognised as expenditure occurs

DRFA Claims status

Claims have been lodged with Emergency Management Victoria under DRFA totalling \$10,307,341.

Thirty-two claims have been assessed and paid to date with Council receiving an average 90% reimbursement from \$7,287,899 claimed.

Advances received in 2021-22 were recorded as income in 2021-22. Advances totalling \$7,846,420 are expected to be fully recovered against claims. DRFA funding in 2022-23 is expected to be only for Asset Reconstruction works.

Storm Recovery - October 2022 (AGRN 1037)

Flooding was experienced over several days in October and November 2022. For example, at Coldstream, 220mm of rain fell in October and 146mm fell in November. In many instances, the rain fell within a short period of time, causing flash flooding throughout the region.

Damage to roads has been extensive, with over 500 roads or road sections listed as requiring remediation works. Around half have been repaired, with a total spend so far on roads and drains of \$1,815,421.

Trees were de-stabilised during the flooding, and many came down shortly thereafter. Most of the tree issues caused by the floods have been attended to, costing \$568,248.

Council is working with ERV and our DRFA assessor to ensure we receive the maximum funding assistance under DRFA and all other avenues of funding. \$500,000 has been received via the Council Flood Support Fund and will be used to support works in Council owned parks and gardens which are not funded under DRFA, as well as other non-DRFA funded expenses.

Total expenditure as a result of this flood event is expected to be around \$5 million.

	2022-23 YTD
	ACTUALS
Funding	2,647,450
People, Culture and Wellbeing	8,067
Insurance works on Council property	23,429
Parks and Gardens works	233,696
Environment and Biodiversity	568,248
Public Infrastructure	1,815,421
Total Expenditure	2,648,860
Net Position	(1,410)

Pandemic Recovery

	2022-23 YTD	2022-2023 YTD	2022-2023 YTD	2022-23 FULL YEAR
	ACTUALS	BUDGET	BUD-ACT VAR	BUDGET
900944 - Covid-19 Other	156,658	103,368	53,290	150,496
900945 - Working For Victoria	4,918	4,918	0	9,755
900948 - COVID Vaccination Communication	(5,700)	0	(5,700)	0
900950 - Covid-19 Recovery Fund	1,982	1,283,490	(1,281,508)	2,565,524
900951 - CRF-Community Led Recovery Committees	34,889	71,427	(36,538)	140,749
900953 - CRF – Mental Wellbeing Coordination	53,606	73,753	(20,148)	145,713
900956 - CRF-Grants Community Recovery	4,806	4,806	0	9,533
900957 - CRF-Emergency Relief Network	0	30,000	(30,000)	60,000
900960 - CRF-Mental Health First Aid	182	0	182	0
900967 - Coworking Plus	1,792	0	1,792	0
900971 - CRF-Art Attack Yarra Ranges	3,200	0	3,200	0
900972 - CRF - Affordable Housing	24,503	0	24,503	0
900973 - CRF - Diversity and Inclusion	0	0	0	0
900974 - CRF - Your Reason Your Season	40,476	0	40,476	0
900975 - CRF – Building Skills for the Future	0	0	0	0
Total Expenditure	321,310	1,571,762	(1,250,451)	3,081,770

Several new projects have been approved by ELT and will be started in the coming months, including:

Mental Health First Aid	\$78,260
Affordable Housing	\$288,583
Diversity and Inclusion	\$141,301
Your Reason Your Season	\$80,000
Building Skills for the Future	\$35,000

These projects will continue into the new financial year and will be included in the 2023-24 Budget.

Preparing Australian Communities (Local) Grant (PAC)

	Actual spend YTD	Grant funded	Council funded	Total Project	
Landslip Risk Assessment	0	300,000	0	300,000	
Changing Places Facility	16,667	87,000	87,000	174,000	* Capital project
Emergency Relief	0	161,016	14,234	175,250	
Place Based Resilience Planning	27,694	1,219,650	215,063	1,434,712	
Proactive Tree Management	229,207	4,825,725	0	4,825,725	
Resilient Buildings	174,403	3,000,000	3,070,000	6,070,000	* Capital project
Resilient Energy Precinct	21,946	401,609	49,500	451,109	
Resilient Yarra Ranges	0	5,000	0	5,000	
Total Expenditure	469,917	10,000,000	3,435,796	13,435,796	

Council was successful in the application for funds under the Preparing Australian Communities (Local) Grant program. Projects funded by this grant will run from 2022-23 to 2024-25. This was not certain at the time of preparing the Budget, so these projects have not been included in the Budget for 2022-23. Projects are still in the initiation phase with minimal spending.

