



# Quarterly Performance Report

Q3 January - March 2026

- Bangholme
- Dandenong
- Dandenong North
- Dandenong South
- Keysborough
- Keysborough South
- Lyndhurst
- Noble Park
- Noble Park North
- Springvale
- Springvale South





## Acknowledgement of Country

We acknowledge the Bunurong people of the Kulin Nation as the Traditional Custodians of the lands and waters, now known as the City of Greater Dandenong. We honour their enduring connection to Country, their Cultural knowledge, and their sustainable stewardship of these lands and waterways over thousands of generations.

We pay our respects to Elders past and present, recognising their vital role in preserving and protecting the sacred lands and waterways of their Ancestors, their places, Traditional Cultural practises, and stories. We also acknowledge the Bunurong Land Council as the Registered Aboriginal Party, responsible for caring for the Aboriginal Cultural Heritage of this area.

In the spirit of reconciliation, we value the opportunity to learn from and work alongside Bunurong peoples, as Traditional Custodians.

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## Message from the CEO



I am pleased to share Council's Quarter 3 Performance Report, which highlights the progress we are making and the work underway to support our community, now and into the future.

As we reach the end of the third quarter, 93 per cent of the actions in our Annual Plan are completed or on track. This reflects a strong and steady delivery of services and projects across our city. Over the past few months, we have seen our community come together through major events such as the Keysborough Big Picnic and the Ramadan Night Market, and through initiatives that support safety, wellbeing and connection, including the Youth Crime Forum and Neighbourhood Policing Forum. New spaces like the Noble Park Art Lab are also helping bring people together and celebrate creativity across our neighbourhoods.

We have continued to make good progress on important upgrades and infrastructure projects across the city. Construction at the Dandenong Wellbeing Centre is moving forward, with key milestones reached, and many renewal projects for parks, paths, buildings and community facilities are either completed or progressing well. These investments are about improving day-to-day liveability and making sure our facilities meet the needs of a growing and diverse community.

Like many households and organisations, Council is working in a challenging cost environment. Rising fuel prices continue to affect transport, waste services, construction and other essential operations. Council is closely managing these pressures by carefully tracking spending, planning ahead and looking for efficiencies wherever possible.

We are also continuing to transition our vehicle fleet to more efficient and lower-emission options, which over time helps reduce costs and supports our environmental commitments. By managing our finances responsibly and making informed decisions, we aim to remain financially resilient while continuing to deliver the services and facilities our community relies on.

Some projects have been affected by external factors such as changes in legislation, but Council remains focused on advocating for support, adapting where needed, and planning for the long term. The information in this report helps guide our priorities as we move into the final quarter of the year.

I would like to thank our Councillors, staff, community organisations, volunteers and residents for their ongoing involvement, feedback and support. Together, we are continuing to build a city that is inclusive, vibrant, sustainable and full of opportunity.

Jacqui Weatherill  
Chief Executive Officer

# Highlights

## Festivals and Events

- *Youth Crime Forum* - The forum brought together more than 100 stakeholders including government departments, law enforcement, policy makers and community organisations to build a shared understanding of youth crime trends and their underlying causes. The forum identified three main areas for collective action: strengthening partnerships within the youth sector, improving information and data sharing, and mapping and addressing service gaps.
- *Neighbourhood Policing Forum* - Victoria Police, in partnership with Council, hosted the 2026 Neighbourhood Policing Forum at Dandenong Civic Centre. The forum brought together more than 60 community members, local traders and key agency representatives, demonstrating strong interest in community safety. This year's forum featured a panel of policing experts who presented essential crime statistics and outlined specific local operations aimed at addressing crime and enhancing public safety.



- *Keysborough Big Picnic* - Keysborough's Big Picnic, attracted over 7,000 people at Frederick Wachter Reserve who participated in free activities such as an Easter egg hunt, pet competition, sports zone and interactive wildlife display.

- *Ramadan Night Market* – Council supported the community-led Ramadan Night Market which was hosted by the Bright Community Organisation. The market was held from 19 February to 15 April in Dandenong and was a vibrant community celebration, bringing people together to share culture, food and the spirit of Ramadan.



- *Career and Support Expo* – Council hosted the Career and Support Expo in March for those in the community seeking support with their employment and/or education journey. The expo attracted over 40 stallholders and 621 attendees who had the opportunity to meet directly with local business and industry to discuss current vacancies, learn about opportunities for training and skill development or seek advice on local community support services.

## Projects

- A number of placemaking initiatives have been completed to enhance liveability and pride in our city.:
  - The Muderra Way pillar art mural is complete and due to be launched in April.
  - The Noble Park Art Lab is now open and aims to bring people together, creatives and non-creatives alike, through community engagement, residencies, exhibition displays, workshops and events.

# Capital Works Summary

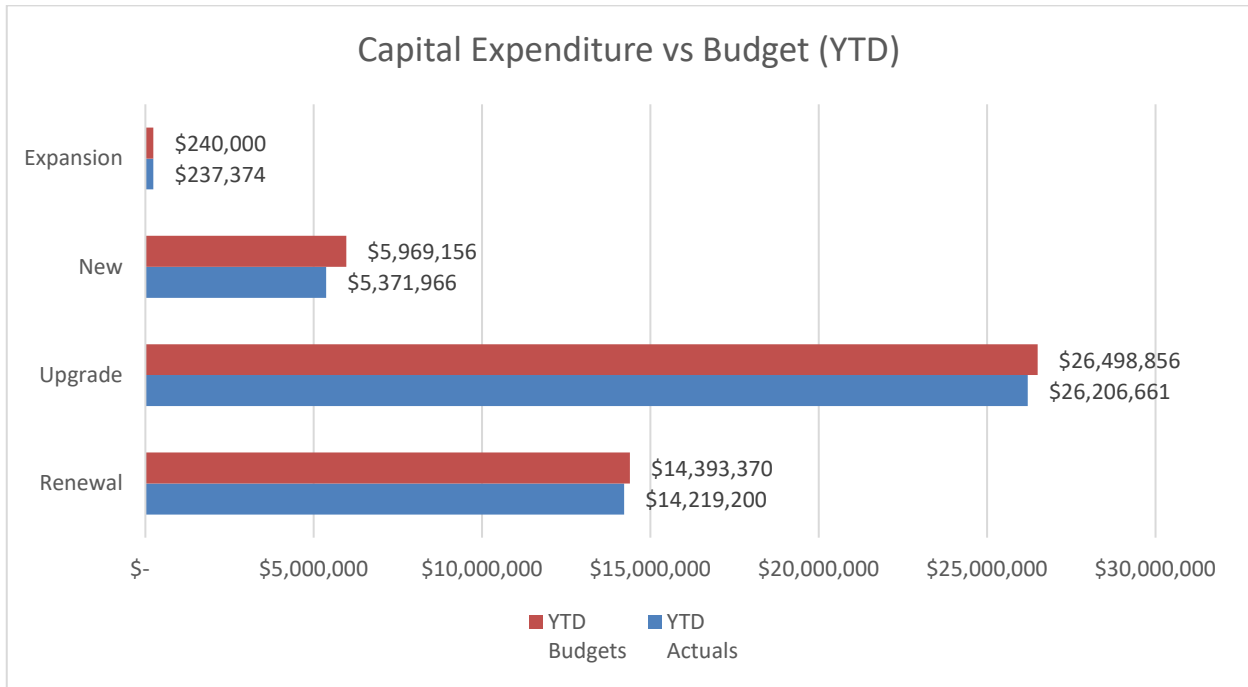
## Dandenong Wellbeing Centre Updates

<b>Overall Project Health</b>	
The DWC project is deemed to be HEALTHY.	
The overall project health is determined by assessing metrics such as budget, program, quality, risk, resources, OHS and environmental.	
The project program is under pressure with practical completion expected in Q3 2027.	
<b>Key Achievements to Date</b>	
<ul style="list-style-type: none"><li>✓ Pool Construction of the 50m and Warm Water Pool 2 completed</li><li>✓ Hydrotesting of Warm Water Pool 2 completed</li><li>✓ Stage 1 carpark has been handed over and in use</li></ul>	
<b>Short Term Lookahead</b>	
<ul style="list-style-type: none"><li>❖ Vertical construction is ongoing</li><li>❖ Construction of the learn to swim pool is underway</li><li>❖ Pouring of all DWC ground floor slabs to be finalised</li><li>❖ Commence steel work and timber laminated beam installation</li><li>❖ Stage 2 carpark work has commenced</li><li>❖ Services installation ongoing</li></ul>	





# Expenditure



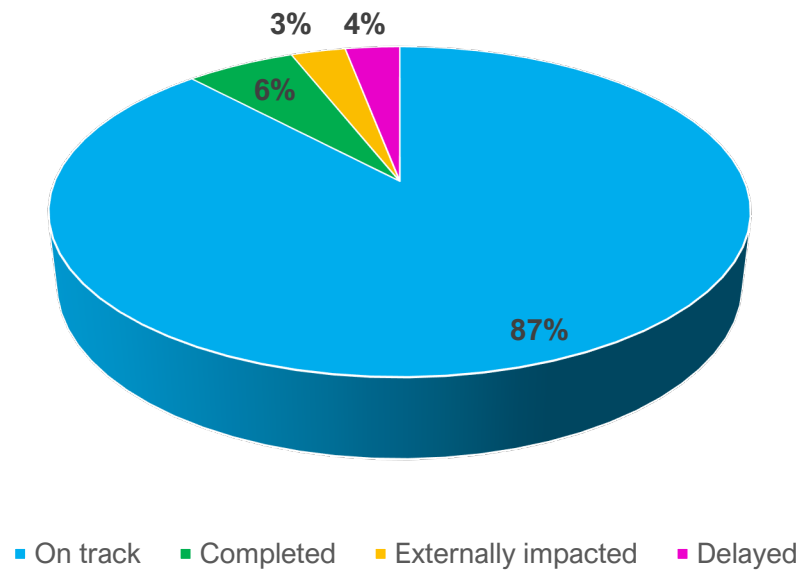
The favourable variance mainly relates to delays in the works at the Dandenong Wellbeing Centre.

# Performance Summary

## Council Plan Progress

The Annual Plan 2025-26 outlines Council's key activities to deliver on the Council Plan 2025-29. At the end of Q3, 93 per cent of actions are completed or on track and only 7 per cent delayed or externally impacted (5 actions).

Progress of Annual Plan Actions - Q3 2025-26








# Council Plan Progress - Annual Plan Actions and Performance Measures

## Strategic Objective 1:

### A socially connected, safe and healthy city

#### 1. Build the capacity of the community to lead safe, active and healthy lifestyles through all stages of life

Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<p><b>1.1 Continue to implement and review the Make Your Move Strategy informed by community engagement activities, data and statistics</b></p> <p><i>Projects delivered included: Youth School Holiday activity at the new NPAC Padel courts, the Greater Dandenong Fun Run, Walk and Roll at Dandenong Park, a Parents and Bubs Pilates program and a Movement 4 Your Mind program delivered in partnership with South East Leisure at NPAC.</i></p>	<p>On track</p> 	<p>■ ● ◆</p>
<p><b>1.2 Develop and implement an updated Positive Ageing Strategy to ensure older people are supported, valued and remain active members of the community</b></p> <p><i>A review of the actions in the previous Positive Ageing Strategy has been completed with input from the Positive Ageing Advisory Committee. The development of the draft action plan has commenced and will be presented to Council in Q2 2026-27.</i></p>	<p>On track</p> 	<p>■ ● ◆</p>
<p><b>1.3 Commence development of an integrated Children, Youth and Families Strategy</b></p> <p><i>Development is well underway and phase 2, consultation and community engagement is progressing. More than 360 young people (aged 12-25) were engaged or surveyed in Q3.</i></p>	<p>On track</p> 	<p>■ ● ◆</p>
<p><b>1.4 Develop and implement a Community Safety Action Plan</b></p> <p><i>The Draft Community Safety Strategy and action plan has been developed. Community and Councillor consultation will commence in Q4.</i></p>	<p>On track</p> 	<p>■ ● ◆</p>
<p><b>1.5 Review and navigate Council's role in Aged and Disability Services in response to the National Aged Care Reforms</b></p> <p><i>Council continues to monitor reform updates relating to the new Aged Care Act. Training for Councillors was undertaken in accordance with new 'Responsible Persons' provision of the Act.</i></p>	<p>Externally impacted</p> 	<p>●</p>

**2. Foster greater collaboration and partnerships with local agencies to address key health and wellbeing needs in the community**

Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<p><b>2.1 Implement an outcomes measurement framework to improve the outcomes and impact of the Community Grants Program</b></p> <p><i>The 2024-25 impact report has been developed based on the new outcomes framework. This report will be presented to Council in Q4.</i></p>	<p>On track</p> <p>●</p>	<p>●</p>
<p><b>2.2 Proactively build and maintain partnerships with existing and potential local stakeholders and networks to improve community wellbeing</b></p> <p><i>A social cohesion and intercultural dialogue workshop was held with Monash Health and SEPHU. Active participation continued in the Multicultural Community Engagement Network and promotion of WHISE's Keeping Kids Safe: Preventing Sexual Harm and Violence campaign</i></p>	<p>On track</p> <p>●</p>	<p>◆</p>














**3. Deliver and support initiatives that raise community awareness of gambling, harmful alcohol, tobacco/vaping and other drugs use**







Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<p><b>3.1 Implement the Alcohol Harm Prevention and Management Framework and Action Plan</b></p> <p><i>The Alcohol and Other Drug Harm Prevention Strategy is currently in development with input from stakeholders.</i></p>	<p>On track</p> <p>●</p>	<p>■ ● ◆</p>

**4. Strengthen our commitment to the equitable participation and inclusion of people with a disability and their carers within our community**




Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<p><b>4.1 Develop and implement Council's new Disability Action Plan</b></p> <p><i>The draft Disability Action Plan has been prepared and will be presented to Council ahead of community engagement in Q4.</i></p>	<p>On track</p> <p>●</p>	<p>■ ● ◆</p>

**5. Create and maintain safe, inclusive and well-designed public spaces and streetscapes that encourage community participation and expression**



Actions	Status	Council's Role 
<p><b>5.1 Renew and upgrade streetscapes and open space areas as part of Council's annual Capital Works Program</b></p> <p><i>19 renewal projects are scheduled for delivery this financial year. All have commenced implementation and 15 projects have been completed.</i></p>	<p>On track</p> 	
<p><b>5.2 Implement the Road Safety Infrastructure Upgrade Program</b></p> <p><i>Pedestrian Safety Improvements around the Dandenong Market are underway. Blackspot Projects and Safer Local Roads and Street grant projects are in design.</i></p>	<p>On track</p> 	
<p><b>5.3 Implement the Springvale Pedestrian Wayfinding S1</b></p> <p><i>The contract has been awarded and fabrication of signs is underway. Installation is expected in May.</i></p>	<p>On track</p> 	
<p><b>5.4 Seek State and Federal Government Grant funding for Road Safety and Active Transport Infrastructure (such as Blackspot funding)</b></p> <p><i>Grant applications have been submitted through Victorian Government Community Road Safety Grants for road safety education.</i></p>	<p>On track</p> 	
<p><b>5.5 Maintain an effective Closed Circuit Television (CCTV) network to deter crime and anti-social behaviour and promote access to public spaces</b></p> <p><i>A new Video Management System (VMS) is now actively utilised to monitor civic centres and coordinate timely responses to incidents. New CCTV cameras have been installed at Settlers Square and the Dandenong Civic Centre. Phase 2 of the CCTV Renewal Program is scheduled to progress to tender in Q4.</i></p>	<p>On track</p> 	
<p><b>5.6 Plan and deliver an annual forum on Crime Prevention and Safety</b></p> <p><i>The Youth Crime Forum and Neighbourhood Policing Forum were both delivered in March 2026, providing key opportunities for information sharing, collaboration, and coordinated responses to local safety concerns.</i></p>	<p>Completed</p> 	










<b>5.7 Review and amend Council’s Local Laws to improve relevance and effectiveness to manage community safety and public amenity issues</b>	On track 	
<i>Planning for the tender process has commenced.</i>		
<b>5.8 Develop and implement the Domestic Animal Management Plan 2025–29</b>	On track 	
<i>This plan was endorsed by Council on Monday 16 March.</i>		
<b>5.9 Improve the strategic direction of Council’s community facilities and hubs</b>	On track 	
<i>The new Community Facilities Access and Use Policy has been updated after a period of community consultation and will be presented to Council for endorsement on Monday 20 April.</i>		

**6. Connect and support the community through education and promotion, working with local partners to address and prevent family violence**






Actions	Status	Council’s Role	
<b>6.1 Promote local services and support the implementation of initiatives to address gender equity and prevent family violence within the municipality</b>	On track 		
<i>Development of Council's second Gender Equity Action Plan continues, coupled with the preparation of gender impact assessments in relation to any new or revised programs, policies and frameworks</i>			

**7. Improve access to core services for those experiencing disadvantage and vulnerability in the community to support improved social, physical and mental wellbeing**

Actions	Status	Council’s Role	
<b>7.1 Evaluate and expand the Fee for Service Vaccination Program to increase access to vaccines unavailable through the National Immunisation Program</b>	On track 		
<i>183 vaccines were provided to infants, children and adolescents. A targeted Meningococcal B campaign including offering access to councils Fee for Service program to secondary schools commenced in February.</i>			

<p><b>7.2 Review and evaluate the Maternal and Child Health Key Ages and Stages group visits that support increased engagement for late-stage visits</b></p>	<p>Completed  </p>
<p><i>A 3-month trial focusing on bookings was undertaken to try to increase attendance figures. After review the group Key Age and Stage Consultations will be wrapped up and additional Key Age and Stage consultations will be offered on Saturdays.</i></p>	
<p><b>7.2 Continue to implement the Fair Access Policy</b></p>	<p>On track    </p>
<p><i>Sporting clubs seasonal allocations are assessed against the Fair Access Policy, with all clubs required to identify how they are improving access to Council facilities and sport and recreation opportunities for women and girls.</i></p>	
<p><b>7.4 Continue to deliver the Community Connector Program to provide targeted support and connections to local services particularly for those from migrant and refugee backgrounds</b></p>	<p>On track   </p>
<p><i>The program has received 30+ external referrals from outside agencies and 20+ self-referrals. 60 large food hampers, 300 pairs of children's shoes and 20+ sheets and donnas have been received and distributed along with over \$3,000 in food vouchers for immediate food relief.</i></p>	



**8. Advocate for an increase in services for those experiencing poverty, and homelessness**

Actions	Status	Council's Role
<p><b>8.1 Undertake advocacy to advance strategies to reduce poverty and improve social equity in Greater Dandenong</b></p>	<p>On track </p>	<p> Advocate   Deliver   Partner   Regulate</p>
<p><i>Council facilitated the Anti Poverty Consortium planning session in February which discussed scoping for regional projects related to cost of living relief, mental health referral pathways, and housing and homelessness responses. Council also supported development of a proposed welcome food parcel project for new public housing tenants.</i></p>		


