



Financial Report

for the period July 2022 to March 2023

Table of Contents

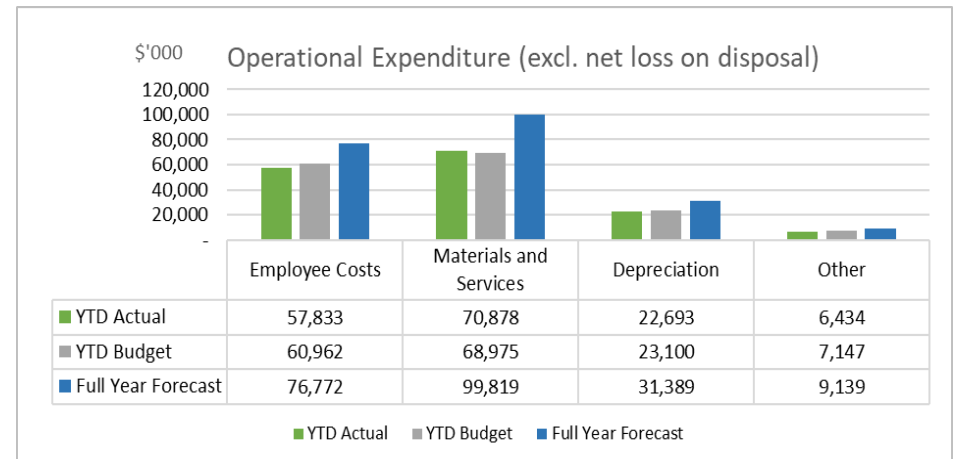
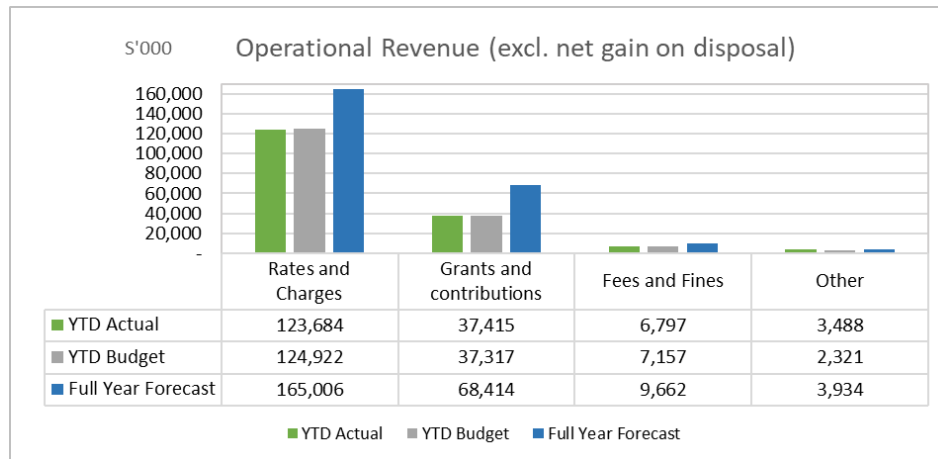
Executive Summary	3
Financial Performance for the period ending 31st March 2023	7
Comprehensive Income Statement	7
Variances and Insights	8
Balance Sheet	10
Statement of Cash Flows	11
Statement of Capital Works	12
Natural Disaster Recovery	14
Storm Recovery – June 2021 (AGRN 969)	14
Storm Recovery – October 2022 (AGRN 1037)	15
Pandemic Recovery	16
Preparing Australian Communities (Local) Grant (PAC)	16
Organisational Performance	17
Investments	17
Borrowings	17
Debtor Management	18

Executive Summary

This report provides a summary of the March 2023 position for the Yarra Ranges Council. Council is currently tracking slightly behind the budget after the first nine months of the 2022-23 financial year, with Council forecasting a full financial year result that is expected to be \$10.5m lower than budget. Revenue is in line with Budget, expenses are higher than budgeted due to higher operating expenses in relation to materials and services as detailed below.

Income & Expense Summary

	March 2023				YTD March 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Total Income	20,320	25,156	(4,837)	(19.2)%	171,384	171,716	(332)	(0.2)%	248,590	247,016	(1,573)	(0.6)%
Total Expenses	20,362	17,391	(2,971)	(17.1)%	157,838	160,183	2,346	1.5%	208,813	217,119	(8,306)	(3.8)%
Net Gain/(Loss) on Disposal	154	0	154	0.0%	(2,828)	0	(2,828)	0.0%	0	(650)	(650)	100.0%
Net Surplus/(Deficit)	112	7,765	(7,653)	98.6%	10,718	11,533	(815)	(7.1)%	39,777	29,247	(10,530)	(36.0)%
Operating (Underlying) Surplus/(Deficit)	1,969	17,155	(15,187)	(88.5)%	(9,199)	(14,402)	5,203	(36.1)%	(4,938)	(1,879)	3,059	(162.8)%



Comprehensive Result (Net Surplus)

YTD comprehensive result of \$10.7m is \$0.8m lower than the adopted budget. The major variances are:

- Grants revenue is lower than budgeted and there was no special rates and charges against a budget of \$1.6m in March.
- External contracts for infrastructure maintenance (footpaths/trails) and Programmed Maintenance (Maca Infrastructure – Roads) have driven YTD actuals above the Budget by \$1.9m
- Lower employee costs due to unfilled positions across the organisation (\$3.1m) with the largest variance in Communities directorate (\$2.4m).
- Lower Covid-19 recovery costs to date against a budget of \$1.7m.
- Increased revenue recognition related work completed relating to the October 2022 storms, grant income is above budget by 4.4m. Storm – Road's rehabilitation is above budget by \$1.6m.

The current annual forecast result of \$29.2m is below budget by \$10.5m due to income from Special Rates and Charges forecast to be \$3.3m below budget and Materials and Services forecasting an \$8m overspend to budget. This includes:

- Unbudgeted Preparing Australian Communities (PAC) project costs which were unknown at the time of preparing the Budget (\$2.6m), this is 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 (\$1.6m)

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.

Council has undertaken a significant review of its full year forecast to determine what the year end position may be. As a result of this review, several adjustments have been made, which has improved the forecasted comprehensive result by approximately \$1.3m. The key movements include:

- Reduction to Special Charge Scheme income (\$650k) to reflect changes in the Roads for the Community Initiative
- Reduction in Grant Income (\$4.6m), mainly impacted by an updated position on the Capital Works Program
- Reduction in Materials and Services Costs (\$6.0m), mainly impacted by more accurate reflection of new contract arrangements for the remainder of the year.

Balance Sheet and Cash Flow Statement

Cash and investment holdings are \$75.7m as of 31 March 2023 representing a positive cash position. The Balance Sheet presents a working capital of \$18.2m (total current assets of \$143.2m less total current liabilities of \$125.0m). 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 \$40.9m is \$24.4m or 37% below the YTD Adopted Budget of \$65.3m and is expected to be \$15.8m below the Forecast.