Organisational Performance

Investments

Account Name	Balance \$'000	Applicable interest rate
Operating Cash Accounts		
Cash Management (Westpac Operating Account)	1,479	0.45%
Cash Management (Westpac Investment Account)	29,680	0.55%
Cash Management (Commonwealth)	671	0.01%
Term Deposits		
BOQ Term Deposit (matures 29/01/2023)	2,000	3.45%
MyState Term Deposit (matures 02/06/2023)	3,500	4.35%
MyState Term Deposit (matures 06/03/2023)	2,000	3.85%
Total Cash & Cash Equivalents	39,331	

Borrowings

Account Name	Original Loan Amount	Applicable interest rate	Current Liability	Non Current Liability	Total
Loan					
NAB (end 01/12/2022)	13,000,000	5.35%	0	0	0
NAB (end 04/08/2024)	21,000,000	4.65%	1,193,676	3,111,026	4,304,702
Loan Balance			1,193,676	3,111,026	4,304,702

Debtor Management

Trade & Other Receivables – *Balance of \$78.7m*

Rate Arrears (includes Special Rates & Charges)

Total outstanding is \$121.7m for Receivables – Property.

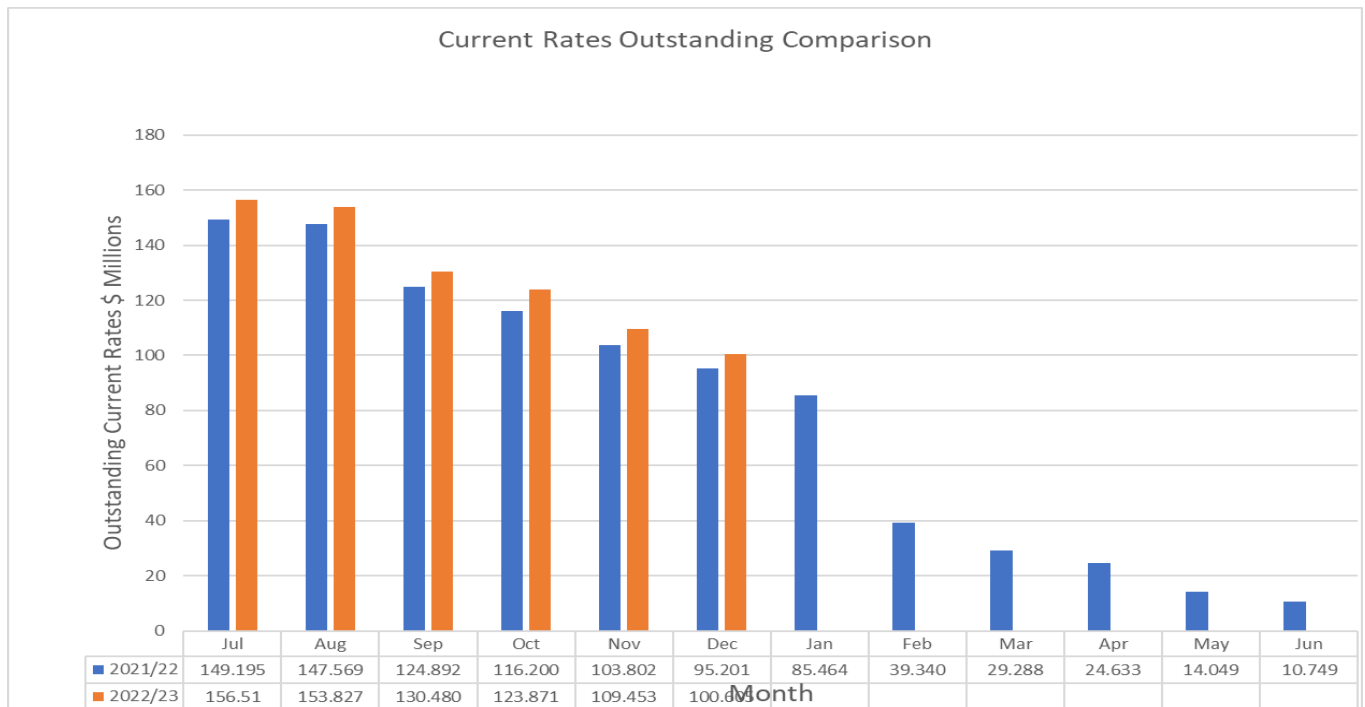
Note: The Trade & Other Receivables balance of \$78.7m in the balance sheet includes only the YTD apportioning of the total annual rates invoiced.