## Strategic Objective 2:

# A city that respects and celebrates diversity, our history and the arts





### 1. Deliver and attract high-quality events, programs and initiatives that position the city as an arts and cultural destination

Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<b>1.1 Develop more strategic partnership and sponsorship opportunities for Council's annual events program</b>  <i>The Australia Day Awards ceremony welcomed 275 attendees and was supported through grant sponsorship from the National Australia Day Council. Keysborough's Big Picnic, attracted over 7,000 people and achieved multi-partner sponsorship from Barry Plant, Parkmore Shopping Centre, Bendigo Bank and South East Water.</i>	On track 	●
<b>1.2 Build the capacity of the community to deliver high quality community events</b>  <i>Planning and delivery support was provided on applications for 103 community events and 13 council events. Targeted capacity building support was also provided to the Ramadan Night Market, with a strong focus on increasing organiser skills and providing advice on event planning and logistics, safety and risk management measures, permits and event inspections.</i>	On track 	●





### 2. Advocate for and assist People Seeking Asylum and Refugees living in the community





Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<b>2.1 Support and advocate for the rights of People Seeking Asylum and Refugees as part of the 'Back Your Neighbour' campaign</b>  <i>Planning has been underway for the Australian Local Government Association National Assembly and Taskforce delegation, to take place in June 2026. The Taskforce endorsed the Refugee Advocacy Network's Melbourne Palm Sunday Walk for Justice and Taskforce members and officers attended the event in March.</i>	On track 	■ ●

### 3. Advance the process of Reconciliation and support First Nations people to enable self-determination







Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<b>3.1 Develop the new Reconciliation Action Plan and commence implementation</b>  <i>The Third Draft Innovate Reconciliation Action Plan (RAP) 2026-28 was provisionally endorsed by Reconciliation Australia and is now open for public and targeted consultation. The final version of the plan will be presented to Council on 18 May and a RAP launch event is scheduled for 27 May.</i>	On track 	 
<b>3.2 Work with Bunurong Land Council and the wider local Aboriginal community to advance Reconciliation</b>  <i>Council's RAP program has contributed to a multi-year, \$5 million funding application to VicHealth for a Partners in Place First Nations Bush Tucker Gardens Program in partnership with Bunurong Land Council. The Muderra Way project was nominated for an Australasian Placemaking Award (Indigenous category).</i>	On track 	

### 4. Promote arts, culture and heritage to enrich and support the City's growth and development

Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<b>4.1 Develop and implement a new strategic plan to guide Arts, Culture and Heritage in the City of Greater Dandenong</b>  <i>Work has progressed on the new Creative and Cultural Strategy, with engagement to commence in Q4. Walker Street Gallery welcomed over 3,000 visitors across 2 exhibitions, Drum Theatre visitation increased by 40.9% and Heritage Hill attracted over 400 visits.</i>	On track 	
<b>4.2 Review the Library Strategy 2022–26 and develop an updated strategic plan to guide library services</b>  <i>The procurement process is complete for the development of a new Creative and Cultural Strategy. Engagement will commence in Q4.</i>	On track 	

<b>4.3 Review and implement the strategic and operational plan for the Dandenong New Art redevelopment</b>	Delayed 	
<i>Detailed planning focused on refining the gallery design to meet contemporary gallery standards and operational needs. An external consultant was engaged to review project documentation to confirm scope accuracy and define the detailed requirements for the construction tender. Delayed pending finalisation of the design.</i>		
<b>4.4 Undertake a planning scheme amendment to update/correct the existing sites contained within the Heritage Overlay</b>	On track 	
<i>One submission was received through the public exhibition process and Council continues to work with the submitter before progressing the planning scheme amendment process.</i>		

**5. Improve access and use of Council’s arts, cultural and community facilities to support improved community connection, participation and lifelong learning**

Actions	Status	Council’s Role
<b>5.1 Develop and implement the Community Hubs Framework to guide the planning, delivery and activation of the Springvale and Keysborough Community Hubs</b>	On track 	
<i>The draft Community Hubs Framework is being developed and is due to be presented to Council in Q1 2026-27.</i>		
<b>5.2 Continue to maximise the use and performance of Council’s community facilities</b>	On track 	
<i>All facilities are now available for the community to book, search availability and enquire directly through Council’s website and the Bookable online system.</i>		
<b>5.3 Continue aligning the Community Grants Program with Council Plan priorities and evolving community needs</b>	On track 	
<i>A record 117 applications were received for the Medium Grants Program – Round 1, representing an increase of over 38% compared to the previous round.</i>		

## Strategic Objective 3:

### A city of accessible, vibrant, centres and places

#### 1. Provide quality community facilities and amenity improvements that meet the current and future needs of our city

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>1.1 Develop and implement the facility management and operating model for Dandenong Wellbeing Centre</b></p> <p><i>With the recent commencement of the new CEO at SEL, work has recommenced on the development of an operational model for Dandenong Wellbeing Centre, including a detailed review of projections/assumptions, detailed operating budgets for the new facility, and related establishment/start-up costs.</i></p>	<p>Delayed</p> <p style="text-align: center;"><span style="color: magenta;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>
<p><b>1.2 Explore partnerships to maximise the sustained performance and efficiency of Council's animal pound service</b></p> <p><i>Further programs are being implemented for a more sustainable animal management program and discussions with other Councils is ongoing.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span> <span style="color: blue;">◆</span></p>
<p><b>1.3 Renew and upgrade community facilities as part of Council's annual Capital Works Program</b></p> <p><i>The capital works program for community facility renewal is on track and progressing as planned.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>

#### 2. Increase quality, affordable and social housing options with short-term and long-term options to improve supply and provide support to those on low incomes

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>2.1 Develop a new Housing Strategy</b></p> <p><i>The development of a revised Housing Strategy has commenced, including the draft action plan. Council has provided in-principle support and the draft strategy will now be finalised for community consultation by mid 2026.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: purple;">■</span> <span style="color: green;">▲</span></p>

<b>2.2 Undertake advocacy to develop an innovative and sustainable housing initiative on Council-owned land</b>	Externally Impacted	■
<i>Significant amendments to the Planning and Environment Act has modified Council's advocacy position. Direct advocacy in relation to four Council sites, identified as being appropriate for social and affordable housing, will be delayed until the formal adoption of Council's Housing Strategy later this year.</i>		

**3. Improve liveability and civic pride through placemaking initiatives that attract and retain businesses, residents and visitors**

3.1 Actions	Status	Council's Role
<ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>		
<b>3.2 Undertake placemaking initiatives across activity centres to enhance place experience and improve sense of pride and belonging</b>	On track	●
<i>The Muderra Way pillar art mural is complete with a launch event scheduled for April, Noble Park Art Lab is open and the Springvale Balmoral Laneway artwork design is complete with installation planned for May.</i>		

**4. Plan for and support an accessible and active transport network which optimises connectivity and accelerates growth**

Actions	Status	Council's Role
<ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>		
<b>4.1 Provide strategic transport advice to major development projects and infrastructure projects</b>	On track	◆
<i>110 planning application referrals have been responded to.</i>		
<b>4.2 Administer heavy vehicle permitting processes in a proactive manner to enable uptake and realisation of advances in commercial vehicle capabilities</b>	On track	◆
<i>100% of National Heavy Vehicle Regulator Requests responded to within statutory timeframes. 95% were provided within 2 business days.</i>		
<b>4.3 Advocate for key strategic transport network upgrades to accelerate growth</b>	On track	■
<i>Council continues to participate in the GSEM Transport Working Group and has provided updates for advocacy documents.</i>		

**4.4 Manage and implement renewal programs to ensure renewal projects meet modern capacity and functionality standards**

On track



*Path renewals are progressing as per the footpath renewal capital program. Complex renewal programs are in design stages to address path renewal near Dandenong Market and a footpath condition audit is in progress to inform the renewal program for future years.*

**4.5 Implement the Active Transport Infrastructure Program**

Delayed



*Due to funding constraints this project is delayed. The Djerring Trail remains Council's highest priority and an agreement with Level Crossing Removal projects has seen significant funding provided for Council to deliver paths on Fowler Road and South Gippsland Highway.*

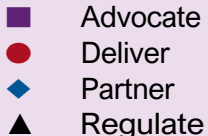


## Strategic Objective 4:

### A green city committed to a sustainable future






#### 1. Enhance our tree canopy cover and urban forests and promote participation in protecting biodiversity values

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<b>1.1 Undertake a bi-annual canopy coverage audit and develop a strategic public tree planting program</b>  <i>The 2025 Canopy Coverage Audit results were adopted at the Council Meeting held on 16 March 2026.</i>	Completed <span style="color: green;">●</span>	<span style="color: red;">●</span>
<b>1.2 Implement the Greening Our City: Urban Tree Strategy</b>  <i>A new Tree Maintenance Services Contract was awarded. Work has commenced on the development of a practical Urban Forest Implementation Plan to drive an increase in tree canopy cover and deliver improved urban cooling, biodiversity and community amenity. Planning for the 2026 tree planting season continued, with planting scheduled to commence in Q4.</i>	On track <span style="color: blue;">●</span>	<span style="color: red;">●</span>
<b>1.3 Deliver the Geo Tree Scan Project to quantify tree canopy cover for the municipality and monitor tree removals</b>  <i>Tree canopy mapping has been completed (see Action 1.1 above). Future requirements for this project will be assessed to inform planning for 2026-27.</i>	On track <span style="color: blue;">●</span>	<span style="color: red;">●</span>
<b>1.4 Implement the Biodiversity Action Plan, bushland maintenance and education programs</b>  <i>Ongoing bushland management programs and weekly Nature Play sessions continued. Community engagement activities were delivered across multiple events, planting activities and plant giveaways.</i>	On track <span style="color: blue;">●</span>	<span style="color: red;">●</span>

**2. Manage stormwater and protect waterways alongside partners to improve water quality and reduce threats to public and environmental health**

Actions	Status	Council's Role 
<p><b>2.1 Implement the new Gross Pollutant Trap Centre Kirkham Road</b></p> <p><i>The design for a Gross Pollutant Trap near Centre Kirkham Road has been completed. A review of priority water quality improvement projects (including the Centre Kirkham Road Gross Pollutant Trap) will be undertaken following release of updated flood modelling data undertaken in partnership with Melbourne Water in 2026.</i></p>	<p>Completed</p> 	

**3. Increase the quantity and quality of diverse and accessible open spaces across the city**

Actions	Status	Council's Role 
<p><b>3.1 Develop a new Playground Strategy and implement the Open Space Strategy via CIP funding</b></p> <p><i>A draft plan is underway including finalising the GIS mapping for this project.</i></p>	<p>On track</p> 	
<p><b>3.2 Deliver passive and recreational open spaces through Council's annual Capital Works Program</b></p> <p><i>All 19 renewal projects scheduled for this year have commenced and are at various stages of implementation. Of the 19 Projects, 15 have been completed to date.</i></p>	<p>On track</p> 	

**4. Transition to a resilient, net zero carbon emission city prepared for the social, environmental and health impacts of climate change**

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>4.1 Implement the Electric Vehicle (EV) Transition Plan</b></p> <p><i>Council has continued to progress the EV Transition Plan with the purchase of 1 additional plug-in hybrid vehicle, 2 EV trucks and 1 EV van. Plans are underway to install an additional four EV chargers to support the expanding fleet.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>
<p><b>4.3 Prepare an updated Fleet Decarbonisation Analysis</b></p> <p><i>The Fleet Decarbonisation Plan is in its final stages with work now underway to analyse the infrastructure capabilities at Council's Operations Centre.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>
<p><b>4.3 Implement the Gas and Fleet Transition Plans and implement sustainability strategies</b></p> <p><i>Work is underway to replace the HVAC system at 39 Clow Street and work has progressed to better understand the cost-benefits of transitioning to net zero emissions, giving a more detailed picture of Council's fleet and building emissions.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: purple;">■</span> <span style="color: red;">●</span></p>

**5. Support local business and industry to enhance resilience to climate change and accelerate transition to a net zero economy**

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>5.1 Advocate for and support the business sector in reducing emissions through electrification, energy efficient upgrades, circular economy and other methods</b></p> <p><i>Identified opportunities, including open grant funding through the State and Commonwealth Government are promoted through the OBGF newsletter to support the business sector. Council has also been working to connect local businesses in the renewable energy sector to industry networks.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: purple;">■</span></p>

**6. Provide, promote and advocate for a range of transport options for residents and business, to reduce carbon emissions and build resilience to the impacts of climate change**

Actions	Status	Council's Role ■ Advocate ● Deliver ◆ Partner ▲ Regulate
<p><b>6.1 Advocate in partnership with regional bodies for public transport improvements and reform (Dandenong Station upgrade/ bus service review etc.)</b></p> <p><i>Council continues to participate in the GSEM Transport Working Group and has provided updates for advocacy documents.</i></p>	<p>On track ●</p>	<p>■</p>
<p><b>6.2 Advocate for key strategic transport network upgrades to improve transport options (Djerring Trail etc.)</b></p> <p><i>Council continues to participate in the GSEM Transport Working Group and has provided updates for advocacy documents.</i></p>	<p>On track ●</p>	<p>■</p>

## Strategic Objective 5:

### A city that supports business, entrepreneurship, quality education and employment outcomes

1. Attract investment to ensure the sustainability, viability and growth of Greater Dandenong and its major activity centres to provide employment, housing and liveability outcomes

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>1.1 Develop and implement Investment initiatives highlighting the unique strengths of activity centres and industrial precincts to attract investors and support economic growth</b></p> <p><i>Case management for a proposed aluminium recycling facility is complete, a potential site has been identified and clear regulatory pathways set out for stakeholder action. Council will host members of the South East Economic Developers group to share market intelligence and best practice, and to identify opportunities for collective action.</i></p>	<p>On track</p> <p style="text-align: center;">●</p>	<p style="text-align: center;">●</p>
<p><b>1.2 Deliver the Business Permit Support Service, advocate to reduce regulatory barriers and address challenges identified through the Business Engagement Program that impede business growth</b></p> <p><i>185 business permit enquiries were received, equating to an average of 61.6 per month. Work is underway to support the introduction of an AI-powered chatbot to enable customers to self-serve.</i></p>	<p>On track</p> <p style="text-align: center;">●</p>	<p style="text-align: center;">■ ●</p>

2. Partner with the manufacturing sector within the city to secure the economy and maintain future employment opportunities

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>2.1 Partner with local manufacturers and industry organisations through the Business Engagement Program to strengthen the economy and enhance future employment opportunities</b></p> <p><i>Five SEBN events were delivered, including the Future of Manufacturing and Women in Business sessions. The Careers and Support Expo was held in March with over 600 attendees.</i></p>	<p>On track</p> <p style="text-align: center;">●</p>	<p style="text-align: center;">◆</p>



### 3. Support engagement in learning, skill development and employment pathways to improve social, economic and environmental outcomes

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>3.1 Develop and implement the Economy and Place Strategy</b></p> <p><i>The draft Economy and Place Strategy was developed, informed by phase one engagement outcomes and the Economy and Place Profile. The draft Strategy will be presented to Council shortly for approval to commence community engagement.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p><span style="color: purple;">■</span> <span style="color: red;">●</span> <span style="color: blue;">◆</span></p>

### 4. Continue the focus on collaborative business partnerships, supporting work readiness and promoting local jobs for local people

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>4.1 Develop partnerships with local education providers, industry organisations and business associations</b></p> <p><i>Engagement with Federation University was initiated while collaboration with neighbouring Councils progressed through joint work on a Food and Beverage Innovation Exchange. Support was also provided to GSEM assisting with engagement and outreach to local manufacturers.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p><span style="color: blue;">◆</span></p>
<p><b>4.2 Collaborate with local job providers and community organisations to pursue employment pathways for our local community</b></p> <p><i>Engagement continued with Workforce Australia through the Jobs and Skills Network, and collaboration with Transcend on the Self-Employment Program continued with delivery of a Business Planning workshop. Progress also continued on the Dandenong Pathway to Employment Hub, with the stakeholder engagement plan, marketing plan and business plan advancing.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p><span style="color: blue;">◆</span></p>

**5. Continue to facilitate active participation of young people in the community to enhance leadership and personal development opportunities**

Actions	Status	Council's Role <ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>
<p><b>5.1 Undertake skill development initiatives to enhance future employment opportunities</b></p> <p><i>26 activities were delivered to 859 young people. Initiatives included the Moving Forward Climate Change program, the Movement 4 Your Mind wellbeing program, public speaking training, a 2026 Young Leaders session, and co-design workshops to inform the Strong and Resilient Communities (SARC) creative skills-building program.</i></p>	<p>On track</p> <p style="text-align: center;"></p>	<p style="text-align: center;"></p>

## Strategic Objective 6:

### A Council that demonstrates leadership, responsible use of public resources and a commitment to investing in the community



#### 1. Capture the diverse voices of our community through respectful and inclusive engagement opportunities to inform Council decision making

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>1.1 Run authentic, accessible community consultations for our community to influence programs and projects</b></p> <p><i>Nine consultations went live in March. The Dandenong Market Precinct Plan consultation was highly successful, achieving strong and diverse community engagement. It effectively engaged people who speak languages other than English through translated materials and face-to-face engagement with multilingual officers.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>





#### 2. Recognise the rights of children and young people and ensure their voices are valued, respected and celebrated

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<p><b>2.1 Increase awareness of child safety and strengthen initiatives across all Council operations</b></p> <p><i>Community consultation was undertaken to inform the review and update of the Child Safety and Wellbeing Policy. Participants highlighted the importance of clear reporting pathways, reassurance regarding privacy and confidentiality, culturally inclusive practice and simple, child-friendly language. A comprehensive review of all Council programs was undertaken to ensure child safety risks are identified, documented and appropriately managed across all areas of operation.</i></p>	<p>On track</p> <p style="text-align: center;"><span style="color: blue;">●</span></p>	<p style="text-align: center;"><span style="color: red;">●</span></p>



**3. Manage Council’s resources effectively and efficiently to ensure financial and service sustainability**

Actions	Status	Council’s Role <ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>
<p><b>3.1 Implement the Service Review Framework</b></p> <p><i>Work has commenced on the development of a service review framework to support Council’s Integrated Planning Framework and service planning</i></p>	<p>On track</p> 	



**4. Renew and maintain infrastructure and facilities that are sustainable, fit for purpose and based on condition and community need**

Actions	Status	Council’s Role <ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>
<p><b>4.1 Maintain, renew and upgrade buildings and infrastructure as part of Council’s annual Capital Works Program</b></p> <p><i>The delivery of Council’s capital works program to maintain, renew and upgrade buildings and infrastructure remains on track and is progressing as planned.</i></p>	<p>On track</p> 	
<p><b>4.2 Implement the Asset Plan 2025–35</b></p> <p><i>Implementation continues along with the preparation of new Asset Management Plans, a review of asset classifications and condition audits of key assets such as pathways, stormwater and buildings which are being scoped.</i></p>	<p>On track</p> 	







**5. Increase awareness of the services and supports available to our community and provide accurate and timely information**