The underspend to budget relates to:

- Infrastructure – Roads: Road for the Community Initiative (\$7.5m) and road rehabilitation and resurfacing (\$2.0m).
- Project Management Salary Capitalisation (\$3.9m).
- Property – Buildings: Pinks Reserve Pavilion and Stadium (\$2.1m) and Climate Resilient Buildings (\$0.5m), Powelltown Pavillion (\$0.3m).
- Buildings and Trails new and improve are (\$4.1m) and (\$1.8m) below budget.
- Plant & Equipment replacements and Council Building minor works are under budget by a combined (\$1.9m) YTD.

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

VAGO Performance Indicators as at March 2023							
Indicator	Measure					YTD Actual	Full year Budget
Net result	Net surplus (deficit) / Total revenue	Less than -1.0%	-10% to 0%	More than 0%	%	6.3%	16.0%
Adjusted underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	Less than 0%	0% to 5%	More than 5%	%	-6.1%	-2.4%
Liquidity	Current Assets / Current Liabilities	Less than 0.75	0.75 to 1.0	More than 1.0	X	1.15	1.11
Internal financing	Net operating cashflow / Net capital expenditure	Less than 75%	75% to 100%	More than 100%	%	84.0%	82.2%
Indebtedness	Non current liabilities / Own sourced revenue	More than 60%	40% to 60%	40% or Less	%	7.9%	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 in relation to employee costs, depreciation, and financing 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.*
A strong cash and receivables balance ensure that YRC has significantly more cash and liquid assets that current liabilities.

- *Internal financing – The ability to finance capital works from net operating cashflow.*
Operational expenditure (materials, services, and employee costs) is below budget and capital expenditure is significantly lower than budgeted expectations thereby delivering the positive internal financing result.
- *Indebtedness - The ability to repay debt due after the next 12 months from own-sourced revenue (Total revenue excluding grants and contributions).*
YTD actual and full year budget reflect Council' s low level of debt compared to own-sourced revenue generated.

Financial Performance for the period ending 31st March 2023

Comprehensive Income Statement

Income & Expense Statement

	March 2023				YTD March 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Income												
Rates - General	13,655	13,384	271	2.0%	120,680	120,453	226	0.2%	160,604	160,604	0	0.0%
Rates - Special Rates and Charges	0	1,618	(1,618)	(100.0)%	3,005	4,468	(1,464)	(32.8)%	7,704	4,402	(3,303)	(75.0)%
Statutory Fees and Fines	52	248	(196)	(79.1)%	1,880	2,284	(403)	(17.7)%	3,079	3,076	(2)	(0.1)%
User Fees	1,021	539	482	89.5%	4,916	4,874	42	0.9%	6,480	6,586	105	1.6%
Contributions - Cash	513	493	20	4.1%	2,448	3,082	(634)	(20.6)%	4,340	5,188	848	16.3%
Grants - Recurrent	1,683	4,339	(2,656)	(61.2)%	15,377	20,081	(4,705)	(23.4)%	37,553	27,761	(9,792)	(35.3)%
Grants - Non Recurrent	3,056	4,259	(1,203)	(28.3)%	19,591	14,153	5,438	38.4%	22,660	32,465	9,805	30.2%
Other Revenue	63	155	(92)	(59.4)%	1,019	1,218	(199)	(16.4)%	1,699	1,807	108	6.0%
Interest	278	122	155	126.6%	2,469	1,102	1,366	123.9%	1,470	2,127	657	30.9%
Contributions - Non Monetary Assets	0	0	0	0.0%	0	0	0	0.0%	3,000	3,000	0	0.0%
Total Income	20,320	25,156	(4,837)	(19.2)%	171,384	171,716	(332)	(0.2)%	248,590	247,016	(1,573)	(0.6)%
Expenses												
Employee Benefits	7,299	6,199	(1,101)	(17.8)%	57,833	60,962	3,129	5.1%	76,649	76,772	(123)	(0.2)%
Materials and Services	10,257	8,106	(2,151)	(26.5)%	70,878	68,975	(1,903)	(2.8)%	91,638	99,819	(8,181)	(8.2)%
Bad and Doubtful Debts	0	0	0	100.0%	6	1	(5)	(658.0)%	51	53	(2)	(3.1)%
Depreciation and Amortisation	2,591	2,567	(24)	(0.9)%	22,693	23,100	407	1.8%	31,234	31,389	(155)	(0.5)%
Other Expenses	197	427	229	53.7%	6,245	6,309	65	1.0%	8,110	8,369	(259)	(3.1)%
Finance Costs (Interest)	17	93	76	82.0%	183	837	653	78.1%	1,131	717	414	57.7%
Total Expenses	20,362	17,391	(2,971)	(17.1)%	157,838	160,183	2,346	1.5%	208,813	217,119	(8,306)	(3.8)%
Net Gain/(Loss) on Disposal	154	0	154	0.0%	(2,828)	0	(2,828)	0.0%	0	(650)	(650)	100.0%
Net Surplus/(Deficit)	112	7,765	(7,653)	98.6%	10,718	11,533	(815)	(7.1)%	39,777	29,247	(10,530)	(36.0)%
Operating (Underlying) Surplus/(Deficit)	1,969	17,155	(15,187)	88.5%	(9,199)	(14,402)	5,203	(36.1)%	(4,938)	(1,879)	3,059	(162.8)%

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
Rates – Special Rates & Charges	This account is below budget by \$1.6m for the month although the full year forecast has been reduced to \$4.4m. Charges for the year are complete unless a customer wants to pay their charge in full.	(\$1.4m) unfavourable to budget
Contributions - Cash	The unfavourable variance is related to timing of the Native Timber Industry Transition contribution (\$0.3m) 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 partly offset by the early receipt of the Lilydale Quarry developer contributions (\$0.2m) and Pinks Reserve Netball Court (\$0.3m).	(\$0.6m) unfavourable to budget
Grants – Recurrent and Non-Current	The favourable variance is due to: <ul style="list-style-type: none"> Revenue recognition of Storm recovery funding (\$2.7m) Revenue recognition relating to delivery of capital works programs including Pinks Reserve Pavilion (\$1.4m) Revenue recognition of R2R (\$2.5m) 	\$0.7m favourable to budget (Recurrent / Non-Recurrent)
Interest	Higher interest income due to interest rate rises during the period.	\$1.4m favourable to budget
Employee Benefits	Underspend in employee costs is due to unfilled vacancies across the organisation. The largest variances are in: <ul style="list-style-type: none"> Communities (\$2.4m) - Family & Children Services (\$0.5m) and School Crossings (\$0.3m) although overtime and temporary staff offset this. Built Environment & Infrastructure (\$1.1m) - Infrastructure Maintenance (\$0.3m), Strategy and Investigations (\$0.2m), and Roads for Community (\$0.2m) Planning Design and Development (\$1.3m) - Building and Permit Services (\$1.1m) Offset in part by an overspend in Temporary staff \$1.6m. 	\$3.1m favourable to budget
Finance Costs (interest)	Lower than budgeted borrowings during the year have resulted in significant interest savings.	\$0.6m favourable to budget