The following table details the total rates outstanding for 2022-23 as at 31 December 2022.

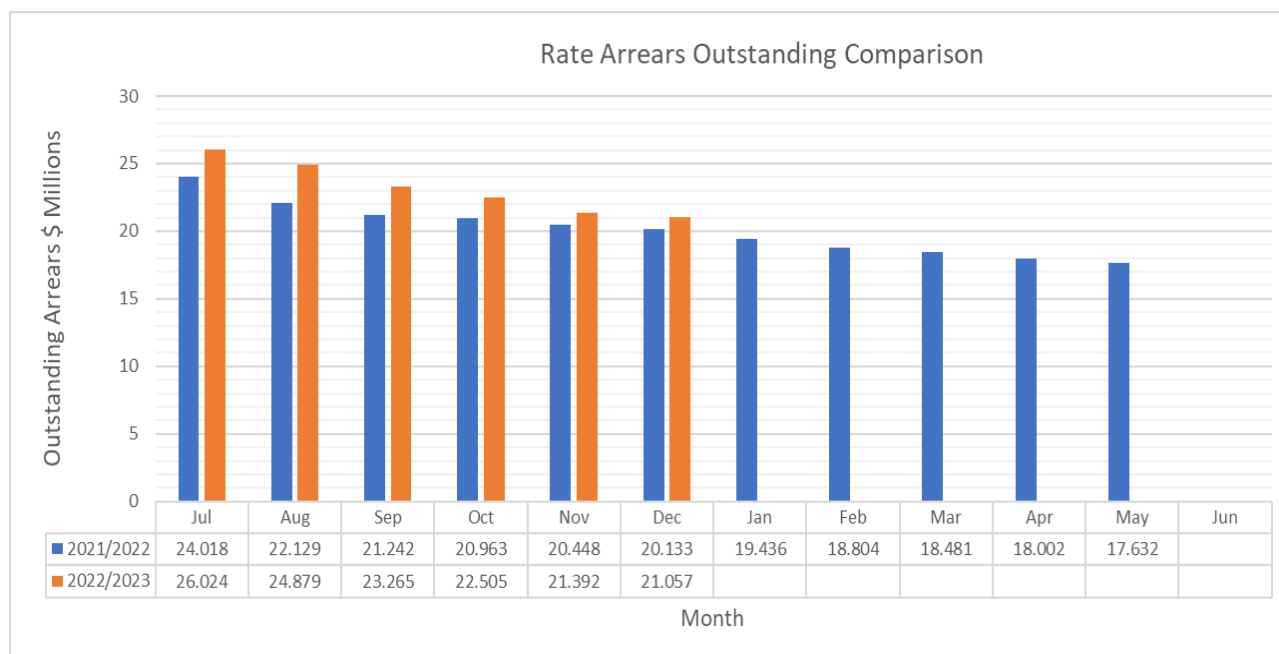
Rates Debts Outstanding		
Current Rates 22/23	100,328,809.53	
Current Interest	-	
Legal Costs on Current	276,738.31	100,605,547.84
<hr/>		
Arrears (prior to 22/23)	18,147,840.33	
Interest on Arrears	2,668,950.74	
Legal costs on Arrears	240,214.99	21,057,006.06
<hr/>		
Total rates & charges Outstanding		121,662,553.90

Current Rates Outstanding Comparison

The level of current rates outstanding measured in real terms (+1.75% Rates Cap Increase) compared to the same period last year has increased by 3.72%



The level of rate arrears measured in real terms (+1.75% Rates Cap Increase) compared to the same period last year has increased by 1.21%