Actions	Status	Council’s Role <ul style="list-style-type: none"> <li>■ Advocate</li> <li>● Deliver</li> <li>◆ Partner</li> <li>▲ Regulate</li> </ul>
<p><b>5.1 Promote our services in a human-centric way</b></p> <p><i>Media coverage of the New Years Eve fireworks, Lunar New Year, Ramadan Night Markets, and Keysborough Big Picnic supported the positive promotion of key events happening within the city.</i></p>	<p>On track</p> 	

**6. Improve the customer experience by making it easy for the community to engage with Council**

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<b>6.1 Increase First Contact Resolution through our call centre</b>  <i>Work on the live chat platform continued which supports direct escalation from chatbot to a live Customer Experience Officer, enabling customers to receive timely assistance without follow-up contact.</i>	On track 	

**7. Invest in smarter technologies to create a digitally enabled future that meets community needs, enhances services, and improves resource management**

Actions	Status	Council's Role <span style="color: purple;">■</span> Advocate <span style="color: red;">●</span> Deliver <span style="color: blue;">◆</span> Partner <span style="color: black;">▲</span> Regulate
<b>7.1 Introduce pay by app parking payment technology as per the Parking Precinct Action Plans</b>  <i>This project has now been implemented. Further advertising and promotion will occur during 2026.</i>	Completed 	
<b>7.2 Introduce AI technology to business processes</b>  <i>Training, guidance and peer learning activities were progressed and sector wide benchmarking and collaboration initiatives continue. Daily users of approved AI tools have doubled since the beginning of the financial year.</i>	On track 	
<b>7.2 Review Snap Send Solve to determine future opportunities to increase usage</b>  <i>Progress continues on the Snap Send Solve/merit integration which will enable improved reporting, automation of high-volume incident types, and two-way communication.</i>	On track 	

# Financial Report



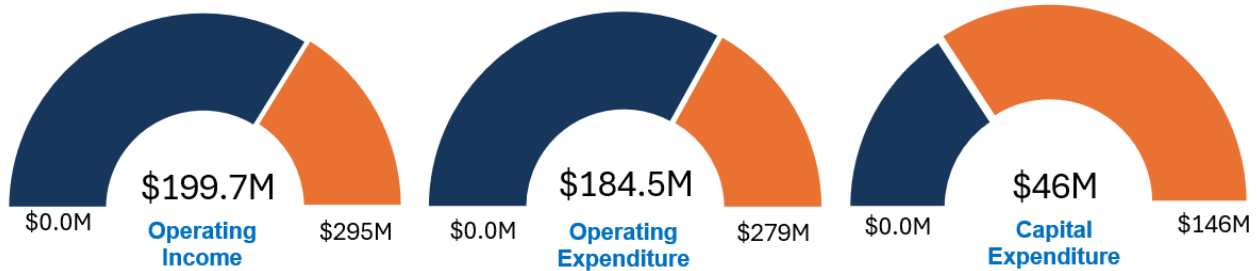
**Financial Report**  
**1 July 2025 to**  
**31 March 2026**

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## KEY FINANCIAL HIGHLIGHTS

Quarter ending 31 March 2026



	31 March 2026 Year-to-Date					Full Year					
	Actual	Mid Year Budget	Variance	Var.	Status	Mid Year Budget	Current Forecast	Variance	Var.	Status	Original Budget
	\$'000	\$'000	\$'000	%	Var.	\$'000	\$'000	\$'000	%	Var.	\$'000
Operating Income	199,682	199,601	81	0%	✓	295,026	290,886	(4,140)	(1%)	—	288,267
Operating Expenses	184,492	190,426	5,934	3%	✓	278,956	278,065	891	0%	✓	262,465
<b>Operating Surplus</b>	<b>15,190</b>	<b>9,175</b>	<b>6,015</b>	<b>66%</b>	✓	<b>16,070</b>	<b>12,821</b>	<b>(3,249)</b>	<b>(20%)</b>	×	<b>25,802</b>
Capital Expenditure	46,035	47,101	1,066	2%	✓	145,949	128,574	17,375	12%	✓	119,871
Cash / Investment Holdings <sup>1</sup>	224,927	<i>Not applicable</i>				180,160	179,952	(208)	(0%)	—	152,429

**Status legend:**

- ✓ Above budgeted revenue or under budgeted expenditure
- Below budgeted revenue or over budgeted expenditure by less than 10%
- × Below budgeted revenue or over budgeted expenditure by 10% or greater

### Notes

- Total cash/investments at 31 March 2026 includes cash on hand and financial assets (term deposits invested for a period greater than 90 days) and have been allocated for specific future purposes by Council.
- The \$4.14 million unfavourable income variance from the Mid-Year Budget to the Current Forecast is mainly due to the Dandenong Wellbeing Centre (DWC) cash flows being reforecast in the 2025-26 Forecast, with expenditure of approximately \$51 million now expected in 2025-26. Future year projections have also been updated to reflect the revised delivery profile.

### Budget information

The Original Budget information contained in the report is the budget approved by Council on 23 June 2025. The year-to-date budget in this report reflects the Mid-Year Budget as adopted by Council on 8 December 2025. The full year 2024-25 current forecast is the subject of an extensive review undertaken with departments during March quarter.

## EXECUTIVE SUMMARY

### Operating Result

For the year to date ending 31 March 2026, Council recorded a surplus operating result of \$15 million which is \$6.0 million better than year-to-date budget.

The favourable result is mainly driven by lower operating expenditure, particularly employee costs and materials and services, reflecting recruitment timing delays, operational realignment and the staged delivery of works programs. These favourable impacts are partly offset by non-cash accounting adjustments relating to asset write-offs and prior-year capital expenditure that cannot be capitalised.

Key drivers include:

**Operating income (\$81,000 favourable)** – driven by higher user fee income, particularly parking ticket machine income, along with higher facility rental, venue hire and cost recoveries (including Cultural and Community Hub-related income). This is partly offset by lower statutory fine income for local laws, littering and parking. Refer Section B1 (Operating Income) for detailed commentary.

**Operating expenditure (\$5.9 million favourable)** – Lower costs to date in:

- **Materials and services (\$5.99 million favourable)** – The significant favourable variance largely reflects timing and delivery phasing across operational programs (particularly works and maintenance), supported by operational transitions (including the Works Management System rollout) and lower service volumes in some areas (notably waste and cleansing). Savings also reflect lower early-year operating costs for newer facilities and reduced spend on some professional services and statutory charges. Refer Section B2 (Operating Expenditure) for detailed commentary by service area.
- **Employee costs (\$4.8 million favourable)** – the favourable variance is largely driven by recruitment and onboarding timing across the organisation, resulting in lower year-to-date salary costs. This includes timing impacts in grant-funded programs (where unspent funding represents a future delivery obligation and will require acquittal) and broader vacancies/delayed recruitment across key service areas. Some favourable employee cost outcomes are offset by lower income in parts of Community Care. Refer Section B2 (Operating Expenditure) for detailed commentary and drivers by directorate/service area.
- These favourable variances are partly offset by two unbudgeted fixed asset accounting adjustments (Asset write offs \$4.75 million and Prior year capital expenditure unable to be capitalised \$415,000) that are difficult to predict and are non-cash accounting entries.

More detailed variance explanations are included in the body of this report.

## Measures of financial sustainability

The Victorian Auditor-General’s Office (VAGO) uses a set of financial sustainability indicators to assess the long-term financial health of councils. These indicators provide insights into liquidity, indebtedness, and asset renewal, among other factors. While these measures are unaudited and typically assessed on an annual basis, they remain a useful reference point for monitoring financial performance.

2025-26	Net result	Adjusted underlying result	Internal financing	Liquidity	Indebtedness	Capital replacement	Renewal gap
<b>Mar YTD Actuals</b>	7.61% ●	3.38% ●	135.83% ●	2.06 ●	29.23% ●	1.53 ●	1.11 ●
<b>Mid Year Budget</b>	5.45% ●	(8.82%) ●	56.93% ●	1.66 ●	35.61% ●	2.82 ●	0.77 ●
<b>Forecast Full Year</b>	4.41% ●	(8.45%) ●	58.51% ●	1.66 ●	35.51% ●	2.74 ●	1.97 ●
<b>Original Budget</b>	8.95% ●	4.50% ●	73.46% ●	1.48 ●	36.06% ●	2.68 ●	2.19 ●
<b>2024-25 Full Year Actuals</b>	10.67% ●	3.76% ●	132.24% ●	2.29 ●	22.64% ●	1.21 ●	0.67 ●

### Financial Performance Overview (as of 31 March)

Council’s year-to-date financial results indicate performance within the low to medium risk range across all key financial indicators. It should be noted, however, that these ratios are designed to assess full-year outcomes, and mid-year results may not be fully indicative of Council’s year-end position.

As of 31 March, the **Adjusted Underlying Result** ratio is within the 0–5% range. This ratio measures Council’s operating surplus as a proportion of ongoing income, after excluding one-off or non-recurrent capital grants and contributions. It provides an indication of whether Council is generating sufficient surplus from its core operations to support long-term financial sustainability. While results above 5% are generally considered strong, Council’s performance in this ratio has been lower in recent budgets and actuals, primarily due to increasing depreciation expense. Depreciation reduces the reported accounting surplus and is not excluded from the Adjusted Underlying Result, which places downward pressure on the ratio despite having no direct cash flow impact.

The **Internal Financing ratio** in both the Original Budget and the Mid-Year Budget falls within the high-risk range, largely reflecting Council’s significant investment in the Dandenong Wellbeing Centre (DWC) capital project. This ratio assesses the extent to which capital expenditure is funded from cash generated by normal operating activities. Results below 100% indicate that Council is not fully funding its capital program from operations alone. It should be noted, however, that this ratio does not account for other appropriate funding sources, such as the use of reserves or borrowings. Both funding sources are being applied to the DWC project, and as a result, the ratio on its own does not fully capture Council’s overall capacity or financial strategy for delivering this investment.

Council will continue to monitor these indicators throughout the year, with a more comprehensive assessment to be provided at year-end once full-year financial results are available.

## Capital Result

Capital expenditure for the year ended 31 March 2026 totalled \$46 million, which is \$1.07 million below the year-to-date budget.

The main variance includes an underspend of \$797,000 on the Dandenong Wellbeing Centre due to some recent delays in works which is being closely monitored and managed.

As at 31 March, there were \$57 million in commitments (open purchase orders), reflecting significant ongoing and planned capital works.

Variance explanations for projects exceeding \$300,000 are included in the body of this report.

## Cash Position

Cash and investments total \$224.93 million at 31 March 2026, comprising \$23.56 million of cash and cash equivalents and \$201.37 million of 'financial assets' (term deposits invested for a period of greater than 90 days).

Closing cash and investments include cash on hand, cash equivalents, and financial assets (such as term deposits) that are readily convertible to cash and used to support the organisation's operations. This presentation differs from the cash flow statement, where financial assets are excluded in accordance with accounting standards, to provide a more complete view of liquidity for comparative and user purposes.

The working capital ratio result is strong at 2.06.

Total cash/investments at 31 March 2026 that have been allocated for specific future purposes (restricted cash) amounts to \$182.3 million (81%). Restricted cash includes employee entitlements, trust fund and deposits, Development Contribution Plans (DCP) unearned income and reserves.

## 2025-26 Forecast Review

The 2025-26 full year forecast review has been finalised and projects a \$3.5 million surplus outcome compared to the 2025-26 Mid-Year Budget.

The full year forecast result is the subject of an extensive review undertaken with departments during the third quarter of the financial year.

Highlighted below are some of the emerging trends (favourable/unfavourable) in the \$3.5 million favourable movement in the 2025-26 Forecast (please note that fully grant funded programs/projects have been excluded from these variance explanations):

### Favourable

- Capital Works Program (\$1.29 million): Net outcome of identified savings partly offset by some project overruns.
- Employee costs (\$1.18 million): Employee cost savings (\$3.64 million) due to vacant positions and delays in recruitment partly offset by higher temporary agency staff costs (\$2.39 million).

Main contributors to this favourable variance include:

- Community Care (\$1.1 million) – This underspend is partly offset by lower grant income (\$578,000).
- Community Compliance & Amenity (\$642,000) – Due to delays in recruitment of vacant and newly established Local Laws and Litter Officer positions, combined with the impacts of staff secondments throughout the financial year. Recruitment timeframes were extended due to unexpected staff departures that restricted backfilling, the need to recommence recruitment following an early resignation, and delays associated with the development and approval of new position descriptions.
- Parks & Open Spaces (\$595,000) – The variance is primarily driven by the time taken to recruit and appoint 21 positions following the recent restructure, along with reviews and adjustments to works programs across the team. This has been further supported by a lower than expected reliance on temporary agency staff during the year.
- Statutory Planning (\$356,000) – Due to vacant positions and deliberate delay in recruitment to manage fluctuations in development activity.
- Procurement (\$335,000) – The favourable salary variance is due to the time taken to recruit and onboard new positions as part of the procurement uplift program. All positions have now been filled and commenced, with the exception of one role scheduled to commence in April.
- Delay in recruitment of vacant positions: People, Safety and Culture (\$284,000), Roads & Drains (\$262,000), Children's Support Services (\$215,000) and Libraries (\$209,000).

These favourable variances are partly offset by higher than expected employee costs in Core System Replacement (\$290,000 which is funded from reserves), Cultural & Community Hubs (\$277,000), Building (\$195,000) and Building Maintenance (\$175,000).

- Interest on Investments (\$1.05 million): The favourable variance reflects higher-than-budgeted investment returns driven by the timing of capital expenditure (cash retained in the investment portfolio for longer than anticipated) and investment interest rates remaining above the assumptions used in the Mid-Year Budget.

- Parking Ticket Machine Fee Income (\$400,000): Better than anticipated ticket machine income due to reduced availability in some non-council car parks because of ongoing works combined with implementation of new parking meters.

### **Unfavourable**

- Statutory fee and fine income (\$890,000 unfavourable): Mainly relates to General Law Enforcement (\$841,000) and Parking (\$276,000) caused by the delay in recruitment of new positions and a temporary impact associated with implementation of new parking ticket machines.
- Insurance claims (\$430,000): Higher than anticipated insurance claims particularly relating to non-building property damage from insurable events, including repairs to bollards, fences, and play equipment.
- Digital Technology costs (\$298,000): Relates to software maintenance (FreshService and Microsoft Enterprise licensing) and operating lease rentals (service ramp up, higher pricing and roll out of new Windows version).
- Legal costs (\$192,000): Due mainly to higher legal costs relating to a long-standing matter relating to Spring Valley Landfill (\$220,000).

At this point, no forecast adjustments have been recognised in Waste Management as any savings will be transferred to reserves at the end of the financial year.

# INCOME STATEMENT

For the period 1 July 2025 - 31 March 2026

	YTD	YTD	YTD	ANNUAL	FULL	MYB to	ANNUAL
	ACTUAL	BUDGET	VARIANCE	MID YEAR	YEAR	FORECAST	ORIGINAL
Note	\$'000	\$'000	\$'000	BUDGET	FORECAST	VARIANCE	BUDGET
				\$'000	\$'000	\$'000	\$'000
<b>Income</b>							
<b>B1</b>							
Rates and charges	139,096	139,078	18	184,700	184,700	-	184,000
Statutory fees and fines	8,802	9,597	(795)	12,832	11,987	(845)	12,805
User fees	7,557	7,109	448	9,420	9,848	428	9,420
Grants - operating	23,438	23,731	(293)	32,988	32,503	(485)	36,800
Grants - capital	6,419	6,417	2	25,411	21,065	(4,346)	20,870
Contributions - monetary	2,437	2,131	306	7,509	7,668	159	3,162
Contributions - non-monetary	-	-	-	7,500	7,500	-	7,500
Net gain (loss) on disposal of property, infrastructure, plant and equipment	523	574	(51)	787	722	(65)	787
Other income	11,410	10,964	446	13,879	14,893	1,014	12,923
<b>Total income</b>	<b>199,682</b>	<b>199,601</b>	<b>81</b>	<b>295,026</b>	<b>290,886</b>	<b>(4,140)</b>	<b>288,267</b>
<b>Expenses</b>							
<b>B2</b>							
Employee costs	73,306	78,065	4,759	114,362	113,167	1,195	105,929
Materials and services	62,359	68,344	5,985	99,629	100,691	-	96,820
Prior year capital expenditure unable to be capitalised (non-cash)	415	-	(415)	-	-	-	-
Bad and doubtful debts	635	761	126	1,614	1,615	(1)	1,614
Depreciation	36,346	36,346	-	53,229	53,229	-	48,481
Amortisation - right of use assets	536	536	-	715	715	-	715
Borrowing costs	1,997	2,028	31	3,793	2,758	1,035	3,936
Finance costs - leases	-	-	-	57	57	-	57
Asset write offs	4,752	-	(4,752)	-	-	-	-
Other expenses	4,146	4,346	200	5,557	5,833	(276)	4,913
<b>Total expenses</b>	<b>184,492</b>	<b>190,426</b>	<b>5,934</b>	<b>278,956</b>	<b>278,065</b>	<b>891</b>	<b>262,465</b>
<b>Net surplus (deficit)</b>	<b>15,190</b>	<b>9,175</b>	<b>6,015</b>	<b>16,070</b>	<b>12,821</b>	<b>(3,249)</b>	<b>25,802</b>

## Notes

For comments regarding movements in Operating Income and Expenditure items, please refer to explanatory notes located at B1 to B2.

The \$4.35 million unfavourable income variance from the Mid-Year Budget to the Current Forecast is mainly due to the Dandenong Wellbeing Centre (DWC) cash flows being reforecast in the 2025-26 Forecast, with expenditure of approximately \$51 million now expected in 2025-26. Future year projections have also been updated to reflect the revised delivery profile.