Full year Forecast analysis against Budget

Variance type	Variance Commentary	\$ impact
Grants - Recurrent and Non-Recurrent	The combined Grants revenue is in line with Budget, the Forecast has been adjusted to better reflect the classification between Recurrent and Non-Recurrent	Recurrent \$9.7m favourable to budget Non-Recurrent (\$9.8m) unfavourable to budget.
Rates Special Rates and Charges	This unfavourable variance is due to the timing of the special charge scheme income resulting from the Roads for the Community Initiative. Currently under review to ensure all special charges have been invoiced.	(\$3.3m) unfavourable to budget
Contributions - Cash	Currently tracking behind budget YTD, the full year forecast is to exceed Budget. Need to confirm if this is due to projects commencing later than anticipated.	\$0.85m favourable to budget
Interest Revenue	Higher cash balance held during the year combined with higher interest rates has delivered an additional \$1.4m in revenue YTD. The full year forecast can safely increase.	\$0.7m favourable to budget
Materials and services	The unfavourable variance is driven by: <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) • External contracts \$3m over budget relating to power line clearances, topdressing ovals, paving and sealing roads and paths. • Higher temporary staff to cover vacancies across the organisation (\$1.6m) • Software - Cloud services (0.9m) 	(\$8.1m) unfavourable to budget

Balance Sheet

Balance Sheet - as at March 2023			
\$'000	Actual YTD March 2023	Adopted Budget (to June 2023)	Prior year (to June 2022)
Current assets			
Cash and cash equivalents	75,694	66,330	84,674
Trade and other receivables	47,589	21,560	36,781
Other assets	19,876	5,418	15,343
Total current assets	143,159	93,308	136,798
Non-current assets			
Trade and other receivables	3,838	1,406	1,088
Investments in associates and joint ventures	3,561	5,400	3,561
Property, infrastructure, plant & equipment	1,297,934	1,259,485	1,282,486
Intangible asset	3,349	819	3,349
Right-of-use assets	453	1,303	585
Total non-current assets	1,309,135	1,268,413	1,291,069
Total assets	1,452,294	1,361,721	1,427,866
Current liabilities			
Trade and other payables	85,056	15,349	70,435
Trust funds and deposits	19,867	43,270	16,037
Provisions	17,744	19,252	20,436
Interest-bearing loans and borrowings	600	5,856	3,184
Lease liabilities	1,694	427	1,694
Total current liabilities	124,961	84,154	111,786
Non-current liabilities			
Lease liabilities	1,944	867	1,944
Provisions	5,703	5,843	5,167
Interest-bearing loans and borrowings	3,111	31,165	3,111
Total non-current liabilities	10,758	37,874	10,222
Total liabilities	135,718	122,028	122,009
Net assets	1,316,576	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)	10,718	39,676	37,027
Total equity	1,316,576	1,239,693	1,305,858
Working Capital	18,199	9,154	25,011

Statement of Cash Flows

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

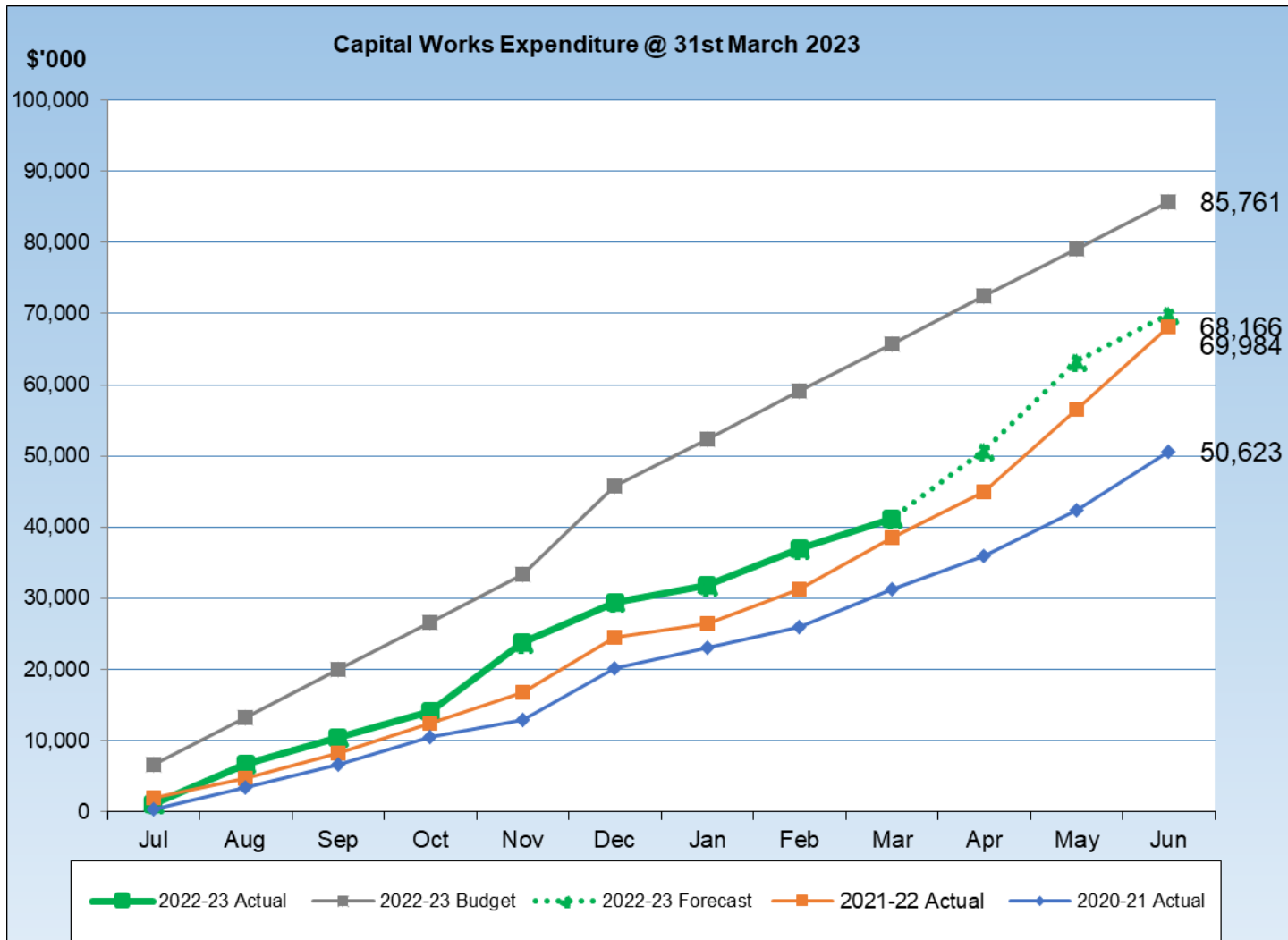
Statement of Cash Flows - as at March 2023			
\$'000	Actuals YTD March 2023	Adopted Budget (to June 2023)	Prior year (to June 2022)
CASH FLOWS FROM OPERATING ACTIVITIES			
Rates and charges	131,579	170,617	156,225
Statutory fees and fines	2,464	3,392	2,665
User fees (inclusive of GST)	(17,283)	7,138	6,722
Grants - operating (inclusive of GST)	16,692	21,879	19,591
Grants - capital (inclusive of GST)	42,092	36,009	51,303
Contributions (inclusive of GST)	2,512	3,944	3,467
Interest received	2,414	177	354
Trust funds and deposits	882	37	13,608
Other receipts (inclusive of GST)	1,069	5,363	6,007
Net GST refund	11,696	16,015	9,266
Materials and Services (inclusive of GST)	(92,457)	(73,042)	(69,324)
Employee costs	(60,221)	(93,820)	(87,555)
Other payments	(6,793)	(17,362)	(21,634)
Net cash provided by operating activities	34,646	80,347	90,695
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments for property, infrastructure, plant and equipment	(41,268)	(97,753)	(68,155)
Proceeds from sale of property, infrastructure, plant and equipment	413	0	828
Investments in associates	-	0	2,000
Net cash used in investing activities	(40,855)	(97,753)	(65,327)
CASH FLOWS FROM FINANCING ACTIVITIES			
Finance costs	(187)	(1,116)	(411)
Proceeds from interest bearing loans and borrowings	-	23,497	0
Repayment of borrowings	(2,584)	(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	(2,771)	16,242	(6,255)
Net increase/(decrease) in cash and cash equivalents	(8,980)	(1,164)	19,113
Cash and cash equivalents at beginning of the financial year	84,674	67,494	65,561
Cash and cash equivalents	75,694	66,330	84,674