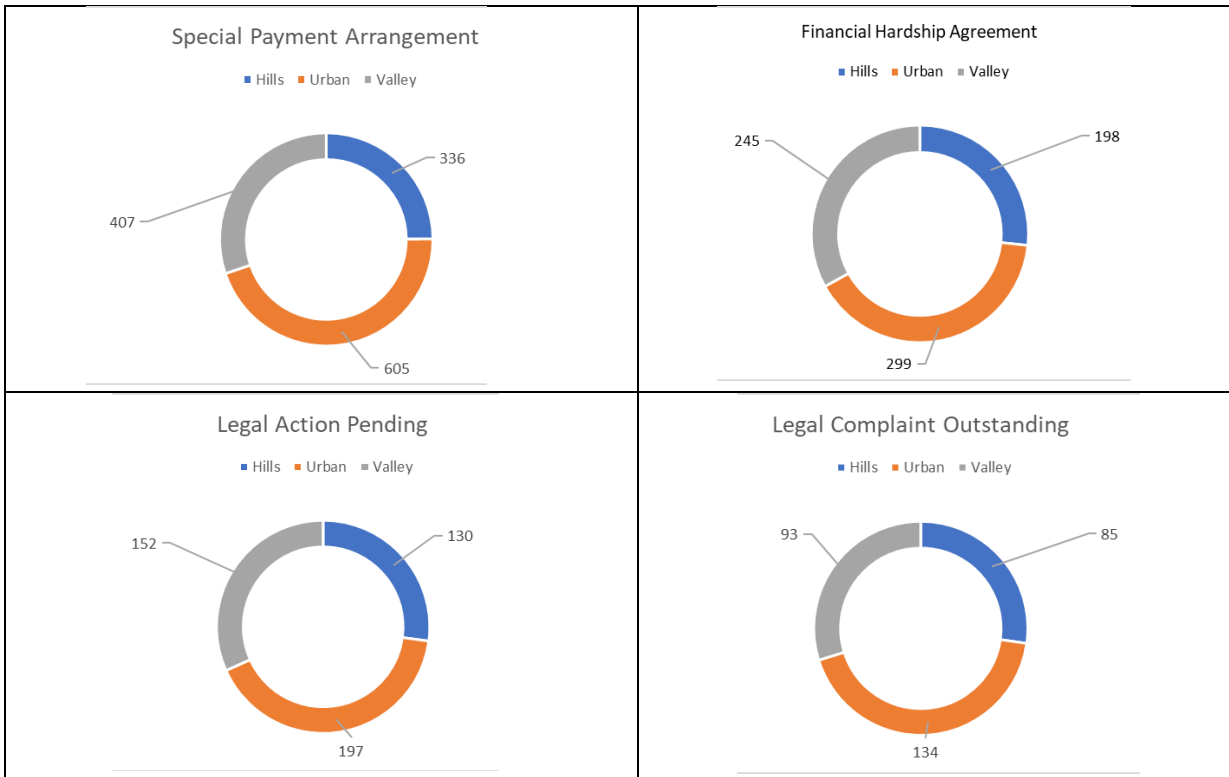
The following table details the current status of the arrears and rate recovery methods.

Rate Recovery Category	Activity	Arrears	Interest on Arrears	Legal Costs	Total O/S	Number of Assessments	Current Including Assessment
Financial Hardship	Deferment In place	4,220,061	161,727	22,479	4,404,266	710	1,530,548
	Recurring Deferment In place	46,524	284	770	47,578	7	12,931
	Deferment recently cancelled	98,922	7,921	2,578	109,421	24	39,747
	Defaulted conditions on deferment	-	-	-	-	-	-
Hardship Being Reviewed	Standard deferment being reviewed	31,426	-	-	31,426	3	7,842
	Recurring Deferment being reviewed	-	-	-	-	-	-
Arrangements	Payment Plan In place	3,366,488	327,881	893	3,695,263	997	2,131,294
	Payment Plan In place with Credit Solutions	1,386,815	191,306	27,628	1,605,749	351	787,699
Receivership		83,382	23,034	2,125	108,541	17	23,967
Auction (s181)		57,558	70,994	2,964	131,516	4	4,095
Sale Pending		76,616	20,388	5,992	102,996	27	40,062
Probate Pending		2,609	304	-	2,914	3	5,839
Legal Action Avenues Exhausted		406,002	228,618	32,391	667,011	27	51,525
Legal Action Continuing		-	-	-	-	-	-
Legal Action Pending		2,218,406	482,470	69,355	2,770,232	479	1,040,390
Sub Standard Vacant		-	-	-	-	-	-
Due date extended - Supps		-	-	-	-	-	-
Totals		11,994,810	1,514,928	167,176	13,676,913	2,649	5,675,939

- Levels of payment arrangements, financial hardship agreements have remained similar to November 2022.
- Decreases in Legal actions continuing (from 731 to 479) are due to customers with excessive overdue amounts paying or entering into some form of rates relief with Council.