# BALANCE SHEET

As at 31 March 2026

		2025-26 ACTUAL 31 Mar 2026 \$'000	2024-25 ACTUAL 30 Jun 2025 \$'000	2025-26 MID YEAR BUDGET \$'000	2025-26 ORIGINAL BUDGET \$'000
	Note				
<b>ASSETS</b>					
<b>Current assets</b>	<b>C1</b>				
Cash and cash equivalents		23,560	32,822	35,160	24,942
Financial assets		201,367	179,708	145,000	128,000
Trade and other receivables *		67,177	32,253	32,519	32,100
Other assets		3,720	5,895	5,503	6,021
<b>Total current assets</b>		<b>295,824</b>	<b>250,678</b>	<b>218,182</b>	<b>191,063</b>
<b>Non-current assets</b>	<b>C2</b>				
Property, infrastructure, plant and equipment		3,031,243	3,026,836	3,126,996	2,781,993
Investment property		6,865	6,865	6,865	6,690
Right-of-use assets		144	680	664	1,257
Trade and other receivables		182	183	183	266
<b>Total non-current assets</b>		<b>3,038,434</b>	<b>3,034,564</b>	<b>3,134,708</b>	<b>2,790,206</b>
<b>Total assets</b>		<b>3,334,258</b>	<b>3,285,242</b>	<b>3,352,890</b>	<b>2,981,269</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>	<b>C3</b>				
Trade and other payables		4,494	25,669	44,452	39,221
Prepaid rates *		45,196	-	-	-
Trust funds and deposits **		14,428	3,201	3,300	4,354
Unearned income		56,691	54,054	54,354	56,668
Provisions		21,350	21,504	22,112	21,804
Interest-bearing liabilities		1,180	4,379	6,619	6,068
Lease liabilities		101	494	507	599
<b>Total current liabilities</b>		<b>143,440</b>	<b>109,301</b>	<b>131,344</b>	<b>128,714</b>
<b>Non-current liabilities</b>	<b>C4</b>				
Provisions		1,881	1,957	1,718	1,305
Trust funds and deposits		2,804	2,910	3,052	3,052
Interest-bearing liabilities		43,992	43,992	73,617	74,027
Lease liabilities		113	244	251	647
<b>Total non-current liabilities</b>		<b>48,790</b>	<b>49,103</b>	<b>78,638</b>	<b>79,031</b>
<b>Total liabilities</b>		<b>192,230</b>	<b>158,404</b>	<b>209,982</b>	<b>207,745</b>
<b>NET ASSETS</b>	<b>C5</b>	<b>3,142,028</b>	<b>3,126,838</b>	<b>3,142,908</b>	<b>2,773,524</b>
<b>EQUITY</b>					
Accumulated surplus		1,013,179	993,868	1,024,289	1,054,410
Asset revaluation reserve		2,027,966	2,027,966	2,027,966	1,655,211
Reserves		100,883	105,004	90,653	63,903
<b>TOTAL EQUITY</b>		<b>3,142,028</b>	<b>3,126,838</b>	<b>3,142,908</b>	<b>2,773,524</b>

\* *Prepaid Rates and Trade and Other Receivables*: Total rate revenue levied in July (excluding supplementary rates) is accrued evenly over the year, while actual receipts vary based on payment methods chosen by the ratepayer. Prepaid rates represent the rate revenue that will be recognised over the remaining financial year.

\*\* *Trust funds and deposits (current)*: Higher this quarter due to the timing of the quarterly Emergency Services Volunteer Fund payment to the State Revenue Office.

Explanatory notes regarding movements in other Balance Sheet items are located at C1 to C5.

## CASH FLOW STATEMENT

For the period 1 July 2025 to 31 March 2026

		2025-26 ACTUAL as at 31 Mar 2026 Inflows/ (Outflows) \$'000	2025-26 ANNUAL MID YEAR BUDGET Inflows/ (Outflows) \$'000	2025-26 ANNUAL ORIGINAL BUDGET Inflows/ (Outflows) \$'000
	Notes			
<b>Cash flows from operating activities</b>				
Rates and charges		150,962	184,933	183,417
Statutory fees and fines		7,090	10,676	10,809
User fees		6,647	10,503	10,292
Grants - operating		24,903	34,395	38,574
Grants - capital		10,414	25,391	20,870
Contributions - monetary		3,048	8,309	3,962
Interest received		6,725	6,829	6,000
Trust funds and deposits taken		49,109	32,195	32,100
Other receipts		4,245	7,533	7,700
Net GST refund		10,313	21,536	18,235
Employee costs		(77,489)	(113,878)	(105,201)
Materials and services		(77,668)	(104,857)	(112,460)
Short-term, low value and variable lease payments		(544)	(722)	(720)
Trust funds and deposits repaid		(37,962)	(31,954)	(31,954)
Other payments		(4,146)	(5,493)	(4,823)
<b>Net cash provided by operating activities</b>	<b>D1</b>	<b>75,647</b>	<b>85,396</b>	<b>76,801</b>
<b>Cash flows from investing activities</b>				
Payments for property, infrastructure, plant and equipment		(55,693)	(145,949)	(119,871)
Proceeds/(payments) of investments		(24,129)	34,708	14,000
Proceeds from sale of property, infrastructure, plant and equipment		638	847	847
<b>Net cash used in investing activities</b>	<b>D2</b>	<b>(79,184)</b>	<b>(110,394)</b>	<b>(105,024)</b>
<b>Cash flows from financing activities</b>				
Finance costs		(2,001)	(3,793)	(3,936)
Proceeds from borrowings		8,725	45,227	36,502
Repayment of borrowings		(11,924)	(13,361)	(4,770)
Interest paid - lease liability		(1)	(57)	(57)
Repayment of lease liabilities		(524)	(680)	(680)
<b>Net cash (used in)/ provided by financing activities</b>	<b>D3</b>	<b>(5,725)</b>	<b>27,336</b>	<b>27,059</b>
Net increase (decrease) in cash and cash equivalents		(9,262)	2,338	(1,164)
Cash and cash equivalents at the beginning of the year		32,822	32,822	26,106
<b>Cash and cash equivalents at the end of the period</b>		<b>23,560</b>	<b>35,160</b>	<b>24,942</b>

Details regarding Council's cash movements are contained in Note D - Cash Flow Statement.

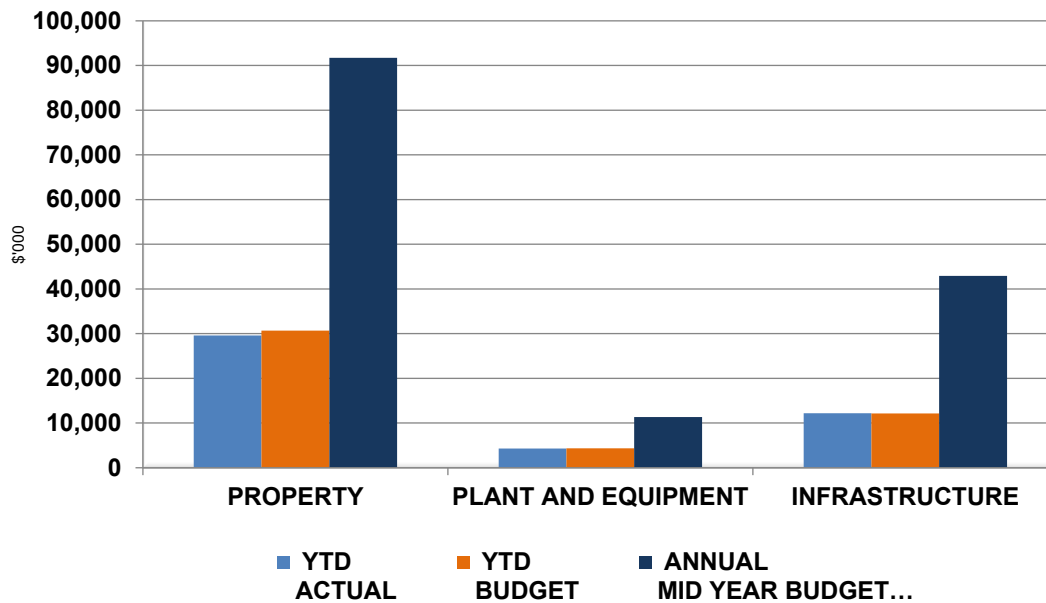
The dissemination of Council's restricted and operating cash is provided in the table in section D4 and the graph "Restricted and Unrestricted Cash" in Appendix 2 Investment Analysis of this report. Note - cash inflows and outflows are inclusive of GST where applicable.

## CAPITAL EXPENDITURE STATEMENT

The detailed program under each of the capital groups is contained in **Appendix 1 – Capital Expenditure**.

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	COMMIT \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	ANNUAL ORIGINAL BUDGET \$'000
PROPERTY	29,578	30,666	1,088	40,457	91,699	75,627	77,123
PLANT AND EQUIPMENT	4,270	4,310	40	2,720	11,350	11,350	7,983
INFRASTRUCTURE	12,187	12,126	(61)	13,946	42,900	41,597	34,765
<b>TOTAL EXPENDITURE</b>	<b>46,035</b>	<b>47,101</b>	<b>1,066</b>	<b>57,122</b>	<b>145,949</b>	<b>128,574</b>	<b>119,871</b>

**Capital Expenditure by Asset Group  
1 July 2025 to 31 March 2026**



## MANAGEMENT ACCOUNTING RESULT

For the period 1 July 2025 - 31 March 2026

Whilst the Financial Statements are prepared in accordance with Australian Accounting Standards, they contain several items which are “non-cash” in nature such as depreciation on assets and the written down (book) value of assets sold. They also exclude capital expenditure, new borrowings and loan repayments and as such, these Statements do not provide an accurate indication of the surplus/deficit cash position within a financial year.

The following table provides a management accounting summary of the financial performance for the period 1 July 2025 to 31 March 2026 which removes non-cash items and adds back cash items that are excluded from the financial statements.

Description	YEAR-TO-DATE			FULL YEAR		
	ACTUAL \$'000	MID YEAR BUDGET \$'000	VARIANCE Fav(unfav) \$'000	MID YEAR BUDGET \$'000	FORECAST \$'000	VARIANCE Fav(unfav) \$'000
<b>Income Statement</b>						
Income	199,682	199,601	81	295,026	290,886	(4,140)
Expenditure	184,492	190,426	5,934	278,956	278,065	891
<b>Net surplus - ongoing operations</b>	<b>15,190</b>	<b>9,175</b>	<b>6,015</b>	<b>16,070</b>	<b>12,821</b>	<b>(3,249)</b>
<b>Management Accounting reconciliation</b>						
<i>Add (less) non cash items included in op result</i>						
Depreciation	36,346	36,346	-	53,229	53,229	-
Amortisation - right of use assets	536	536	-	715	715	-
Contributions non-monetary assets	-	-	-	(7,500)	(7,500)	-
Assets written off	4,752	-	(4,752)	-	-	-
Prior year cap expenditure unable to be capitalised	415	-	(415)	-	-	-
Written down value of assets sold / disposed	113	-	(113)	60	125	65
<b>Sub total</b>	<b>42,162</b>	<b>36,882</b>	<b>(5,280)</b>	<b>46,504</b>	<b>46,569</b>	<b>65</b>
<b>Net operating surplus</b>	<b>57,352</b>	<b>46,057</b>	<b>11,295</b>	<b>62,574</b>	<b>59,390</b>	<b>(3,184)</b>
<i>Add (less) cash items not included in op result</i>						
Capital expenditure	(46,035)	(47,101)	1,066	(145,949)	(128,574)	17,375
Net transfers from (to) reserves	4,120	4,336	(216)	14,351	15,060	709
Repayment of borrowings	(11,924)	(11,924)	-	(13,361)	(12,997)	364
Proceeds from borrowings	8,725	8,725	-	45,227	33,486	(11,741)
Repayment of lease liabilities	(525)	(525)	-	(680)	(680)	-
<b>Sub total</b>	<b>(45,639)</b>	<b>(46,489)</b>	<b>850</b>	<b>(100,412)</b>	<b>(93,705)</b>	<b>6,707</b>
<b>Cash surplus (deficit)</b>	<b>11,713</b>	<b>(432)</b>	<b>12,145</b>	<b>(37,838)</b>	<b>(34,315)</b>	<b>3,523</b>
Accumulated surplus brought forward	-	-	-	37,838	37,838	
<b>Surplus position</b>	<b>11,713</b>	<b>(432)</b>	<b>12,145</b>	<b>-</b>	<b>3,523</b>	<b>3,523</b>

The management accounting result at 31 March 2026 (after removing non-cash items and adjusting for items not in the operating result) shows a favourable variance between budget and actual of \$12.14 million due mainly to a favourable operating expenditure variance of \$5.93 million combined with the removal of non-cash fixed asset items (assets written off and prior year capital expenditure unable to be capitalised).

## NOTES TO THE FINANCIAL STATEMENTS

### A. Accounting Policy Notes

The financial report is prepared on the principles of accrual accounting. Accrual accounting recognises income when earned and expenditure when incurred, regardless of whether cash settlement has taken place. The basis of recognition of major income and expenditure in these statements are defined below.

1. **Rate revenue:** Rate revenue (excluding supplementary rates) is accrued evenly over the year, although cash is received in quarterly instalments or a lump sum, depending on how the ratepayer chooses to pay. Rate revenue in the Income Statement is a monthly accrual of the rates determined for the year in July.
2. **Grant revenue:** Council receives two types of grants, namely a General Purpose Grant (Financial Assistance Grant funding from the Victorian Local Government Grants Commission) which is not tied to any programs and Special Purpose Grants for various programs.

In accordance with Accounting Standards, AASB 15 'Revenue from Contracts with Customers' and AASB 1058 'Income of Not-For-Profit Entities', grant income is generally recognised in the Income Statement to the extent of satisfied performance obligations.

Alternatively, grant funding which does not have sufficiently specific performance obligations is recognised as income when the cash is received. Any grant income relating to unsatisfied performance obligations are recognised as unearned income in the Balance Sheet at balance date. Grants comprise of operating and capital (recurrent and non-recurrent in nature).

3. **Fees and charges:** Most fees and charges are recognised when cash is received. Generally, where Council raises a debtor's invoice, income is recognised at the point of the invoice and not when cash is received. Car parking permit income relating to a future period at balance date are recognised as unearned income in the Balance Sheet.
4. **Contributions - cash:** Cash contributions are essentially from developers towards open space works. These monies are treated as income when received. Council is obligated to spend these monies for the purpose for which they are given by the developers. Council also receives external contributions for other capital projects. Cash contributions received are held in reserves and treated as "restricted cash" until they are spent (see note 9 below).
5. **Employee costs:** Salaries expenditure is based on fortnightly salaries paid and accruals for salary on-costs such as leave entitlements, superannuation and Workcover.
6. **Capital expenditure:** The two broad areas of capital are the capital improvement program (CIP) (which includes infrastructure and major projects) and 'other' which includes fleet, computers, plant and furniture. Expenditure is recognised as capital if it is significant in value and results in assets which have a useful life in excess of at least one year.

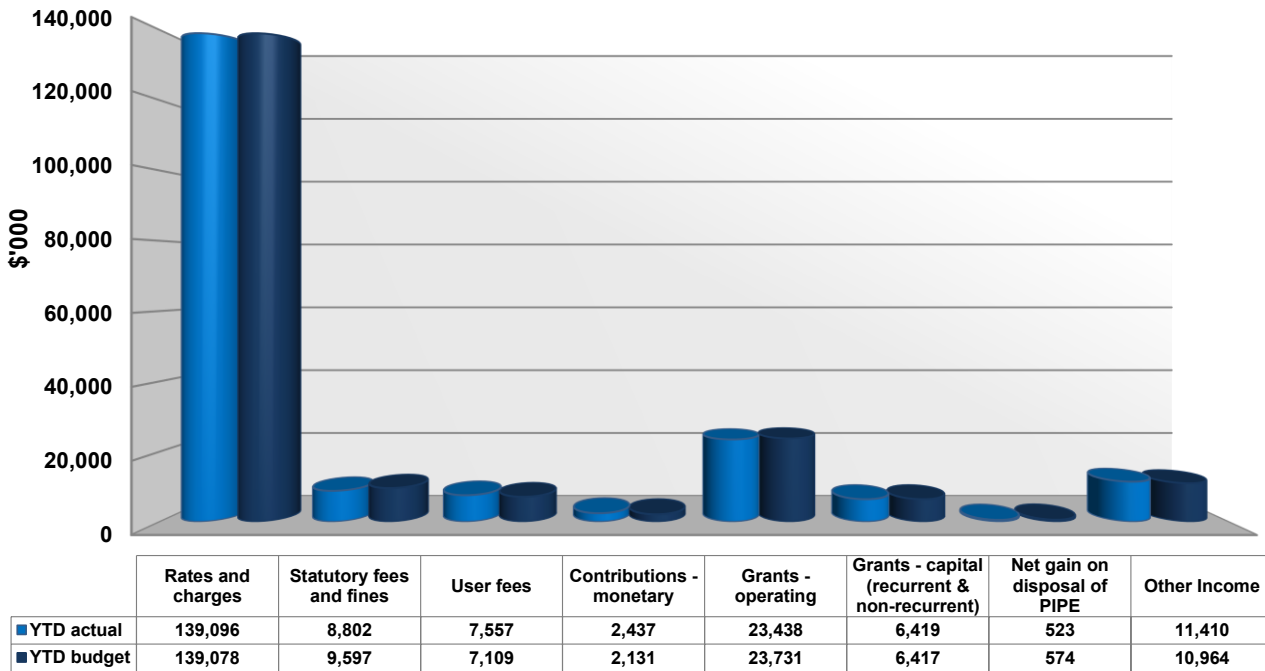
7. **Budget information:** The Original Budget information contained in the report is the budget approved by Council on 23 June 2025. The year-to-date budget in this report reflects the Mid-Year Budget as adopted by Council on 8 December 2025. In accordance with Section 97(3) of the Local Government Act 2020 the Chief Executive.
8. **Cash Flow Statement:** Reflects the actual cash movements during the year.
9. **Restricted cash:** These are monies set aside for specific purposes and are not readily available for day-to-day operations or general capital works. They include funds set aside towards meeting long service leave commitments (required by government regulations), statutory reserves (e.g. open space contributions) and other funds that are committed towards specific purposes.

## B. Income Statement

### B1. Operating Income

The chart below shows the categories of operating income against their respective budgets (excludes non-cash accounting entries such as non-monetary contributions or gifted assets).