Statement of Capital Works

	Capital Works Statement											
	March 2023				YTD March 2023				Annual Total			
	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Actual \$'000	Budget \$'000	\$ variance \$'000	% variance	Budget \$'000	Forecast \$'000	\$ variance \$'000	% variance
Expenditure												
Infrastructure - Asset Management	3	440	438	99.4%	10	3,964	3,953	99.7%	5,285	5,260	(25)	(0.5)%
Infrastructure - Bridges	78	56	(22)	(39.2)%	599	505	(94)	(18.7)%	673	866	193	22.3%
Infrastructure - Community & Recreation	735	262	(473)	(180.9)%	2,537	2,355	(182)	(7.7)%	3,140	4,786	1,646	34.4%
Infrastructure - Drainage	10	132	123	92.6%	395	1,192	797	66.9%	1,589	967	(622)	(64.3)%
Infrastructure - Footpaths & Cycleways	203	196	(6)	(3.3)%	1,502	1,765	262	14.9%	2,353	2,289	(64)	(2.8)%
Infrastructure - Off-street Carparks	0	29	29	100.0%	339	263	(76)	(29.0)%	350	350	0	0.0%
Infrastructure - Open Space	512	770	258	33.5%	2,899	6,932	4,033	58.2%	9,243	5,951	(3,292)	(55.3)%
Infrastructure - Roads	1,732	2,740	1,008	36.8%	13,666	24,661	10,994	44.6%	32,881	22,201	(10,680)	(48.1)%
P&E - Computers & Comms	96	216	120	55.5%	1,202	1,947	745	38.2%	2,596	1,737	(859)	(49.5)%
P&E - Fixtures, Fittings & Furniture	0	2	2	100.0%	0	14	14	100.0%	18	18	0	0.0%
P&E - Plant, Machinery & Equipment	353	296	(57)	(19.3)%	1,820	2,662	842	31.6%	3,550	3,317	(233)	(7.0)%
Property - Buildings	548	1,476	928	62.9%	9,489	13,288	3,800	28.6%	17,718	15,229	(2,489)	(16.3)%
Property - Land	0	0	0	0.0%	6,444	5,796	(648)	(11.2)%	5,796	6,444	648	10.1%
TOTAL	4,270	6,616	2,346	35.5%	40,903	65,343	24,440	37.4%	85,192	69,415	(15,777)	(17.1)%

Further detail on the performance of the Capital Program is provided in the separate quarterly capital works program 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	2,222,355	2,887,970	(665,615)	14,673,718	18,509,030
People, Culture and Wellbeing	92,066	107,913	15,847	1,344,500	2,928,112
Business, Tourism and Economy	18,840	165,375	146,535	39,527	651,000
Public Infrastructure	103,433	1,634,585	1,531,152	1,289,911	3,592,836
Environment and Biodiversity	524,249	1,270,253	746,004	10,210,056	10,712,613
Planning and Rebuilding	41,340	157,789	116,449	101,090	620,000
Recovery Directorate	2,262,102	2,465,581	203,479	5,628,020	5,912,636
Resident Storm Branch Collection	77,586	741,741	664,155	1,342,336	2,000,000
Total Expenditure	3,119,616	6,543,237	3,423,621	19,955,440	26,417,197
Net Position	(897,261)	(3,655,267)	(2,758,006)	(5,281,722)	(7,908,167)

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

Public Infrastructure

YTD Variance to budget \$1,531,152.

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 \$746,004.

Budget included tree clean-up in Parks, Reserves and Bushland which was largely completed in 2021-22. Actual YTD includes payments of \$416,343 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-three claims have been assessed and paid to date with Council receiving an average 88% reimbursement from \$7,352,300 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 146 mm 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. Just over half have been repaired, with a total spend so far on roads and drains of \$3,548,375.

Trees were de-stabilised during the flooding, and many came down shortly thereafter or have had to be removed as they were considered dangerous. Most of the tree issues caused by the floods have been attended to, costing \$873,307.

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.

Council has applied for an Advance against the costs of this storm recovery effort. We have been approved to receive \$4.5M, which should be received in April 2023.

Total expenditure as a result of this flood event is expected to be around \$12M.