The following graphs compare rate recovery information regarding Location categories (Hills, Urban, Valley) and the amount of assessments on the following recovery methods:

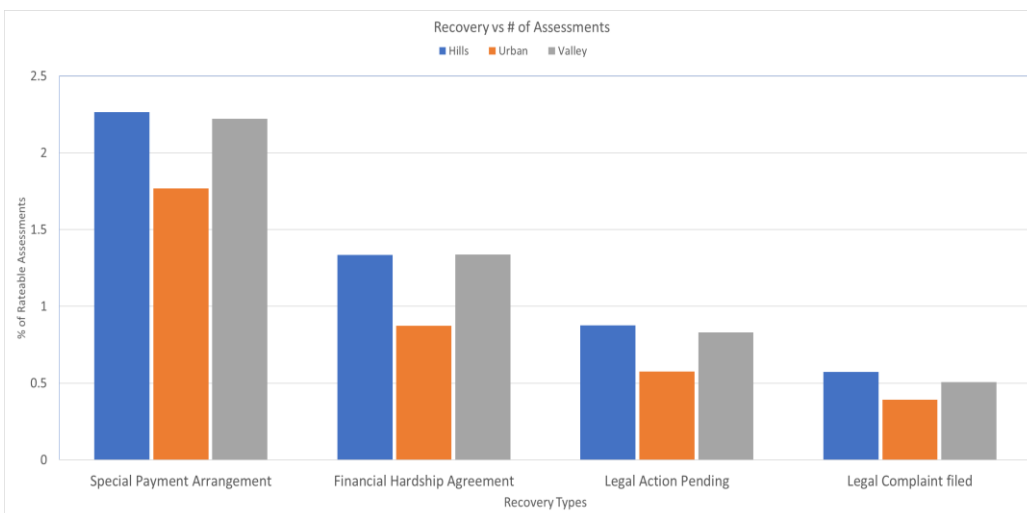
- Special Payment Arrangement
- Financial Hardship Agreement
- Legal Action Pending (For 2021/2022 outstanding rates)
- Legal Complaint Filed – With the Magistrates Court for Outstanding amounts.



Of the remaining 479 Legal action pending assessments;

- 53 Are currently being reviewed by Credit Solutions (Council’s debt recovery agent)
- 262 are now under the threshold for further legal action (\$2,500 arrears)
- 174 have made no arrangements, or payments and will be recommended for further recovery action.

The following 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.



Generally, Hills assessments are returning slightly closer to their counterparts every month. This could be due to the spike of assessments that required rates assistance after the June 2021 storms, starting to recover financially and no longer needing that assistance