**Income from operating activities  
for 1 July 2025 - 31 March 2026**



Operating income for the quarter ended 31 March 2026 is \$98,000 favourable against budget. This is due to the following:

- Statutory fees and fines (\$795,000 unfavourable)** – Mainly due to lower statutory fine income for local laws, littering and parking (City Futures \$1.4 million), driven by delayed recruitment of Local Laws/Litter officer positions and a short-term (two-month) impact associated with the implementation of new parking ticket machines. This unfavourable variance is partially offset by higher plan checking, subdivision fee income and Magistrates Court fine income (City Futures \$543,000) and higher election fine income (Non-Directorate \$76,000). A permanent unfavourable variance of \$845,000 has been reflected in the 2025-26 Forecast.
- User fees (\$448,000 favourable)** – Mainly due to better-than-anticipated income from parking ticket machines (City Futures \$514,000), reflecting reduced availability in some non-Council car parks because of ongoing works and the rollout of new parking meters/ticket machines. The favourable variance is partially offset by lower income for Community Care services (Community Strengthening \$75,000). A permanent favourable variance of \$428,000 has been reflected in the 2025-26 Forecast.
- Other income (\$446,000 favourable)** – Mainly due to higher rental, venue hire and recovery income (Community Strengthening \$253,000) across Council facilities and venues (including The Drum Theatre, Civic and Community facilities), and higher municipal maintenance agreement and recoveries (City Futures \$115,000). The favourable variance

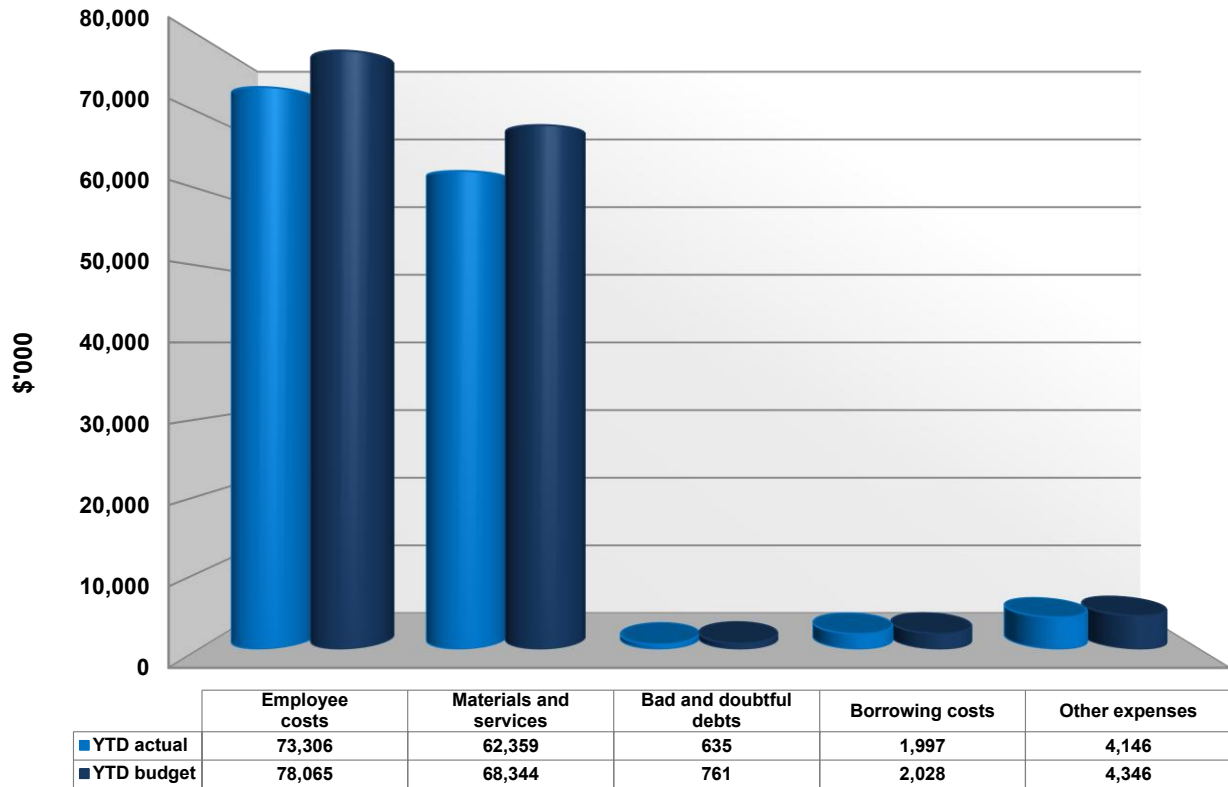
also includes higher interest on investments (Non-Directorate \$105,000), reflecting cash retained in the investment portfolio for longer than anticipated due to the timing of capital expenditure, as well as investment interest rates remaining above the assumptions used in the Mid-Year Budget. A permanent favourable variance of \$1.01 has been reflected in the 2025-26 forecast.

- **Contributions - monetary (\$306,000 favourable)** – Higher public open space contributions received (Non-Directorate \$306,000), primarily from developer contributions. These contributions are restricted and transferred to reserves to fund future open space planning, development, improvements and land acquisitions. A permanent favourable variance of \$159,000 has been reflected in the 2025-26 Forecast, however, this is offset by the associated transfer to reserve.
- **Grants – operating (\$293,000 unfavourable)** - Mainly due to lower grant funding recognised for Family Day Care, reflecting lower-than-anticipated activity and the timing of grant recognition based on satisfied performance obligations (Community Strengthening \$512,000). The unfavourable variance is partially offset by unbudgeted grant project expenditure for the Dandenong Employment Hub (City Futures \$189,000), which will be offset by corresponding grant income. A permanent unfavourable variance of \$485,000 has been reflected in the 2025-26 Forecast.
- **Net gain (loss) on disposal of property, infrastructure, plant and equipment (\$51,000 unfavourable)** - Mainly due to lower-than-budgeted proceeds on asset sales and/or the timing of planned disposals occurring later in the year, resulting in a reduced net gain recognised year-to-date. A permanent unfavourable variance of \$65,000 has been reflected in the 2025-26 Forecast.

## B2. Operating Expenditure

The chart below shows the categories of operating expenditure against their respective budget (excludes non-cash accounting entries including depreciation, amortisation, asset write offs and prior year capital expenditure unable to be capitalised).

### Expenditure from operating activities for 1 July 2025 to 31 March 2026



Operating expenditure for the year ended 31 March 2026 is favourable by \$6.01 million. This is mainly due to favourable variances in Materials and services and Employee costs partly offset by two fixed asset accounting entries (prior year capital expenditure unable to be capitalised and asset write offs). The fixed asset accounting entries do not impact Council's cash position and are discussed in more detail in Notes 22 and 23 of this report.

- **Materials and services (\$5.99 million favourable)** – due to the following variances:
  - Primarily attributable to works program realignment, potential efficiencies in water usage, and reduced expenditure on temporary agency staff (Parks Services \$1.36 million).
  - Delayed start of maintenance programs following the July/August implementation of the new Works Management System (WMS) (Roads and Drains \$1.26 million).
  - Primarily due to the transition of Building Maintenance activities from capital to operational teams, along with lower electricity costs over the summer period (Building Maintenance \$1.04 million).

- Lower street lighting costs and flood mitigation initiative costs to date (Strategic Asset Planning \$537,000)
- Lower tonnages across the three main waste streams including domestic garbage, Food Organics Garden Organics (FOGO) comingled recycling and hard rubbish (Waste Management \$439,000).
- Lower costs incurred to date for graffiti removal, footpath staining, street furniture cleaning, and the management of dumped chemicals and asbestos (Cleaving \$348,000).
- The progression of the PEP building demolition (Building and Disposal Program \$196,000).
- Lower than anticipated costs for professional services for the Place Micro grant program (Place Making Revitalisation \$184,000).
- Lower than anticipated consultant expenditure (Strategic and Environment Planning \$181,000).
- Lower than anticipated statutory fees (Parking Management \$124,000), driven by lower fines issued (and therefore lower associated lodgement fees), mainly due to vacant positions and delays in recruitment, and a short-term (two-month) reduction in fines during the implementation of new parking meters/ticket machines.
- Lower fuel, electrical maintenance and consumables (Fleet Management \$115,000).
- Lower Family Day Care educator payments matched by lower income (\$454,000) and lower performance fees, special project costs, events and community education (Community Strengthening \$754,000).
- Lower than anticipated application support, software maintenance (Customer & Information Office \$210,000).

Overall, a permanent favourable variance of \$891,000 has been reflected in the 2025-26 Forecast.

- **Employee costs (\$4.76 million)**

As depicted in the table below, the \$4.76 million favourable variance is made up of:

Directorate	2025-26 Variance Fav/(unfav) \$	Grant Funded Programs \$	Offset by Lower Income \$	2025-26 Potential Underspend/ (overspend) \$
CEO SERVICES	(31,081)	-	-	(31,081)
CITY FUTURES	1,879,507	47,909	699,375	1,132,224
COMMUNITY STRENGTHENING	2,492,171	1,271,666	333,922	886,583
NON DIRECTORATE	(10,825)	-	-	(10,825)
STRATEGY & CORPORATE SERVICES	95,827	-	-	95,827
CUSTOMER & INFORMATION OFFICE	(6,001)	-	-	(6,001)
CHIEF FINANCIAL OFFICE	339,010	-	-	339,010
<b>Grand Total</b>	<b>4,758,608</b>	<b>1,319,574</b>	<b>1,033,297</b>	<b>2,405,737</b>

- \$1.32 million (28%) in grant funded programs which represent a future obligation and require an acquittal, caused mainly by a delay in recruitment (mostly in Community Strengthening).
- \$1.03 million represents favourable employee costs are wholly offset by lower income.
- The remaining \$2.4 million represents a potential underspend in employee costs due to the delay in recruitment of vacant positions as well as the timing gap between recruitment of vacant positions commencing and onboarding across the organisation:
  - *City Futures (\$1.82 million)* – Parks and Open Spaces (\$849,000), Community Compliance and Amenity (\$694,000), City Works (\$222,000), Strategic Design & Sustainability Planning (\$135,000) and Business Development and Investment (\$75,000). This favourable variance is partially offset by an unfavourable variance for Infrastructure Strategy (\$137,000).
  - *Community Strengthening (\$886,000)* – Community Wellbeing (\$726,000) and Community Care (\$363,000). This favourable variance is partially offset by an unfavourable variance for Creative and Engaged City (\$128,000) and Safe, Active & Connected Communities (\$56,000).
  - *Chief Financial Office (\$339,000)* – Mainly due to timing of Procurement team uplift and recruitment of the new Chief Financial Officer (\$276,000).

Overall, a permanent favourable variance of \$1.2 million has been reflected in the 2025-26 Forecast.

## C. Balance Sheet

At 31 March 2026, Council's net assets are valued at \$3.14 billion.

### C1. Current assets

*Cash and other assets that can be readily converted to cash.*

**Cash and cash equivalents (\$23.56 million)** – Represent the net amount held by Council in cash or term deposits with a term of less than 90 days.

When combined with 'Financial assets' of \$201.37 million (below), Council holds a total of \$224.93 million in cash and investment funds. Of this amount, \$182.30 million (81%) is restricted for specific purposes, including employee entitlements, trust funds and deposits, and internal reserves.

Funds are invested in accordance with Council's Investment Policy. The policy requires Council to invest with prudence, consideration of acceptable risks and relevant legislation.

The details of Council's investments are contained in **Appendix 2**. In selecting investment products, Council has paid due consideration to risk by ensuring the investment portfolio does not exceed the limits set in the Policy based on the Standard and Poor's Long-Term rating of Authorised Deposit Taking Institutions (ADI) combined with the term of the investment.

**Financial assets (\$201.37 million)** – The increase in financial assets from 30 June 2025 is primarily due to the delayed timing of planned capital expenditure, which has resulted in Council retaining cash for longer and placing a higher proportion of funds in term deposits with maturities over 90 days at 31 March 2026.

**Trade and other receivables (\$67.18 million)** – This balance includes:

- Rate debtors \$49.77 million
- Infringement debtors of \$10.80 million (net of provision for doubtful debts).
- General debtors \$6.61 million (net of provision for doubtful debts).

Rate revenue (excluding supplementary rates) is accrued evenly over the year, although cash is received in quarterly instalments, via direct debit (including more flexible payment frequencies for ratepayers who sign up to Payble) or as a lump sum, depending on how the ratepayer chooses to pay. Rate revenue in the Income Statement is a monthly accrual of the rates determined for the year in July.

**Other assets (\$3.72 million)** – This balance includes:

- Accrued income \$2.76 million – income earned but cash not yet received as at 31 March 2026.
- Prepayments \$624,000 - expenses prepaid at 31 March 2026.
- Other deposits of \$333,700 comprising:
  - \$250,000 for Metropolitan Resource Recovery Landfill Services Gate Fee,
  - \$75,000 for Metropolitan Resource Recovery organic waste processing contract, and
  - \$8,700 works warranty bond for Soccer Pitch and Community Centre, 9 Memorial Drive, Noble Park.

## C2. Non-current assets

**Property, infrastructure, plant and equipment (\$3.03 billion)** – Includes Council roads, drains, buildings, plant and other fixed assets. These values are reflected after recognising the depreciation allowed against each asset.

**Investment property (\$6.86 million)** is separately classified from 'Property, infrastructure, plant and equipment' in accordance with Australian Accounting Standards. Any adjustment to the fair value of these assets on an annual basis is recorded in the Comprehensive Income Statement and these assets are not depreciated.

**Right-of-use assets (\$144,000)** – Represents leased (right-of-use) assets and includes property, fleet, IT and office equipment that has been leased under ordinary lease arrangements.

**Trade and other receivables (\$182,000)** – Comprise:

- \$179,194 for Council's share of funds held in trust by Whitehorse City Council relating to the former Narre Warren landfill site, and
- \$3,078 for Council's share of funds in South East Metropolitan Advanced Waste Processing Pty Ltd.

## C3. Current liabilities

*Debts due to be repaid within 12 months.*

**Trade and other payables (\$4.49 million)** – This balance includes trade creditors arising from operations and capital works.

**Trust funds and deposits (\$14.43 million)** – Trust funds and deposits includes other refundable monies in respect of:

- Emergency Services Volunteer Fund (ESVF) payments collected by Council on behalf of the State Government, but not yet paid on to the State Revenue Office (\$11.11 million). These monies are remitted to the State Revenue Office in accordance with legislative timeframes (28 days after each quarterly rate instalment date).
- Other deposits (\$2.01 million).
- Landscape deposits (\$853,000).
- Road deposits (\$318,000).
- Open space contributions (\$136,000).

**Unearned income (\$56.69 million)** – Represents income not yet earned, based on specific performance obligations, that were not complete at 31 March 2026 in respect of:

- Developer Contribution Plan liabilities (DCP) – (\$42.41 million).
- Operating grants (\$8.40 million).
- Capital grants (\$5.14 million).
- Other (\$735,000).

**Provisions (\$21.35 million)** – This balance represents the provision for employee entitlements and landfill restoration works.

- Employee entitlements:
  - Long service leave entitlements - \$12.05 million.
  - Annual leave entitlements - \$8.46 million.
  - Rostered days off (RDO) - \$735,000.
- Landfill provision - \$101,000 - provision for the restoration and aftercare management of the former Spring Valley landfill site (closed). The former closed landfill is owned by the Council and is used as recreational open space. Council's share is 19.88% of the total future estimated costs.

**Interest-bearing liabilities (\$1.18 million)** – Represents the repayment of long-term borrowings expected during 2025-26.

**Lease liabilities (\$101,000)** - Represents the lease repayments in respect of the right-of-use assets that are payable during 2025-26.

#### C4. Non-current liabilities

*Debts due to be repaid in future years.*

**Provisions (\$1.88 million)** – Represents the provisions estimated to be paid beyond the 2025-26 financial year and comprises long service leave entitlements for employees (\$522,000) and landfill provision for restoration of Spring Valley landfill site (\$1.36 million) (Council's share is 19.88% of the total future estimated costs).

**Trust funds and deposits (\$2.80 million)** – Represents deposits that are payable beyond the 2025-26 financial year and comprises asset protection bonds of \$2.52 million, landscape deposits of \$166,000 and contractor deposits of \$115,000.

**Interest-bearing liabilities (\$43.99 million)** – Comprises the amount of outstanding borrowings to be repaid beyond the next 12 months.

**Lease liabilities (\$113,000)** – Represents the amount of lease payments in respect of the right-of-use assets to be repaid beyond the next 12 months.

#### C5. Net assets and equity

**Net assets** - Represents the difference between total assets and total liabilities. It is the Council's net worth to the City's ratepayers.

**Reserves** – Includes both statutory reserves (S) and discretionary reserves (D). The statutory reserves apply where funds are gained from the application of legislative requirements to contribute – and where expenditure of the funds is not entirely discretionary (i.e. the funds need to be used for certain expenditure only). The reserves listed below are explained in Section D - Notes to the Cash Flow Statement that follows.

The **discretionary** reserves are:

- Major projects reserve
- Insurance fund reserve
- Council funded – Development Contribution Plans reserve
- Spring Valley landfill rehabilitation reserve
- Springvale Activity Precinct – Parking and Development reserve
- Dandenong Activity Precinct – Parking and Development reserve
- Native re-vegetation reserves
- Keysborough South Maintenance Levy reserve
- General reserve (Aged Care)
- Grants in advance reserve
- Future maintenance reserve
- Digital Technology

The **statutory** reserves are:

- Open space – planning, development and improvements
- Open space – land acquisitions

## D. Cash Flow Statement

Cash and cash equivalents total \$23.56 million as at 31 March 2026, a decrease of \$9.26 million since 30 June 2025.

When considered together with 'Financial assets' of \$201.37 million, Council's total cash and investment holdings comprise \$224.93 million. 'Financial assets' are term deposits with a maturity greater than 90 days.

81% or \$182.30 million of Council's total cash and investment holdings are restricted for specific purposes. Please refer to the following page for a detailed listing of Restricted Cash items.

**Cash flows from operating activities** – net inflow of \$75.65 million.

The major inflows are rates (\$150.96 million), trust funds and deposits taken (\$49.11 million), operating grants (\$24.90 million) and statutory and user fees (\$13.74 million).

The major outflows are materials and services (\$77.67 million), employee costs (\$77.49 million), and trust funds and deposits repaid (\$37.96 million).

Trust funds and deposits taken and repaid mainly relate to the Emergency Services and Volunteers Fund (ESVF). The remittance of ESVF amounts and associated levy interest is made to the State Revenue Office (SRO) in four instalments in accordance with section 41(1) of the *Emergency Services and Volunteers Fund Act 2012 (Vic)*. An instalment is due and payable to the Commissioner of State Revenue 28 days after the due date of rates instalments. Council collects ESVF on behalf of the State Government.

**Cash flows from investing activities** – net outflow of \$79.18 million, including:

- \$55.69 million for capital works expenditure. The detailed capital works schedule is included in this report as Appendix 1. Please note the difference between the two capital expenditure amounts is due to the movement in capital trade creditors at the start and end of the reporting period. Appendix 1 is on an accrual basis.
- \$24.13 million relates to cash outflow for term deposits invested with a maturity of greater than three months.
- \$638,000 proceeds on asset sales mainly relating to the fleet replacement program.

**Cash flows from financing activities** – outflow of \$5.72 million.

Council incurred \$2.00 million in borrowing finance costs and repaid \$11.92 million of existing borrowings during the period. Council also repaid \$524,000 of lease liabilities as at 31 March 2026.

**Restricted cash** - Restricted cash represents funds that are set aside for specific purposes, as detailed in the following tables.