	2022-23 YTD
	ACTUALS
Funding	4,278,674
People, Culture and Wellbeing	10,277
Insurance works on Council property	133,944
Parks and Gardens works	188,180
Environment and Biodiversity	873,307
Public Infrastructure	3,548,375
Total Expenditure	4,754,083
Net Position	(475,409)

Pandemic Recovery

	2022-23 YTD	2022-2023 YTD	2022-2023 YTD	2022-23 FULL YEAR	2022-23 FULL YEAR
	ACTUALS	BUDGET	BUD-ACT VAR	BUDGET	FORECAST
900944 - Covid-19 Other	225,369	126,270	99,099	150,496	288,478
900945 - Working For Victoria	7,323	7,323	0	9,755	9,755
900948 - COVID Vaccination Communication	(5,700)	0	(5,700)	0	0
900950 - Covid-19 Recovery Fund	1,982	1,922,599	(1,920,617)	2,565,524	375,678
900951 - CRF- Community Led Recovery Committees	259,418	104,656	154,762	140,749	297,660
900953 - CRF – Mental Wellbeing Coordination	76,302	107,784	(31,483)	145,713	146,978
900956 - CRF-Grants Community Recovery	7,156	7,156	0	9,533	9,533
900957 - CRF-Emergency Relief Network	0	45,000	(45,000)	60,000	0
900960 - CRF- Mental Health First Aid	182	0	182	0	36,130
900967 - Coworking Plus	1,792	0	1,792	0	0
900971 - CRF - Art Attack Yarra Ranges	3,200	0	3,200	0	0
900972 - CRF - Affordable Housing	53,526	0	53,526	0	288,583
900973 - CRF - Diversity and Inclusion	2,797	0	2,797	0	141,301
900974 - CRF - Your Reason Your Season	46,324	0	46,324	0	80,000
900975 - CRF – Building Skills for the Future	0	0	0	0	35,000
Total Expenditure	679,672	2,320,789	(1,641,117)	3,081,770	1,709,097

Several new projects have been approved by ELT and will continue into the new financial year, 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

Preparing Australian Communities (Local) Grant (PAC)

	Actual spend YTD	Grant funded	Council funded	Total Project	
Landslip Risk Assessment	31,641	300,000	0	300,000	
Changing Places Facility	19,199	87,000	87,000	174,000	* Capital project
Emergency Relief	0	161,016	14,234	175,250	
Place Based Resilience Planning	85,977	1,219,650	215,063	1,434,712	
Proactive Tree Management	367,296	4,825,725	0	4,825,725	
Resilient Buildings	177,182	3,000,000	3,070,000	6,070,000	* Capital project
Resilient Energy Precinct	39,142	401,609	49,500	451,109	
Resilient Yarra Ranges	0	5,000	0	5,000	
Total Expenditure	720,437	10,000,000	3,435,796	13,435,796	

Council was successful in the application for funds under the Preparing Australian Communities (Local) Grant. 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.

Investments

Account Name	Balance \$'000	Applicable interest rate
Operating Cash Accounts		
Cash Management (Westpac Operating Account)	43,316	0.45%
Cash Management (Westpac Investment Account)	24,680	0.55%
Cash Management (Commonwealth)	198	0.60%
Term Deposits		
BOQ Term Deposit (matures 3/05/2023)	2,000	4.00%
MyState Term Deposit (matures 02/06/2023)	3,500	4.35%
NAB Term Deposit (matures 07/06/2023)	2,000	4.20%
Total Cash & Cash Equivalents	75,695	

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%	599,906	3,111,026	3,710,932
Loan Balance			599,906	3,111,026	3,710,932

Debtor Management

RATE ARREARS (INCLUDES SPECIAL RATES & CHARGES)

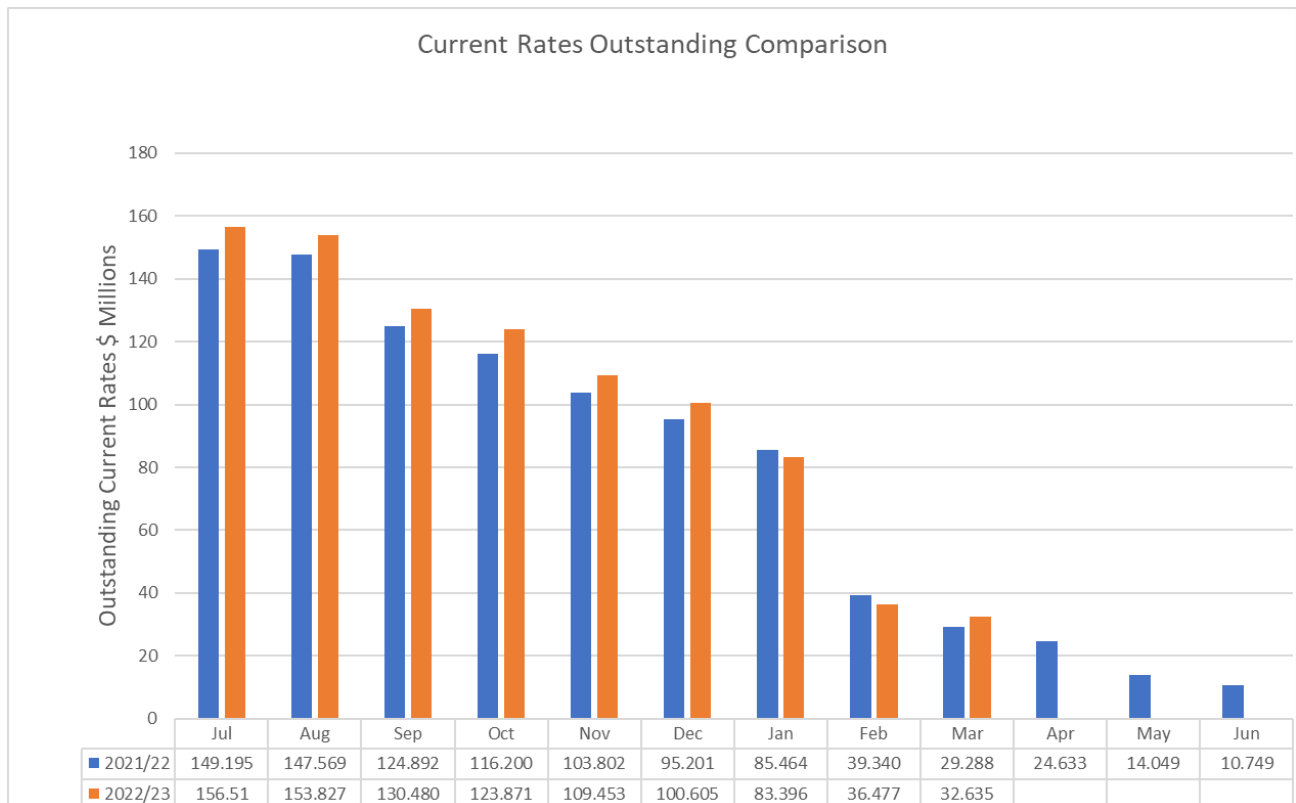
The Balance Sheet shows an amount of \$51.970 million for Receivables – Property.