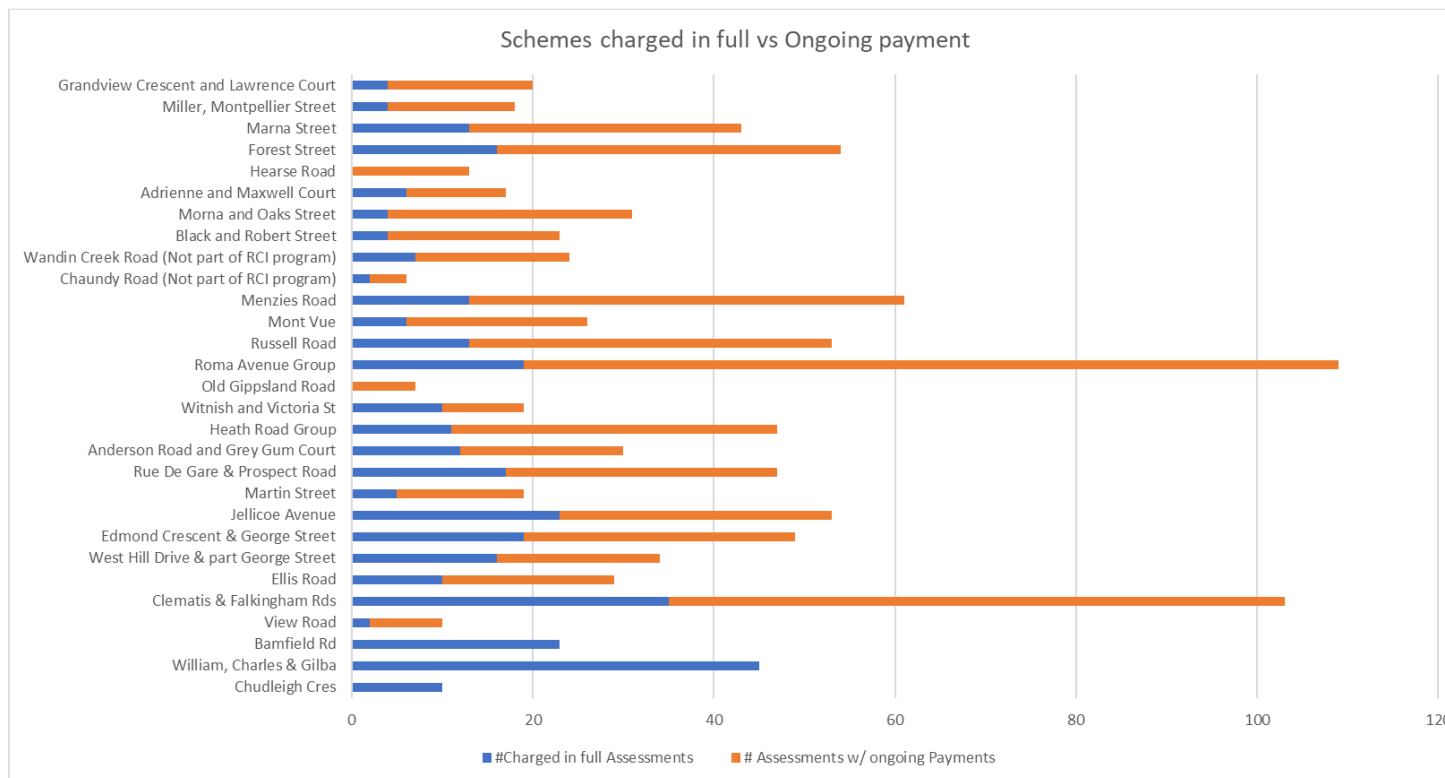
Special Charge Schemes

Due to the increase in Special Charge Schemes associated with Roads for the Community initiative funding received from the Federal Government, monthly reports will now break down the amounts currently owing and future liabilities of all Special Charge Schemes.

The following outstanding amounts are included as part of the \$121.7 million in rates and charges outstanding.