Type	31-Mar-26	Notes
<b>Reserve funds</b>	<b>\$'000</b>	
Council funded Development Contribution Plans (DCP) reserve	17,120	Reserved for specific expenditure in accordance with the published DCP.
Open space – planning, development and improvements	8,790	Reserved for enhancing the City's open space by planning, development and improvements.
Open space – acquisitions	5,947	To fund acquisitions of new open space land.
Major projects reserve	42,152	Funds realised from the sale of Council's property assets or surplus Council funds that will be utilised for investing in other properties or funding future major projects.
Keysborough South Maintenance Levy	4,743	Reserved for specific maintenance expenditure relating to this area.
Spring Valley landfill rehabilitation	5,431	Rehabilitation of the Spring Valley landfill site.
Re-vegetation reserves	150	To meet native re-vegetation requirements on Council's reserves.
Insurance fund reserve	1,006	To meet large and unexpected policy excesses on multiple insurance claims.
Springvale Activity Precinct Parking and Development reserve	236	To fund development in the Springvale Activity Centre.
Dandenong Activity Precinct Parking and Development reserve	4,227	To fund development in the Dandenong Activity Centre.
General reserve (Aged Care)	6,432	Funds set aside for the aged care reforms.
Future maintenance reserve	3,667	Contribution funds for future works to address level crossing removal authority defects.
Digital Technology	982	To fund digital technology uplift.
<b>Total reserve funds</b>	<b>100,883</b>	

<b>Employee provisions</b>	<b>\$'000</b>	
Long service leave	12,577	Funds to meet long service leave commitments.
Annual leave and other	9,194	Funds set aside to meet annual leave and rostered days off (RDO) commitments.
<b>Total employee provisions</b>	<b>21,771</b>	

Type	31-Mar-26	Notes
<b>Trust funds and deposits</b>	<b>\$'000</b>	
Emergency Services Volunteer Fund (ESVF) collected and due	11,114	Payable to State Revenue Office – legislative requirement.
Open space contributions	136	Pending completion of works.
Landscape deposits	1,018	Pending completion of works.
Road deposits	318	Pending completion of works.
Other trust funds and deposits	4,646	Refundable upon finalisation of programs.
<b>Total trust funds and deposits</b>	<b>17,232</b>	

<b>Other restricted funds</b>	<b>\$'000</b>	
DCP unearned income	42,414	Pending completion of works by developers.
<b>Total other restricted funds</b>	<b>42,414</b>	

<b>Total restricted cash</b>	<b>182,300</b>
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## E. Statement of Capital Works

Total capital expenditure as at 31 March 2026 was \$46.03 million, with a further \$57 million in commitments. The following CIP Expenditure Report contains the expenditure status of each of the approved capital projects.

The timing of cash outflows and project completion can differ for capital projects. Commentary on the status of each project with major variances are reported if the variance is greater than \$300,000. Please note that the variances detailed below are the total of all asset classes by project whereas the Capital Expenditure report details the variances separately by asset class and project.

### Property

**3974 Dandenong Wellbeing Centre (\$797,000 favourable)** – The variance is due to re-sequenced construction works, with the builder currently tracking slightly behind the construction program. Dandenong Wellbeing Centre (DWC) cash flows have been reforecast in the 2025-26 Forecast, with expenditure of approximately \$51 million now expected in 2025-26. Future year projections have also been updated to reflect the revised delivery profile.

## APPENDIX 1 – CIP EXPENDITURE REPORT

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$	\$
<b>PROPERTY</b>							
<b>Buildings</b>							
1631. Art Gallery PEP Bldg	259,572	246,189	(13,383)	-	562,061	562,061	-
1869. Dandenong Community Hub	101,049	100,000	(1,049)	1,398,153	1,415,544	1,415,544	-
3004. Bldg Renewal Aq/Leis D'ngong Oasis	127,013	132,791	5,778	2,790	132,791	132,791	19,470
3024. Heritage Kindergarten	23,767	31,075	7,308	1,785	32,062	25,552	32,062
3041. Dandenong Civic Ctr Rectification	168,692	297,052	128,360	19,575	930,126	930,126	500,000
3083. Bldg Renewal Walker St Gallery	156,232	79,845	(76,387)	3,353	79,845	79,845	79,845
3093. Dandenong Nth Senior Citizen	10,058	12,248	2,190	3,607	61,242	61,242	-
3207. Bldg Renewal Aq/Leis D'ngong Stadium	131,056	190,127	59,071	72,264	298,290	298,290	-
3224. Ross Res Athletics Pav. Amenities	5,739	5,700	(39)	3,545	64,800	64,800	64,800
3267. Lois Twohig Gerry Sweet Pavilion	79,759	79,810	51	339	137,600	90,132	137,600
3303. NP Comm Ctr Building 2	33,221	27,597	(5,624)	4,075	27,597	27,597	-
3324. Bldg Renewal Aq/Leis Springers	50,126	50,000	(126)	8,010	135,536	135,536	-
3455. Burden Park Masterplan Implem.	6,830	23,530	16,700	4,794	47,059	47,059	-
3479. Darren Reserve Kindergarten	3,300	3,300	-	-	78,605	78,605	-
3548. Keysborough Community Hub (KCH)	1,056,397	1,056,429	32	359,337	1,428,516	1,428,516	-
3717. Springvale Reserve	-	-	-	-	324,920	324,920	-
3793. Dandenong Market Square	800	-	(800)	5,825	-	-	-
3820. Bldg Renewal Aq/Leis NPAC	92,883	93,150	267	100,591	137,671	193,474	53,471
3873. Bldg Renewal DDA	-	-	-	-	223,112	223,112	223,112
3876. Bldg Renewal Fixt/Fitt Bathroom	28,040	15,127	(12,913)	24,490	15,127	15,127	-
3878. Bldg Renewal Lift	125,179	26,500	(98,679)	5,716	26,500	26,500	-
3879. Building Renewal Minor Works	-	-	-	1,016	-	-	-
3883. Bldg Renewal Fixt/Fitt Kitch & Mech	46,735	-	(46,735)	58,444	-	-	-
3904. Bldg Renewal Theatre	50,149	74,344	24,195	50,006	188,690	188,690	188,690
3906. Dandenong New Art	262,634	511,100	248,466	272,041	9,191,603	9,191,603	4,255,599
3946. Bldg Renewal Aquat/Leis	99,948	5,371	(94,577)	48,698	5,371	5,371	-
3955. Chandler MCH/Kinder Windows	31,777	31,800	23	-	85,455	85,455	-
3974. D'ngong Wellbeing Centre	25,658,764	26,455,869	797,105	36,785,546	67,086,733	50,999,733	66,156,000
4001. Dandenong Market Bazaar Bird Net	119,400	119,400	(0)	182	185,000	185,000	-
4003. Springvale Res Masterplan Implem.	-	-	-	-	88,500	88,500	-
4067. Lyndale Sec. College Kitchen	8,374	7,700	(674)	10,141	163,589	163,589	-
4069. PEP Redevelopment	5,833	-	(5,833)	371,741	1,094,032	1,094,032	-
4071. Noble Park Comm Ctr-DDA bathroom	-	-	-	-	450,000	450,000	-
4072. Noble Park Comm Ctr-Kitchen	-	-	-	-	70,000	70,000	-
4073. Drum Theatre Facade & Lighting	-	-	-	9,129	250,000	250,000	-
4074. Burden Park Bowls Club Flooring	2,020	2,000	(20)	-	61,500	61,500	-
4104. Security Program	15,322	15,350	28	11,797	220,000	220,000	-
4105. Police Paddocks Water Main	250	205	(45)	47,106	122,727	122,727	-
4106. 2330-22/23 D'ngong Civic Hot Water	-	-	-	-	93,280	93,280	-
4126. Dandenong Day Nursery Cafe Blinds	-	-	-	-	35,000	35,000	-
4132. Heritage Hill (Laurel)	3,078	27,515	24,437	1,050	55,028	14,128	-
4146. 39 Clow Ground Floor HVAC	160,040	160,040	-	181,908	664,480	464,480	664,480
4147. Dandenong West Prim Sch	25,380	25,080	(300)	-	25,080	25,380	25,080
4148. Noble Park Mobile Library Service	17,356	17,356	0	-	17,356	17,356	-
4184. Dandenong Market - Lift	135,430	135,430	(0)	149,371	174,565	174,565	-
4185. D'ngong Market Fire & Compliance	248,768	375,266	126,498	39,524	803,976	803,976	100,000
4186. D'ngong Market Struct Rectification	39,613	39,696	83	-	510,318	510,318	500,000
4202. Gas Transition Program	36,384	62,120	25,736	10,994	120,237	120,237	-
4219. Bldg Renewal Fixt/Fitt Paddy O'Don	320	-	(320)	15,910	-	-	-
4220. Bldg Renewal Fixt/Fitt General	22,637	22,640	3	11,744	88,570	88,570	-
4222. NPAC Pump & Pipework	-	-	-	-	5,000	5,000	-
4238. Bldg Renewal Fixt/Fitt Fifth Ave	-	-	-	-	110,000	110,000	-
4264. Dandenong Stadium Court Resurfacing	900	-	(900)	-	474,467	474,467	1,024,467
4265. Water Main Renewal Program	55,893	56,200	307	18,960	1,119,680	1,174,680	1,119,680
4293. Dandenong Library Inclusive Spaces	13,613	13,613	1	46,862	471,839	721,839	471,839
4296. Springers Floor & Futsal Goal	-	-	-	3,925	950,525	950,525	950,525
4298. Bldg Renewal D'ngong Civic Centre	-	-	-	-	93,280	93,280	93,280
4299. Springvale Res Sport Pav Amenities	36,892	36,950	58	282,544	452,868	402,868	452,868
<b>Leasehold Improvements</b>							
3553. Parkmore Customer Service Refurb	-	-	-	-	10,000	10,000	10,000
4288. Police Paddocks DDA Access	19,965	-	(19,965)	3,900	-	-	-
<b>Land</b>							
4201. 9A Blissington Street, Springvale	590	-	(590)	5,947	-	-	-
<b>Total Property</b>	<b>29,577,776</b>	<b>30,665,515</b>	<b>1,087,739</b>	<b>40,456,734</b>	<b>91,697,753</b>	<b>75,626,978</b>	<b>77,122,868</b>

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$	\$
<b>PLANT AND EQUIPMENT</b>							
<b>Plant, machinery and equipment</b>							
1445. Fleet Renewal Program	2,972,234	2,972,234	(0)	2,489,991	5,759,395	5,759,395	3,949,201
<b>Library books</b>							
3104. Library Strategy Books & Resources	524,354	524,356	2	129,179	865,592	865,592	865,592
<b>Computers and telecommunications</b>							
4104. Security Program	-	-	-	-	40,000	40,000	-
4154. Various Locations People Counters	-	-	-	-	31,088	31,088	-
4162. CCTV Renewal Program	57,762	57,762	0	4,709	2,651,627	2,651,627	1,832,290
4223. Dandenong Library Book Sorter	231,173	250,000	18,827	-	250,000	250,000	-
4224. Dandenong Civic Ctr UPS Server	107,828	107,900	72	-	137,832	137,832	-
4262. AI-powered Chat Bot	129,946	130,000	54	791	250,000	250,000	-
<b>Fixtures, fittings and furniture</b>							
3314. Furn Renewal Community Hubs	35,956	40,742	4,786	-	162,970	162,970	162,970
3959. Emergency Relief Centre Equipment	21,904	29,010	7,106	131	29,010	29,010	-
4151. Public Art Renewal Program	11,805	-	(11,805)	4	-	-	-
4269. Library RFID Infrastructure Renewal	-	-	-	-	268,487	268,487	268,487
4270. Creative Studio Hub	1,200	21,960	20,760	-	26,352	26,352	26,352
4271. Community Hub Waste Wash Stations	-	-	-	-	12,497	12,497	12,497
4297. D'nong Civic Ctr Chamber Screen	-	-	-	-	43,065	43,065	43,065
4300. Furn Renewal Kitchen & Mechanical	129,880	129,880	(0)	61,339	625,000	625,000	625,000
4301. MCH Office Furniture	46,357	46,360	4	33,712	197,316	197,316	197,316
<b>Total plant and equipment</b>	<b>4,270,400</b>	<b>4,310,204</b>	<b>39,804</b>	<b>2,719,855</b>	<b>11,350,231</b>	<b>11,350,231</b>	<b>7,982,770</b>

<b>INFRASTRUCTURE</b>							
<b>Parks, open space and streetscapes</b>							
3027. Fencing Program (Active & Passive)	128,686	128,700	14	4,420	249,075	249,075	249,075
3147. Parking Machines	57,928	58,000	72	259,400	682,448	682,448	224,290
3173. Springvale Activity Ctr Wayfinding	-	-	-	64,594	117,000	117,000	117,000
3293. Heritage Archive Fencing & Gate	26,705	26,710	5	20,652	62,150	62,150	62,150
3442. NPR Noble Park Revitalisation	175,474	185,844	10,370	2,988	247,793	247,793	-
3835. Passive OS Signage	-	-	-	-	186,560	186,560	186,560
3847. Public Lighting Renewal Program	84,547	84,200	(347)	161,762	305,250	305,250	305,250
3849. Frederick Wachter Playground	-	-	-	-	34,471	34,471	-
3973. Signage Renewal Program	3,480	-	(3,480)	-	-	-	-
4012. Alex Wilkie Wetlands	80,065	168,852	88,787	164,367	331,425	331,425	-
4062. NPR Muderra Artwork	113,525	137,459	23,934	28,396	137,459	137,459	-
4066. George Andrews Field 2 Lighting	132,115	171,186	39,071	-	171,186	171,186	-
4075. Parking Meter Expansion	-	-	-	-	300,000	300,000	-
4079. Police Paddocks Pitch 3 Lighting	25,803	25,800	(3)	163,106	90,000	90,000	-
4119. Frederick Wachter Tennis Lighting	9,871	9,900	30	-	26,378	26,378	26,378
4124. Thomas Carroll West Oval Lighting	-	-	-	23,607	-	-	-
4151. Public Art Renewal Program	-	-	-	-	58,300	58,300	58,300
4164. Dandy CBD LED Upgrade	123,565	122,456	(1,109)	-	122,456	122,456	-
4175. Springvale Revit ActPLAN	24,452	24,461	9	6,241	250,000	250,000	-
4191. Railway Parade Shopping Centre	1,659	5,313	3,654	7,500	7,595	7,595	-
4207. Noble Park Reserve Carpark & Picnic	5,600	39,250	33,650	4,750	39,250	39,250	-
4208. Warner Reserve Masterplan Implem.	57,128	57,150	22	-	60,212	60,212	-
4213. View Road Furn & Landscape	82,665	75,300	(7,365)	4,538	110,110	110,110	110,110
4234. Rosswood Tennis Lighting	169,834	162,100	(7,734)	368	368,338	368,338	-
4235. Greaves Res Oval 4 Lighting	104,134	141,107	36,973	12,482	141,107	141,107	-
4274. Doris Res - Local Pk Furn & LndScp	32,733	32,700	(33)	-	86,130	86,130	86,130
4277. JC Mills Reserve Hockey Lighting	6,890	-	(6,890)	-	24,420	24,420	24,420
4278. Fotheringham Reserve Lighting	1,800	1,800	-	-	23,320	23,320	23,320
4281. WJ Turner Reserve Floodlighting	160,782	160,790	8	153,774	327,904	327,904	327,904
4290. Fotheringham Reserve LED Lighting	74,702	-	(74,702)	215,532	-	-	-
4304. Passive OS Furniture & BBQs	174,738	174,752	14	906	215,710	215,710	215,710
4305. Ian Tatterson Wayfinding	6,660	-	(6,660)	11,400	183,150	183,150	183,150

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$	\$
<b>Recreational, leisure and community facilities</b>							
1679. Parkfield Reserve Master Plan	193,078	224,945	31,867	8,428	314,921	314,921	-
1859. Rowley Allan Res Masterplan Implem.	-	-	-	-	30,000	30,000	-
3209. Active Reserve Prog Facilities	115,560	115,560	0	-	126,308	126,308	126,308
3211. Passive OS Softfall & Rubber	421,887	421,900	13	176,675	513,040	513,040	513,040
3406. Fotheringham Cricket Wicket	77,254	77,000	(254)	25,000	146,080	146,080	146,080
3506. Greaves Reserve Cricket Wicket	59,054	35,970	(23,084)	8,169	71,940	71,940	71,940
3586. Booth Reserve(Clou St)	14,600	14,600	-	10,300	36,080	36,080	36,080
3631. Dandenong Park Masterplan Implem	41,845	44,180	2,335	2,335	44,180	44,180	-
3684. Warner Reserve Cricket Wicket	70,079	70,079	(0)	31,451	146,080	146,080	146,080
4120. Ross Reserve Athletics Track	-	-	-	8	-	-	-
4125. Greaves Reserve Masterplan	-	-	-	-	14,593	14,593	-
4158. Springvale Reserve Netball	80,340	80,000	(340)	-	80,000	80,000	-
4233. Greaves Res Fit Playgrd Rec'n Zone	-	-	-	16,393	-	-	-
4275. JC Mills Res Hockey Field & Fence	28,110	28,000	(110)	25,790	95,436	95,436	95,436
4276. Rowley Allan Coaches Box	24,494	24,500	6	-	46,600	46,600	46,600
4280. Greaves Reserve Recreation Infra.	714,519	482,450	(232,069)	252,012	964,917	964,917	964,917
4282. Warner Reserve Sth Soccer Field	21,659	21,660	1	52,592	212,227	212,227	212,227
4284. Greaves Reserve Cricket Nets O1&2	22,920	-	(22,920)	291,836	-	-	-
4285. Greaves Reserve Coaches Boxes x 6	64,900	-	(64,900)	-	-	-	-
4292. Ross Res. Athletics Shade Struct's	12,657	-	(12,657)	-	-	-	-
4303. Passive OS Playground Risk	125,097	123,200	(1,897)	-	123,200	123,200	123,200
<b>Roads</b>							
3099. Road Signs, Linemark & Improvemts	170	-	(170)	-	154,050	154,050	154,050
3231. Road Reconstruction Program	2,869,116	2,882,984	13,868	2,950,142	5,309,761	5,309,761	2,757,300
3373. Kerb & Channel Renewal	18,174	58,083	39,909	210,497	239,300	239,300	239,300
3404. Black Spot - Brady Rd, Dandenong	43,905	42,650	(1,255)	6,777	365,797	365,797	-
3752. Roads to Recovery Prg	812,303	812,640	337	1,054,426	1,891,400	1,891,400	1,831,496
3753. Road Resurfacing Program	1,131,606	1,155,000	23,394	3,071,816	6,147,840	6,147,840	6,147,840
3754. Road Rehabilitation Program	-	-	-	54,872	-	-	-
3931. Guardrail Renewal Program	-	-	-	-	211,250	211,250	211,250
3992. DCP Perry Rd Stage 3 (KR01c)	692,476	695,000	2,524	2,909,120	6,715,596	6,311,676	6,715,596
4064. NPR Laneway Activation P	-	-	-	173	-	-	-
4076. Safe Local Chapel Rd Keysboroug	-	-	-	-	640,836	640,836	-
4077. Safe Local - Bryants Rd Dandenong	19,120	19,150	30	-	485,414	485,414	-
4138. LATM Renewal Program	77,067	77,067	0	104,952	200,000	200,000	200,000
4187. Black Spot Prog.- Hammond Rd Lodgis	25,550	25,500	(50)	-	82,454	82,454	-
4189. Black Spot Prog.-View Rd, S/Vale	9,151	52,414	43,263	39,838	52,414	52,414	-
4225. Dandenong Market Road Safety	55,520	86,386	30,866	20,420	86,386	86,386	-
4257. Safe Local - McCrae St Dandenong	26,750	33,000	6,250	71,216	1,126,250	1,126,250	2,252,500
4258. Blackspot Dandenong	7,975	-	(7,975)	14,780	3,876,000	3,876,000	3,876,000
4261. IP43 Road Safety Infrastructure	741,386	741,400	14	209,693	1,388,585	1,388,585	1,388,585
4273. Minor Civil Engineering Design Prog	-	-	-	-	87,450	87,450	87,450
4302. Road Renewal (Complex) Program	510	-	(510)	32,320	606,320	356,320	606,320
4309. LXR P Fowler Road	-	-	-	-	350,000	350,000	-
<b>Bridges</b>							
3185. Bridge & Boardwalk Program	-	-	-	-	261,850	261,850	261,850
<b>Footpath and cycleways</b>							
3134. Palm Plaza	364	-	(364)	-	239,800	239,800	239,800
3355. Footpath Renewal Program	114,735	114,735	-	26,504	537,325	537,325	537,325
4250. LXR P Fowler Rd Footpath	365,714	365,500	(214)	6,174	750,000	750,000	-
4286. Lois Twohig Path Network	-	-	-	98,635	-	-	-
4308. LXR P Sth Gipps Path	-	-	-	-	99,900	99,900	-