The following table details the total rates outstanding as of 31 March 2023.

Rates Debts Outstanding		
Current Rates 22/23	32,180,674.43	
Current Interest	139,295.77	
Legal Costs on Current	314,696.91	32,634,667.11
Arrears (prior to 22/23)	16,635,742.16	
Interest on Arrears	2,481,029.97	
Legal costs on Arrears	219,346.19	19,336,118.32
Total rates & charges Outstanding		51,970,785.43

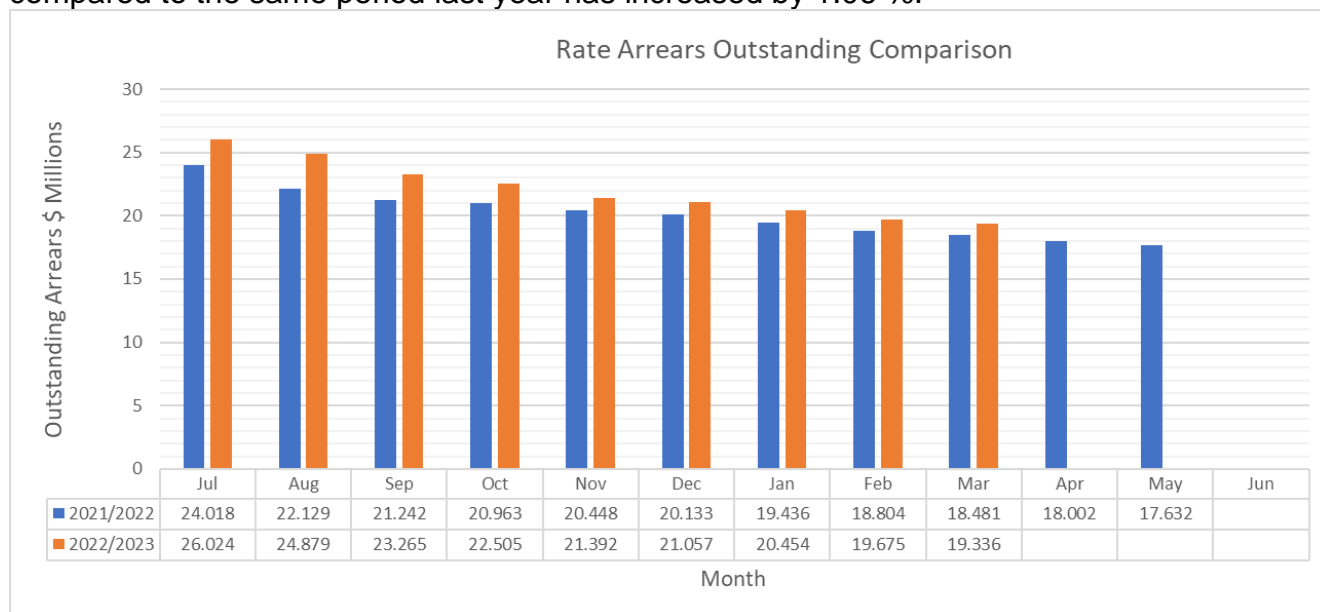
Current Rates Outstanding Comparison.

The level of outstanding current rates outstanding measured in real terms (+1.75% Rates Cap Increase) compared to the same period last year has *increased* by 8.69%



RATE ARREARS

The level of outstanding rate arrears measured in real terms (+1.75 Rates Cap Increase) compared to the same period last year has increased by 1.06 %.



- Current and arrears levels comparable to 12 months prior have increased due to Council delaying the issue of Late Payment Notices (Normally issued in March). The reason for doing so is to finalise the debt recovery process for 2019-2022 rates and charges before pursuing 2022/2023.

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

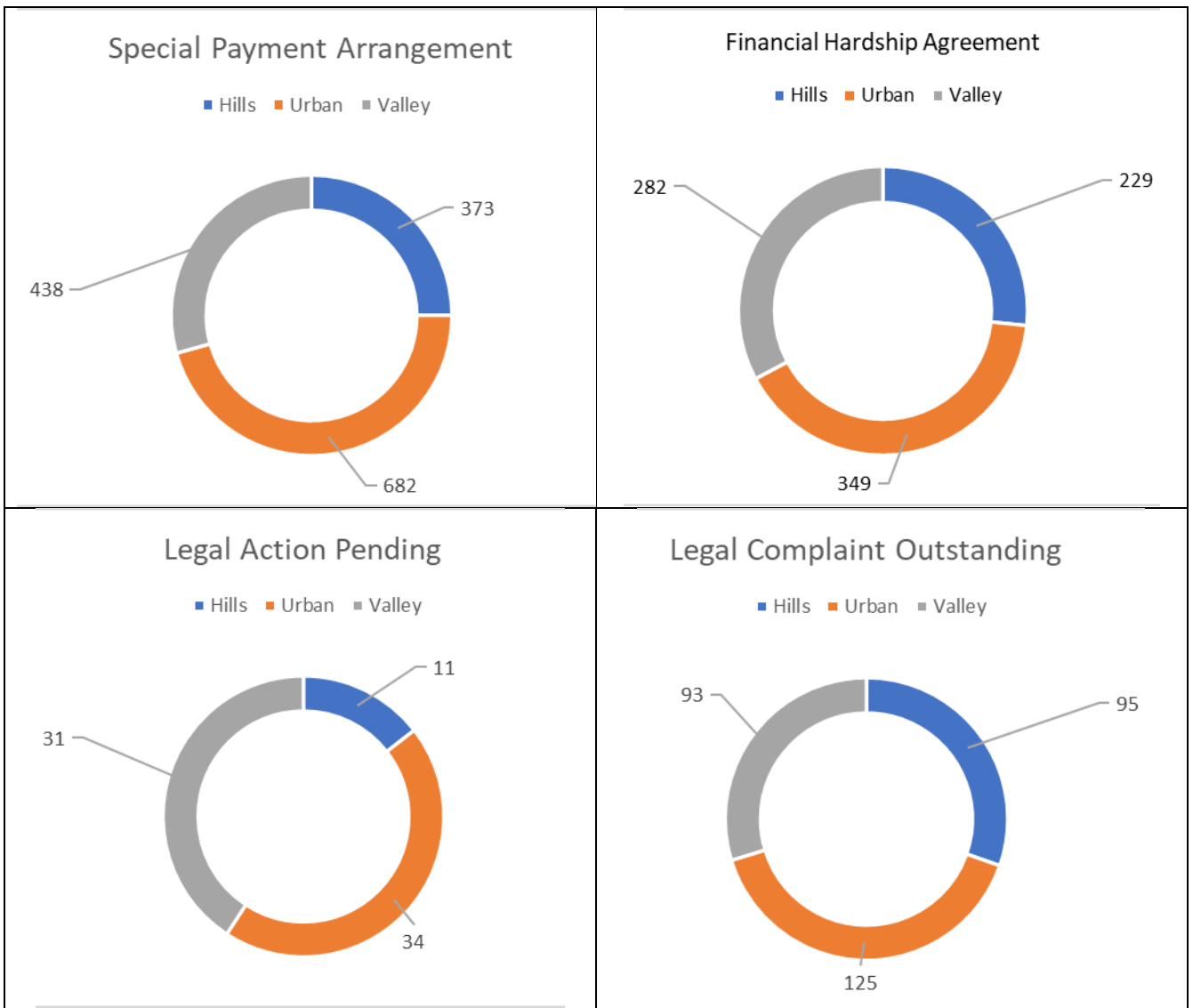
Rate Recovery Category	Activity	Activity	Arrears	Interest on Arrears	Legal Costs	Total O/S	Number of Assessments	Current Including Assessment
Financial Hardship	Deferment in place	A11	4,236,613	196,514	34,421	4,467,547	788	1,548,147
	Recurring Deferment in place	A33	45,312	284	770	46,366	8	13,591
	Deferment recently cancelled	ANITHARD	132,701	14,739	1,215	148,655	64	150,533
	Defaulted conditions on deferment	A11DFLT	8,528	825	-	9,353	3	6,084
Hardship Being Reviewed	Standard deferment being reviewed	A111	8,463	-	-	8,463	1	1,832
	Recurring Deferment being reviewed	A333	-	-	-	-	-	-
Arrangements	Payment Plan in place	A12	2,737,892	208,457	711	2,947,060	1,296	2,346,542
	Payment Plan in place with Credit Solutions	A12CS	935,217	128,762	21,598	1,085,577	197	440,360
Receivership		A13	92,807	25,658	2,125	120,590	18	25,755
Auction (s181)		A14	57,558	71,750	2,964	132,272	4	4,155
Sale Pending		A15	115,903	35,665	4,469	156,037	76	70,817
Probate Pending		A17	12,186	1,907	-	14,093	4	6,499
Legal Action Avenues Exhausted		A16	387,606	224,393	29,540	641,538	28	48,297
Legal Action Continuing		ALA2019	90,300	45,457	13,046	148,803	7	13,384
Legal Action Pending		AS2022A	644,607	151,093	26,512	822,212	76	188,927
Complaints filed		AC2022A	2,493,150	671,268	338,687	3,503,105	313	744,553
Sub Standard Vacant		ASSV	-	-	-	-	-	-
Due date extended - Supps			-	-	-	-	-	-
Totals			11,998,844	1,776,771	476,056	14,251,671	2,883	5,609,478