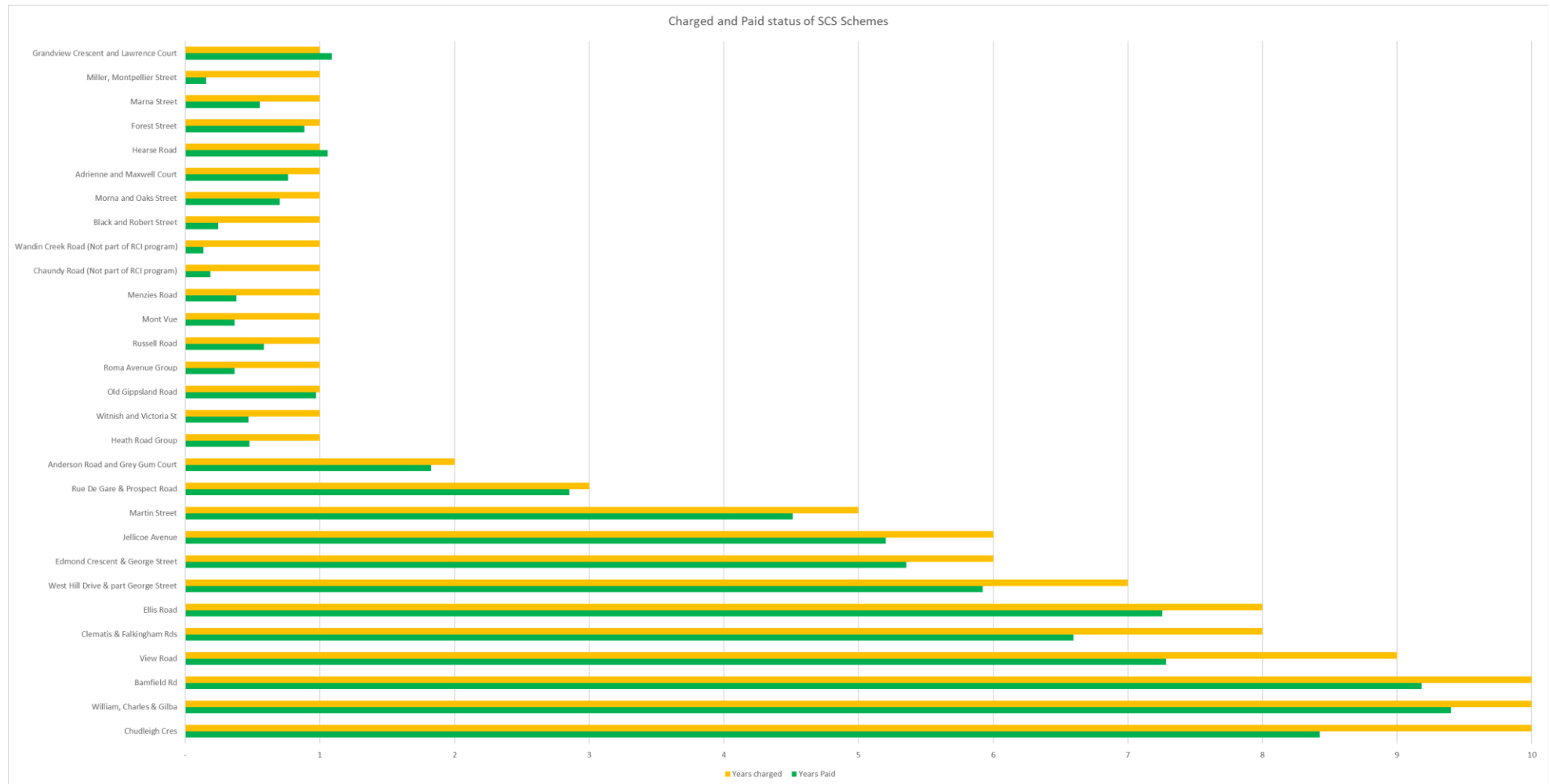
The following table shows all currently levied Special Charge Schemes, illustrating;

- How many assessments / owners have elected to pay the scheme in full (blue), and;
- How many assessments / owners continue to pay in instalments charged over the 10 year life of the scheme (orange)



% Charged and % paid of SCS schemes

The following graph shows the *Number of years* that the SCS has been charged for and the *the amounts charged (so far) that have been paid*.



In certain cases e.g “Grandview Crescent and Lawrence Court” and “Hearse Road” the amount paid so far (including those who have paid in full) is higher than the amount that would otherwise be charged on a yearly basis.

Work in Progress

The following table shows the YTD WIP movement as at 31 December 2022:

Financial Year	No of Project in Opening Balance	Opening Balance	Added in 2022-2023 (Jul to Dec)	Transfer to Asset Register 2022-2023	Total Balance as at 31.12.2022
FY 2020-21 or before	377	79,706,257.38	16,451,924.84	-3,741,205.68	92,416,976.54
FY 2021-22	181	15,974,068.95	3,189,264.07	-3,704,690.42	15,458,642.60
FY 2022-23	57	0.00	9,849,271.43	-6,443,735.87	3,405,535.56
Grand Total	615	95,680,326.33	29,490,460.34	-13,889,631.97	111,281,154.70

As at 31 December, 42 projects were transferred to the asset register totalling \$13.9m. Other progress to date includes:

- Continuing review of intangibles to identify any expenditure that should be expensed instead of capitalised in line with accounting standards.
- Continuing “clean up” work on prior year WIP balance to identify the status of each project in order to determine which assets are to be capitalised or expensed.
- Continuing asset registration in EAM as part of review and clean up:

Asset Registration Status	Details of Registration Status	Sum of Total WIP Balance as at 31.12.2022	Count of Asset registration status 31.12.2022
Asset registration complete	Assets are created in the Asset Register	15,021,634.58	226
Asset registration not required	Not Infrastructure assets - P&E or Intangible assets	8,427,114.15	22
Asset registration pending/in progress	Currently registering assets	2,176,540.54	5
Awaiting data	The project is known to be complete, but no data has been received	14,066,369.47	29
Project not complete	The project has not yet been completed; no assets to register yet	70,216,316.88	330
Under investigation	Used when determining if a project is completed, where to get data, if there is a need to create new asset categories etc.	1,373,179.08	3
Grand Total		111,281,154.70	615