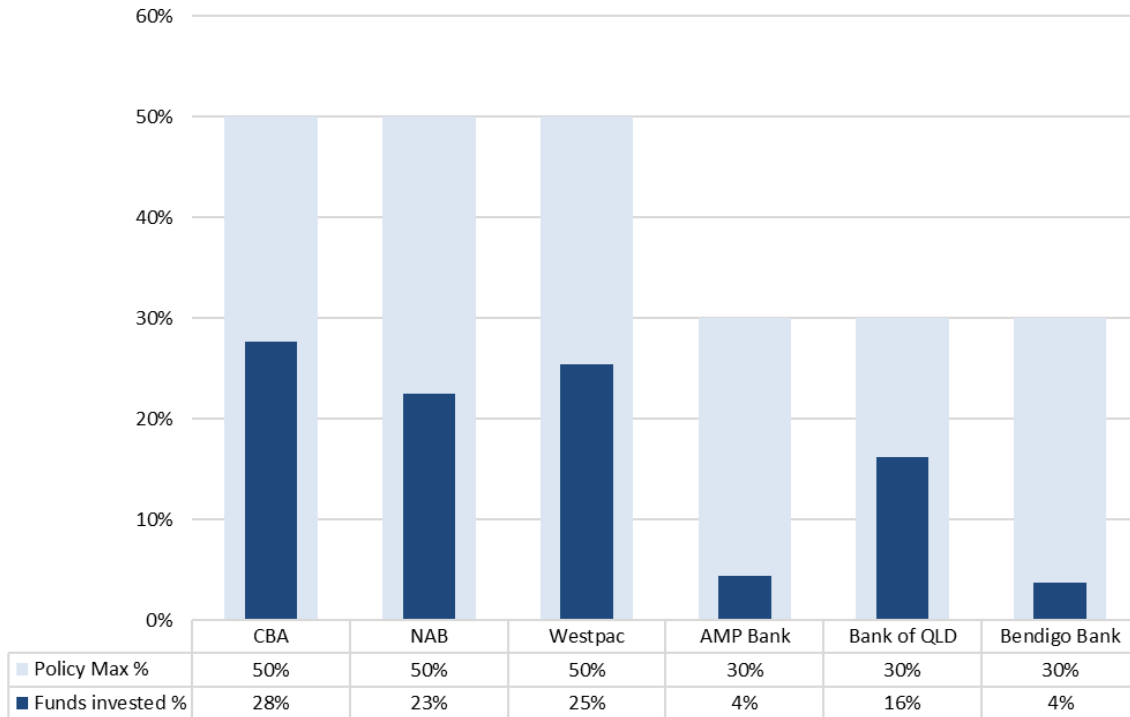
	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	COMMIT	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	ANNUAL ORIGINAL BUDGET
	\$	\$	\$	\$	\$	\$	\$
<b>INFRASTRUCTURE</b>							
<b>Off street car parks</b>							
4003. Springvale Res Masterplan Implem.	-	-	-	-	12,230	12,230	-
4186. D'nong Market Struct Rectification	75,286	101,930	26,644	22,469	203,855	203,855	-
4272. Off Street Car Park Renewal	7,051	7,000	(51)	88,599	119,405	119,405	119,405
4306. Burden Park Southern Carpark	11,777	11,800	23	167,413	179,190	179,190	179,190
4307. Noble Park Reserve Carpark Aenone	6,395	6,400	5	337,840	179,190	179,190	179,190
<b>Drainage</b>							
3269. Rowley Allen Pav. Oval Interface	50,940	8,000	(42,940)	11,202	301,968	201,968	301,968
4010. LRCI2 Callander Road	7,270	7,000	(270)	2,750	276,444	76,444	-
4226. Drainage Renewal Works Program	446,489	447,450	961	172,331	1,097,800	747,800	1,097,800
4227. Drainage Reactive Works Program	616,635	616,700	65	49,102	699,600	699,600	699,600
<b>Total infrastructure</b>	<b>12,187,026</b>	<b>12,125,663</b>	<b>(61,363)</b>	<b>13,945,834</b>	<b>42,900,459</b>	<b>41,596,539</b>	<b>34,765,470</b>
<b>GRAND TOTAL</b>	<b>46,035,201</b>	<b>47,101,382</b>	<b>1,066,181</b>	<b>57,122,423</b>	<b>145,948,443</b>	<b>128,573,748</b>	<b>119,871,108</b>

## CIP Glossary

Abbrev.	Description
AI	Artificial Intelligence
CBD	Central Business District
CCTV	Closed-Circuit Television
CIP	Capital Improvement Program
DCP	Development Contributions Plan
DDA	Disability Discrimination Act
HVAC	Heating, Ventilation and Air Conditioning
LED	Light-Emitting Diode
LRCI	Local Roads Community Infrastructure
MCH	Maternal and Child Health
NP	Noble Park
NPAC	Noble Park Aquatic Centre
NPR	Noble Park Revitalisation
OS	Open Space
PEP	Precinct Energy Plant
UPS	Uninterruptible Power Supply

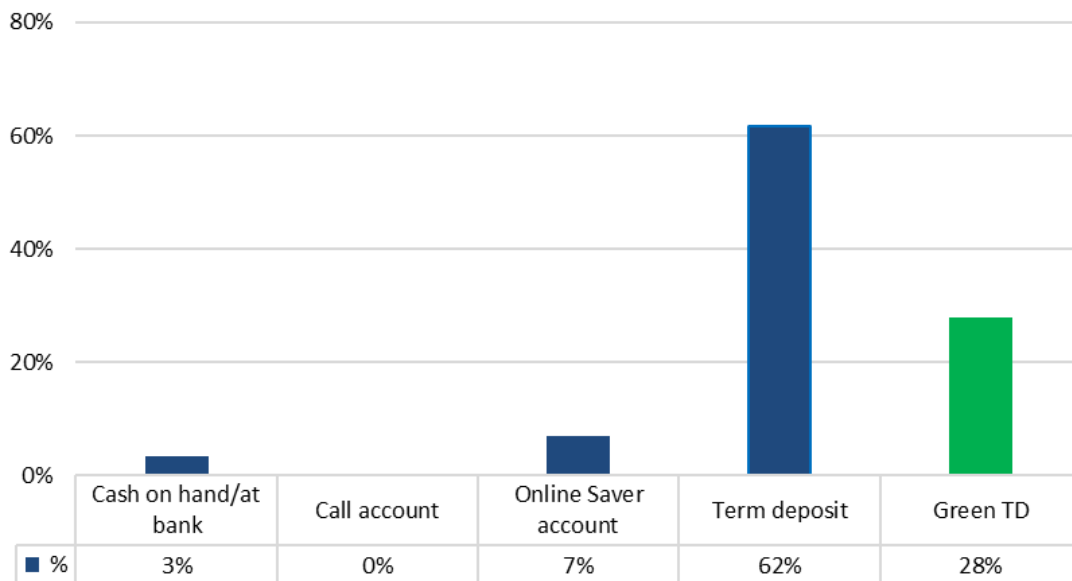
## APPENDIX 2 – INVESTMENT ANALYSIS

### Individual Institution (ADI) limits



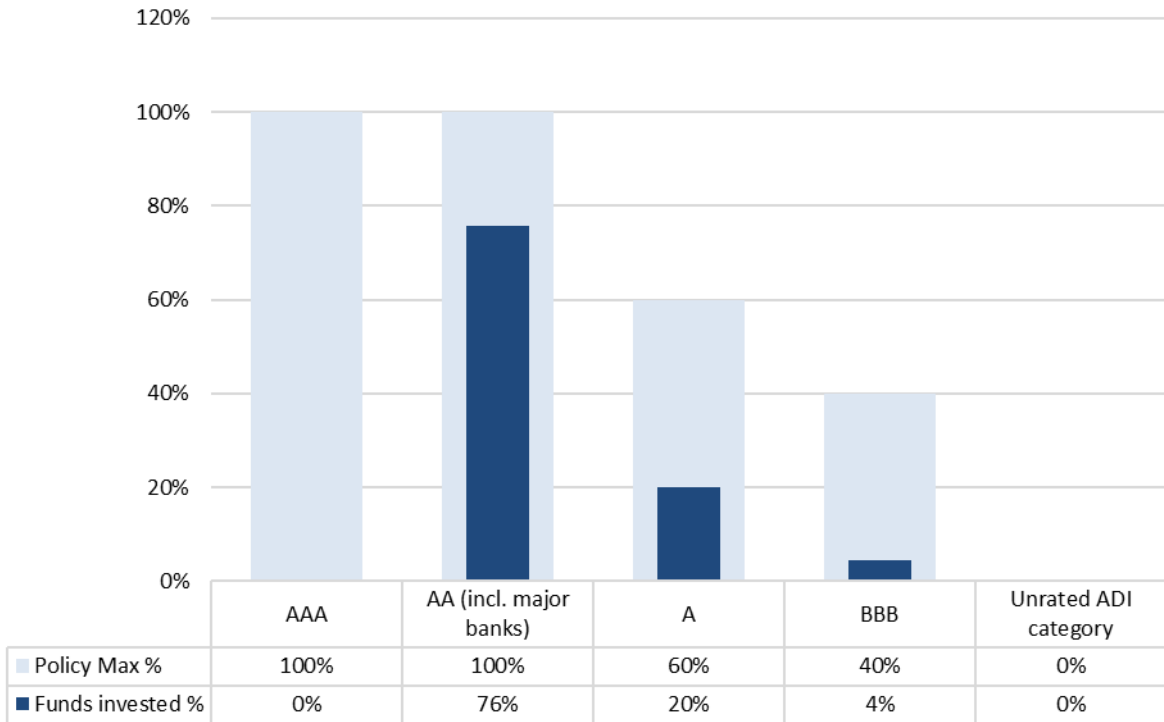
**Policy limit** – AAA category bank max. 60%, AA category or major bank 50%, A category bank max. 40%, BBB category bank max. 30%, Unrated ADI category bank 0%.

### Portfolio Products

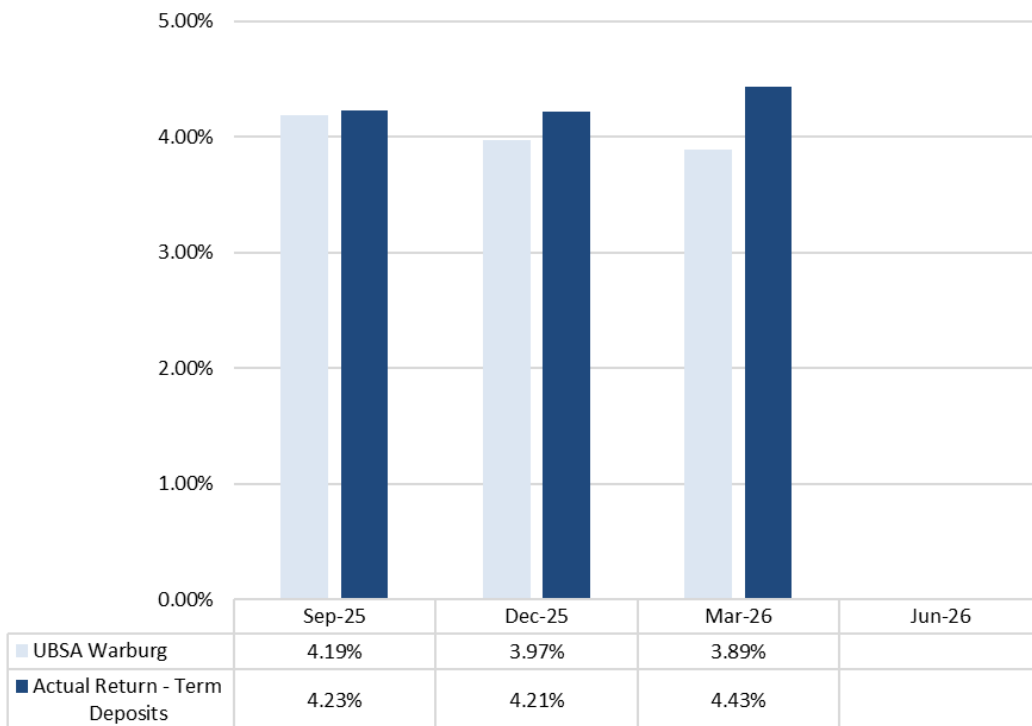


**Green term deposits (TD):** At 31 March 2026, 28% of Council’s investment portfolio (or \$62.9 million) was held in ‘green deposits’ certified to the Climate Bonds Initiative - Climate Bonds Standard (the same certification used for green bonds). Investments held with Bendigo Bank are included in this category, noting the institution’s policy of not investing in fossil fuels.

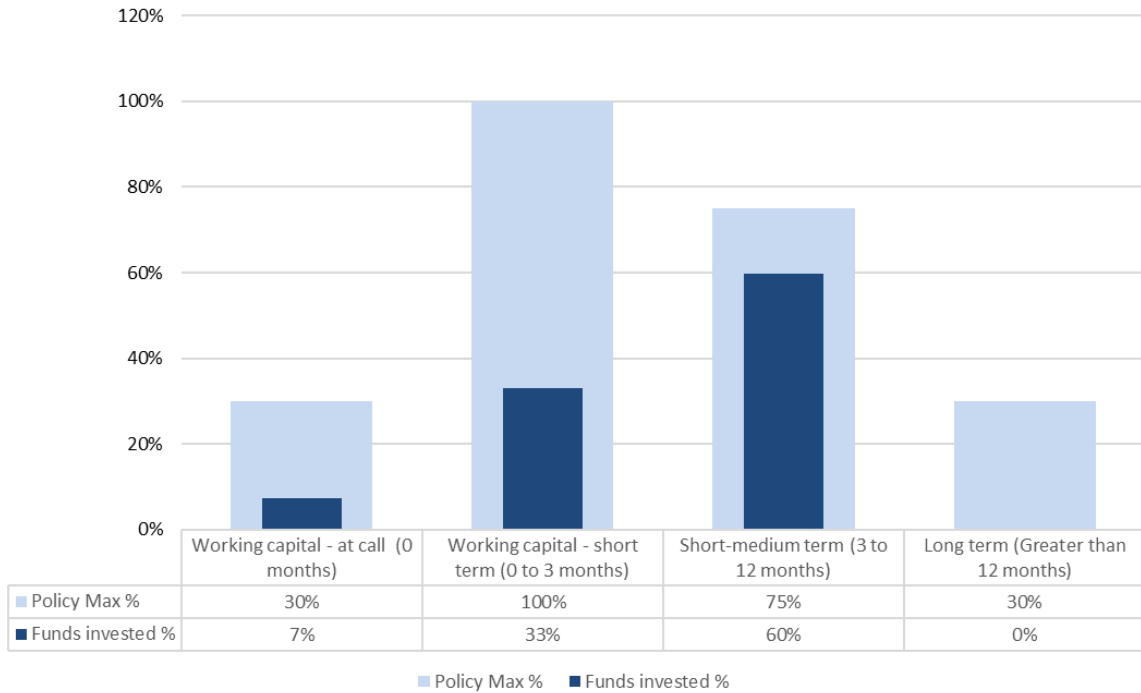
### Investment portfolio by credit rating



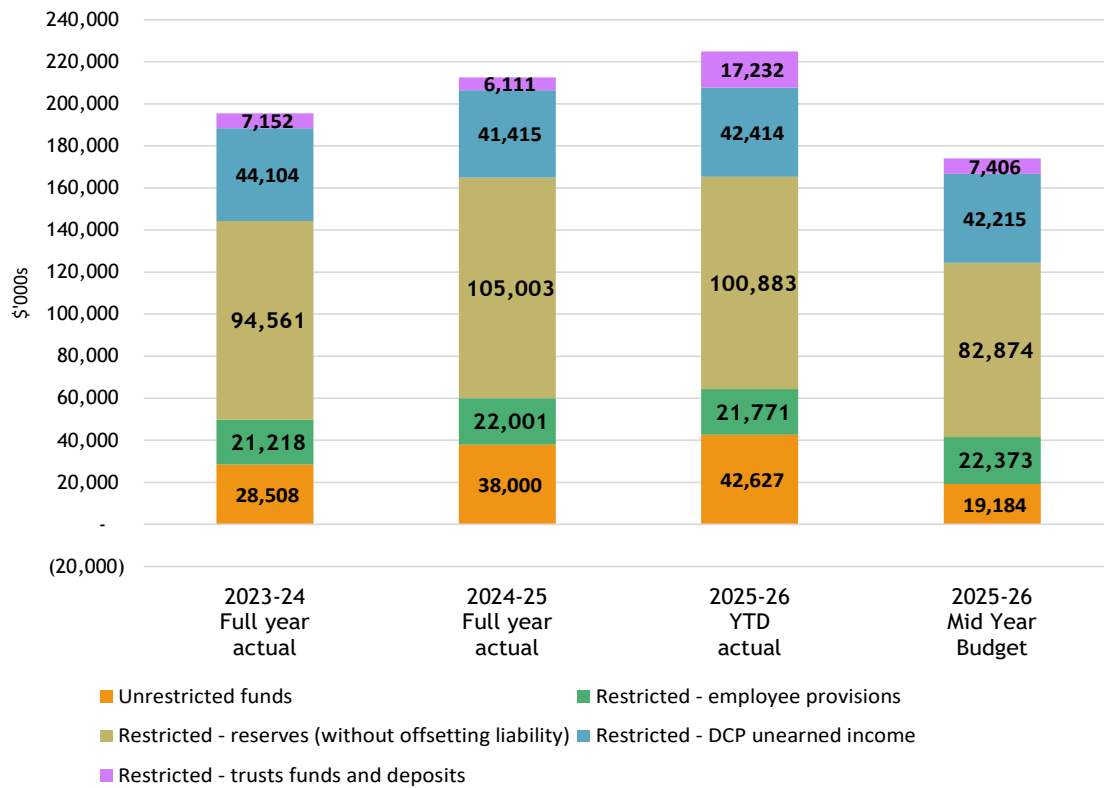
### Benchmark Indicator - Term/Green Deposits



**Maturity Targets**



**Restricted and unrestricted cash balances**



Notes – (1) The ‘Restricted and Unrestricted Cash’ graph presents Council’s cash and investment holdings (including term deposits with a maturity over 90 days that are classified as ‘financial assets’). The Statement of Cash Flows reports cash and cash equivalents only, so the graph will not reconcile directly to the Statement of Cash Flows.