- Legal Action pending have decreased due to contact made with Rates Office and subsequent increase in payment plans (1,493) and hardship applications (786) and furthered to Magistrates Court Complaint stage (313)

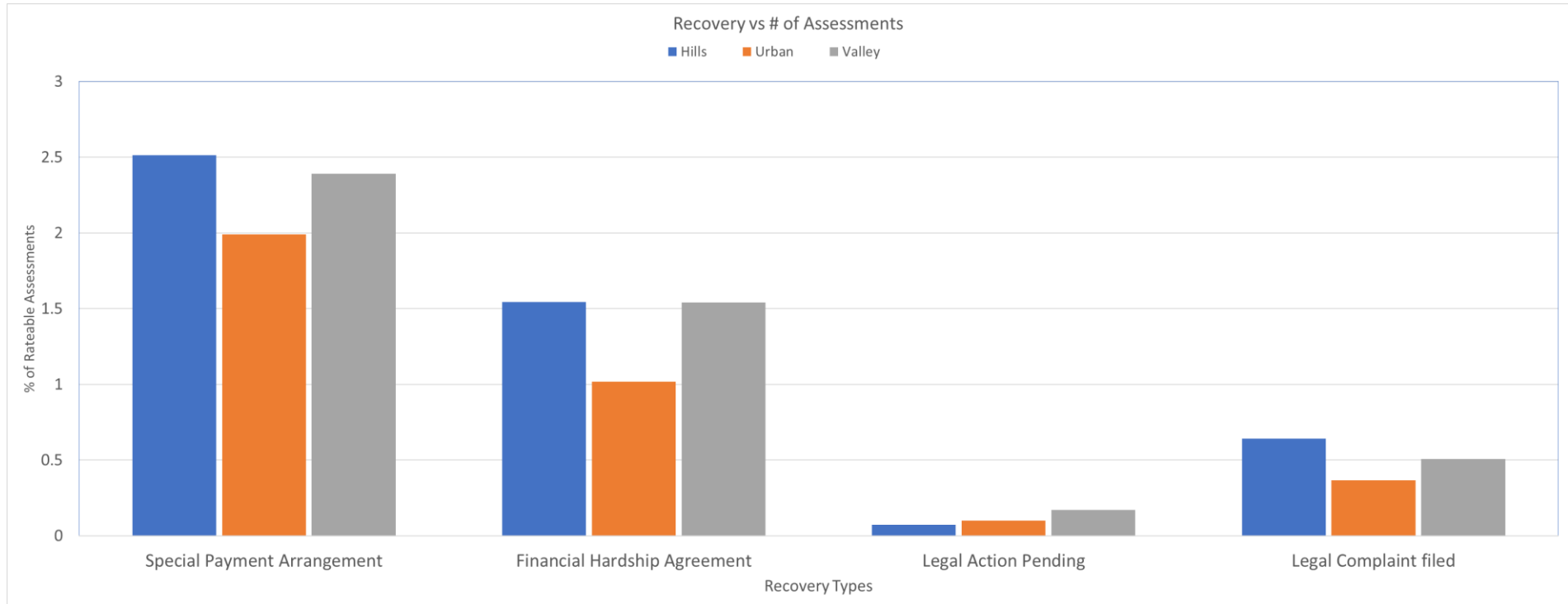
Please refer to the below graphs for information regarding Location categories (Hills, Urban, Valley) and the number of assessments on the following recovery methods:

- o Special Payment Arrangement
- o Financial Hardship Agreement
- o Legal Action Pending (For 2021/2022 outstanding rates)

- Legal Complaint Filed – With the Magistrates Court for Outstanding amounts.



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.



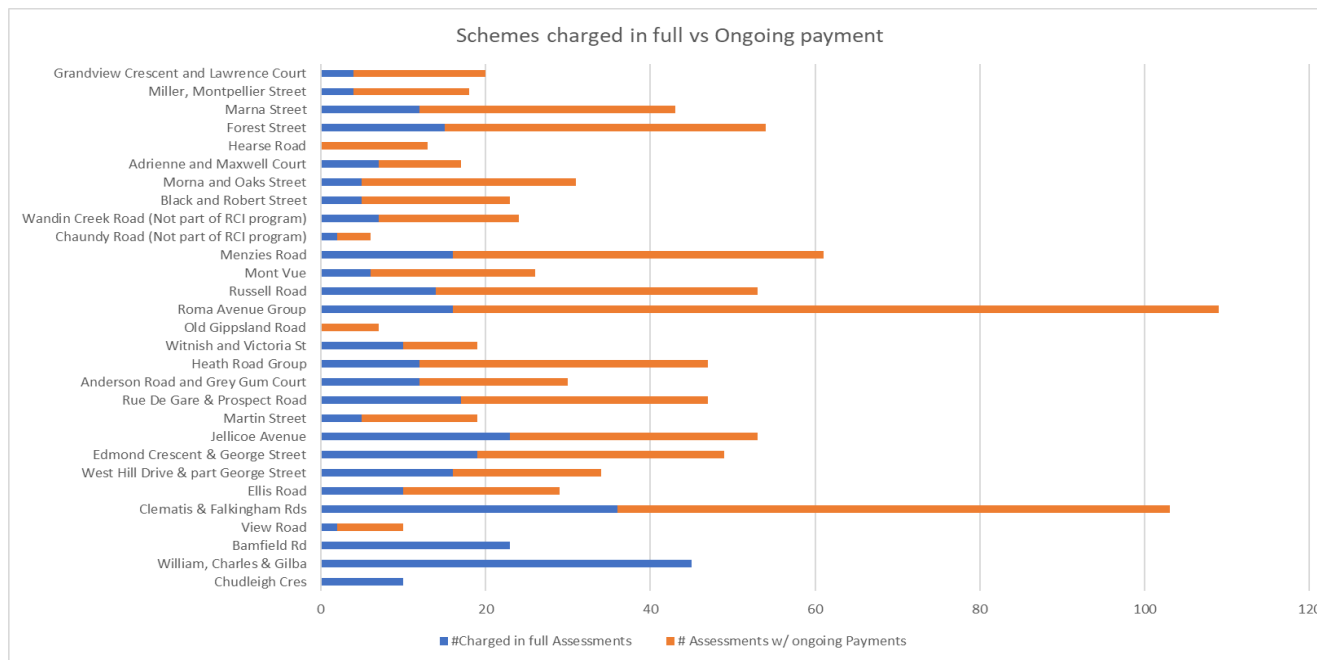
Special Charge Schemes

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 51.971 million in rates and charges outstanding.

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

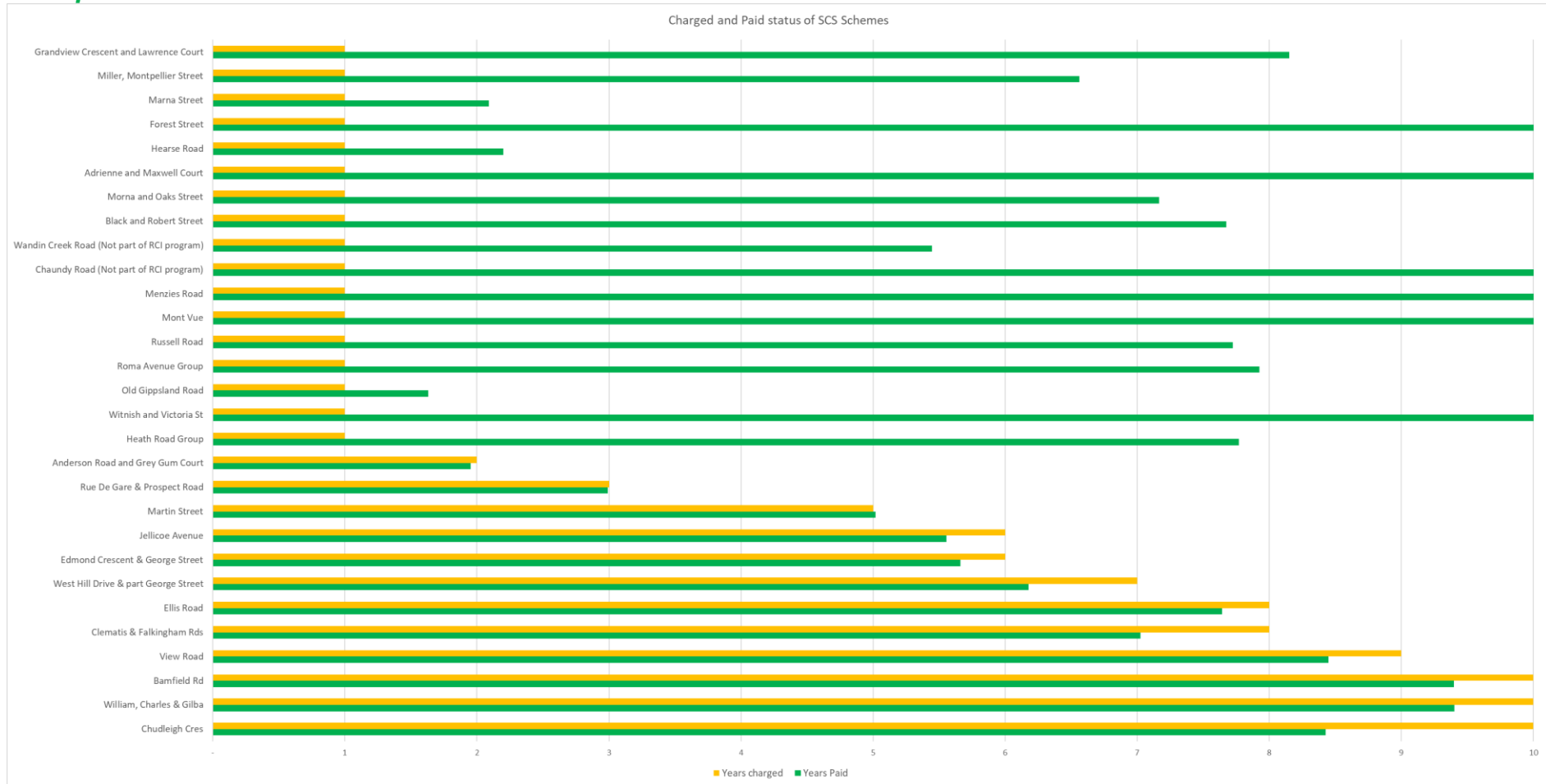
- How many assessments / owners have elected to pay the scheme in full (blue), and;
- How many assessments / owners continue to pay in instalments charged over the 10-year life of the scheme (orange)



Special Charge Schemes (cont)

% 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.