## APPENDIX 3 – DIRECTORATE ANALYSIS

### Total Operating Results by Directorate

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>							
Chief Financial Office	262	226	36	576	495	(81)	576
Customer & Information Office	61	61	-	131	251	120	-
Strategy & Corporate Services	1,185	1,157	28	1,701	1,714	13	1,639
City Futures	37,778	37,885	(107)	51,920	51,801	(119)	51,411
Community Strengthening	21,044	21,378	(334)	29,936	29,041	(895)	27,248
Non-Directorate <sup>(a)</sup>	132,977	132,451	526	179,964	181,199	1,235	185,421
Capital Works Program <sup>(b)</sup>	6,488	6,485	3	30,857	26,511	(4,346)	22,032
<b>Total income</b>	<b>199,795</b>	<b>199,643</b>	<b>152</b>	<b>295,085</b>	<b>291,012</b>	<b>(4,073)</b>	<b>288,327</b>
<b>Expenses</b>							
Chief Executive Office	588	546	(42)	768	798	(30)	768
Chief Financial Office	3,326	3,671	345	5,345	5,075	270	5,290
Customer & Information Office <sup>(c)</sup>	8,953	9,158	205	12,395	13,674	(1,279)	11,517
Strategy & Corporate Services	12,468	12,211	(257)	16,950	17,701	(751)	16,200
City Futures	69,824	77,106	7,282	114,150	113,283	867	111,344
Community Strengthening	44,922	48,451	3,529	69,031	68,261	770	61,050
Non-Directorate <sup>(a)</sup>	44,524	39,325	(5,199)	60,376	59,399	977	56,356
<b>Total expenses</b>	<b>184,605</b>	<b>190,468</b>	<b>5,863</b>	<b>279,015</b>	<b>278,191</b>	<b>824</b>	<b>262,525</b>
<b>Net surplus (deficit)</b>	<b>15,190</b>	<b>9,175</b>	<b>6,015</b>	<b>16,070</b>	<b>12,821</b>	<b>(3,249)</b>	<b>25,802</b>

### Notes

General note: Total income and total expenditure may differ to the operating result presented earlier in this report due to the treatment of proceeds from asset sales and associated written down value.

(a) Non-Directorate includes non-attributable items such as rates income, Emergency Services Volunteer Fund (ESVF), developer's contributions, interest income, non-monetary assets, finance costs and depreciation. The \$5.2 million year-to-date unfavourable variance in Non-Directorate is due to two fixed asset accounting entries (non-cash adjustments that don't affect the cash position):

- 'Asset write offs' (\$4.75 million) which represent asset renewal and replacement as part of capital work projects and renewal programs. Refer to Note 23 of this report for further details.
- 'Prior year capital expenditure unable to be capitalised (non-cash)' of \$415,000 which represents works in progress (prior year capital expenditure) that is not able to be capitalised to the asset register because it is not capital in nature or does not meet the capitalisation threshold. Refer to Note 22 of this report for further details.

- (b) The \$4.35 million unfavourable 2025-26 Forecast variance in Capital Works Program income mainly reflects a reforecast of Dandenong Wellbeing Centre (DWC) funding to align with the updated project delivery timing.
- (c) The \$1.28 million variance in the Customer and Information Office Expenses is mainly due to additional ICT investment, including work on the Core System Replacement business case and required system updates (about \$870,000, funded from the Digital Technology reserve), higher laptop and monitor lease costs (about \$162,000 due to higher prices and increased demand from new staff), and additional Microsoft licensing (about \$49,000). Higher salary costs for the SEL IT position (about \$120,000) are offset by recovery income from SEL.

## CEO Directorate

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	MYB to FORECAST VARIANCE	ANNUAL ORIGINAL BUDGET
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses</b>							
Employee costs	513	482	(31)	664	692	(28)	664
Materials and services	70	62	(8)	102	102	-	102
Other expenses	5	2	(3)	2	4	(2)	2
<b>Total expenses</b>	<b>588</b>	<b>546</b>	<b>(42)</b>	<b>768</b>	<b>798</b>	<b>(30)</b>	<b>768</b>
<b>Net surplus (deficit)</b>	<b>(588)</b>	<b>(546)</b>	<b>(42)</b>	<b>(768)</b>	<b>(798)</b>	<b>(30)</b>	<b>(768)</b>

No variances requiring commentary for this directorate at 31 March 2026.

## Chief Financial Office Portfolio

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>								
Statutory fees and fines		122	84	38	112	130	18	112
User fees		3	2	1	3	3	-	3
Other income		137	140	(3)	461	362	(99)	461
<b>Total income</b>		<b>262</b>	<b>226</b>	<b>36</b>	<b>576</b>	<b>495</b>	<b>(81)</b>	<b>576</b>
<b>Expenses</b>								
Employee costs	1	2,717	3,056	339	4,223	3,993	230	4,223
Materials and services		607	613	6	1,118	1,077	41	1,063
Other expenses		2	2	-	4	5	(1)	4
<b>Total expenses</b>		<b>3,326</b>	<b>3,671</b>	<b>345</b>	<b>5,345</b>	<b>5,075</b>	<b>270</b>	<b>5,290</b>
<b>Net surplus (deficit)</b>		<b>(3,064)</b>	<b>(3,445)</b>	<b>381</b>	<b>(4,769)</b>	<b>(4,580)</b>	<b>189</b>	<b>(4,714)</b>

## Expenditure

**Note 1 Employee costs (\$339,000 favourable)** – Due to delay in recruitment of new Procurement team, vacant positions and commencement date of new Chief Financial Officer (Procurement \$276,000, Financial Services \$43,000 and Property Revenue \$20,000).

A permanent favourable variance of \$245,000 has been included in the 2025-26 Forecast.

## Customer and Information Office Portfolio

	YTD ACTUAL	YTD BUDGET	YTD VARIANCE	ANNUAL MID YEAR BUDGET	FULL YEAR FORECAST	MYB to FORECAST VARIANCE	ANNUAL ORIGINAL BUDGET	
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
<b>Income</b>								
Grants - operating	61	61	-	131	131	-	-	
Other income	-	-	-	-	120	120	-	
<b>Total income</b>	<b>61</b>	<b>61</b>	<b>-</b>	<b>131</b>	<b>251</b>	<b>120</b>	<b>-</b>	
<b>Expenses</b>								
Employee costs	4,333	4,327	(6)	5,980	6,620	(640)	5,726	
Materials and services	2	4,146	4,355	209	5,786	6,261	(475)	5,162
Other expenses	474	476	2	629	793	(164)	629	
<b>Total expenses</b>	<b>8,953</b>	<b>9,158</b>	<b>205</b>	<b>12,395</b>	<b>13,674</b>	<b>(1,279)</b>	<b>11,517</b>	
<b>Net surplus (deficit)</b>	<b>(8,892)</b>	<b>(9,097)</b>	<b>205</b>	<b>(12,264)</b>	<b>(13,423)</b>	<b>(1,159)</b>	<b>(11,517)</b>	

## Expenditure

**Note 2 Materials and services (\$209,000 favourable)** – Mainly due to lower than anticipated application support, software maintenance (Business Systems \$145,000, Technical Services \$64,000) and lower postage courier costs to date (Records Management \$38,000).

The favourable variance is partially offset by higher than anticipated consultant cost (Technical Services \$23,000 and Digital Technology Executive \$17,000). The primary consultant costs relate to Security Penetration Testing (\$43,000) and Council's Integration Strategy (\$12,000).

The unfavourable 2025-26 Forecast variance currently noted is primarily driven by CSR project costs of \$320,000 which are funded by reserves.

## Strategy and Corporate Services Directorate

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>								
User fees		14	6	8	9	15	6	9
Grants - operating		50	20	30	170	200	30	150
Contributions - monetary		62	63	(1)	63	62	(1)	-
Asset sales		17	-	17	-	-	-	-
Other income		1,042	1,068	(26)	1,459	1,437	(22)	1,480
<b>Total income</b>		<b>1,185</b>	<b>1,157</b>	<b>28</b>	<b>1,701</b>	<b>1,714</b>	<b>13</b>	<b>1,639</b>
<b>Expenses</b>								
Employee costs	3	7,180	7,276	96	10,061	10,201	(140)	9,784
Materials and services	4	4,675	4,321	(354)	6,017	6,592	(575)	5,586
Other expenses		613	614	1	872	908	(36)	830
<b>Total expenses</b>		<b>12,468</b>	<b>12,211</b>	<b>(257)</b>	<b>16,950</b>	<b>17,701</b>	<b>(751)</b>	<b>16,200</b>
<b>Net surplus (deficit)</b>		<b>(11,283)</b>	<b>(11,054)</b>	<b>(229)</b>	<b>(15,249)</b>	<b>(15,987)</b>	<b>(738)</b>	<b>(14,561)</b>

## Expenses

**Note 3 Employee costs (\$96,000 favourable)** – Primarily due to a delay in recruitment of vacant positions (Organisation Planning & Strategy \$172,000 and People, Safety and Culture Executive \$120,000).

These favourable variances are partially offset by unbudgeted temporary agency costs and higher salary costs (Governance, Integrity, Legal and Risk \$117,000, Strategy and Corporate Services Executive \$62,000 and Strategic Communications & Engagement \$17,000).

The 2025-26 Forecast includes a favourable adjustment of \$141,000 pertaining to People, Safety and Culture.

**Note 4 Materials and services (\$354,000 unfavourable)** – The unfavourable variance is primarily due to higher than anticipated legal, professional services, and contractor costs (Organisational Planning & Strategy \$204,000, Governance, Integrity, Legal and Risk \$69,000 and People, Safety and Culture \$56,000).

Also contributing to this variance are higher-than-anticipated claims relating to non-building property damage from insurable events, including repairs to bollards, fences, and play equipment (Risk Management incurred \$74,000).

The unfavourable variance was partially offset by lower than anticipated software maintenance costs to date (Asset Management \$51,000).

The 2025–26 Forecast shows an unfavourable variance of \$574,000, largely attributable to higher insurance claims within the Risk Management team (\$380,000), mainly for non-building property damage. Governance also contributed an unfavourable \$84,000 due to legal expenses and Audit and Risk Committee meeting costs.

## City Futures Directorate

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>								
Rates and charges		21,012	21,033	(21)	28,424	28,424	-	28,425
Statutory fees and fines	5	8,507	9,416	(909)	12,623	11,733	(890)	12,623
User fees	6	5,278	4,764	514	6,139	6,689	550	6,139
Grants - operating	7	1,046	857	189	899	1,228	329	575
Asset sales		621	616	5	847	847	-	847
Other income	8	1,314	1,199	115	2,988	2,880	(108)	2,802
<b>Total income</b>		<b>37,778</b>	<b>37,885</b>	<b>(107)</b>	<b>51,920</b>	<b>51,801</b>	<b>(119)</b>	<b>51,411</b>
<b>Expenses</b>								
Employee costs	9	28,674	30,553	1,879	42,730	41,629	1,101	40,777
Materials and services	10	39,869	45,258	5,389	69,054	69,203	(149)	68,501
Bad and doubtful debts	11	630	758	128	1,606	1,606	-	1,606
Carrying amount of assets sold	12	115	42	(73)	60	125	(65)	60
Other expenses		536	495	(41)	700	720	(20)	400
<b>Total expenses</b>		<b>69,824</b>	<b>77,106</b>	<b>7,282</b>	<b>114,150</b>	<b>113,283</b>	<b>867</b>	<b>111,344</b>
<b>Net surplus (deficit)</b>		<b>(32,046)</b>	<b>(39,221)</b>	<b>7,175</b>	<b>(62,230)</b>	<b>(61,482)</b>	<b>748</b>	<b>(59,933)</b>

## Income

**Note 5 Statutory fees and fines (\$909,000 unfavourable)** – Lower statutory fines for local laws, littering and parking (Parking Management \$750,000, General Law Enforcement \$516,000, Statutory Planning \$99,000 and Animal Management \$49,000). The level of fine income in these areas has been impacted by delayed recruitment of new Litter/Local Law officer positions combined with a two-month impact of the implementation of new parking ticket machines.

These unfavourable variances are partially offset by higher plan checking, subdivision fee income and Magistrates Court fine income (Building \$201,000, Civil Development and Design \$172,000, and Health \$170,000).

An unfavourable variance of \$890,000 has been reflected in the 2025-26 Forecast.

**Note 6 User fees (\$514,000 favourable)** – Better than anticipated ticket machine income due to reduced availability in some non-council car parks because of ongoing works, combined with higher planning fee, food trader and animal registration income (Parking Infrastructure Management \$335,000, Health \$112,000, and Statutory \$93,000).

The 2025-26 Forecast includes a favourable adjustment of \$550,000.

**Note 7 Grants - operating (\$189,000 favourable)** – Mainly due to unbudgeted grant project funding for Dandenong Employment Hub that will be offset by expenditure for the project (\$150,000).

**Note 8 Other income (\$115,000 favourable)** – Mainly due to a Municipal maintenance agreement coming earlier than expected and better causal hire of parks (Parks and Open Spaces \$160,000), plus recoveries (Asset Protection \$51,000).

The favourable variance is partly offset by an unfavourable \$88,000 rental income variance for Carroll Lane (Parking Infrastructure Management). The invoice will be raised in May once extension negotiations are finalised.

## Expenses

**Note 9 Employee costs (\$1.88 million favourable)** – Due mainly to the delay in recruitment of vacant positions as well as the timing gap between recruitment of vacant positions commencing and onboarding occurring in the following departments listed below:

City Futures Directorate	2025-26 Variance Fav/(unfav) \$	Grant Funded Programs \$	Offset by Lower Income \$	2025-26 Potential Underspend / (overspend) \$
BUSINESS DEVELOPMENT AND INVESTMENT	103,701	28,283	-	75,418
CHIEF INFRASTRUCTURE OFFICE	(12,253)	-	-	(12,253)
CITY DEVELOPMENT	54,544	19,626	5,714	29,204
CITY FUTURES EXECUTIVE	(30,423)	-	-	(30,423)
CITY WORKS	222,413	-	-	222,413
COMMUNITY COMPLIANCE & AMENITY	693,661	-	693,661	0
INFRASTRUCTURE STRATEGY	(136,862)	-	-	(136,862)
PARKS & OPEN SPACES	849,354	-	-	849,354
STRATEGIC & ENVIRONMENTAL PLANNING	135,372	-	-	135,372
<b>Grand Total</b>	<b>1,879,507</b>	<b>47,909</b>	<b>699,375</b>	<b>1,132,224</b>

In particular, the following areas are exhibiting higher favourable employee costs:

- Parks and Open Spaces (\$849,000) - Due to the recent restructure, there has been a delay in recruiting some positions, including impacts of works program realignment and lower use of temporary agency staff.
- Community Compliance and Amenity (\$693,000) – The favourable variance is primarily due to delays in recruiting to vacant and newly created Local Laws and Litter positions, including re-recruitment following early exits, extended staff secondments across the financial year, and delays associated with the approval of new position descriptions. Prolonged periods of understaffing have reduced employee expenditure year-to-date and has also reduced fines income.
- City Works (\$222,000) – The favourable variance is primarily due to delays in recruiting for vacant positions in Waste Management and Roads & Drains.

A permanent favourable variance of \$1.1 million has been reflected in the 2025-26 Forecast.

**Note 10**      **Materials and services (\$5.39 million favourable)** – Lower expenditure to date across several areas including:

- Parks and Open Spaces (\$1.36 million) – The year-to-date underspend largely reflects works program realignment following the restructure, efficiencies in water usage and lower temporary agency staff costs, as well as delays in progressing some planned activities. While the year-to-date result is mainly timing-related, an unfavourable variance of \$277,000 has been reflected in the 2025-26 Forecast to deliver priority initiatives, including a safe systems of work review and updates, improved open space asset data and GIS capture, implementation of IQ4 irrigation management systems, and additional reactive and compliance works associated with extreme weather events and the transition to the new Electric Line Clearance Management Plan (ELCMP) contract.
- Roads and Drains (\$1.26 million) - The favourable variance primarily reflects a delayed commencement of planned maintenance programs following the July/August implementation of the new Works Management System (WMS). Activity to date has been largely focused on reactive works. Minor delay in the receipt of footpath condition audit data has also impacted program delivery. As asset condition data improves, maintenance activity is expected to transition to a more proactive approach. A permanent favourable variance of \$194,000 has been reflected in the 2025-26 Forecast.
- Building Maintenance (\$1.04 million) – The favourable variance is primarily due to the transition of Building Maintenance activities from capital to operational teams, along with lower electricity costs over the summer period. Building maintenance activity is largely reactive in nature and can fluctuate depending on demand, which has also contributed to the year-to-date underspend. A permanent favourable variance of \$140,000 has been reflected in the 2025-26 Forecast.
- Strategic Asset Planning (\$537,000) – Due to lower street lighting and flood mitigation initiative costs to date. Expected to meet budget by year end.
- Waste Management (\$439,000) – The favourable variance is primarily due to lower tipping fees, reduced hard rubbish collection costs, and lower-than-anticipated domestic garbage tonnages year-to-date. This variance is expected to reduce over the remainder of the year as activity levels normalise.
- Cleansing (\$348,000) – The favourable variance reflects lower costs incurred to date for graffiti removal, footpath staining, street furniture cleaning, and the management of dumped chemicals and asbestos. A permanent favourable variance of \$165,000 has been reflected in the 2025-26 Forecast.
- Building and Disposal Program (\$196,000) – Mainly due to the progression of the Precinct Energy Plant (PEP) building demolition project.
- Place Making and Revitalisation (\$184,000) – Mainly due to lower than anticipated costs for professional services for the Place Making Micro Grant Program and the Place Making contract.
- Strategic and Environmental Planning (\$181,000) – Lower than anticipated consultant expenditure, with spending deferred to later in the year.

- Parking Management (\$124,000) – Lower Fines Victoria lodgement fees driven by lower fines issued, mainly due to vacant positions and delays in recruitment, and a short-term (two-month) reduction in fines during the implementation of new parking meters/ticket machines.
- Fleet Management (\$115,000) – Lower fuel, electrical maintenance and consumables. Expected to meet budget by the end of the year.
- Master Plan Concept Plan Development (\$60,000) – Lower than anticipated professional fees for Spring Valley Reserve Master Plan development project.

These favourable variances are partly offset by unfavourable variances in:

- Legal costs relating to Spring Valley Landfill (\$198,000) and Building (\$67,000). Permanent unfavourable adjustments for Spring Valley Landfill (\$220,000) and Building (\$98,000) have been reflected in the 2025-26 Forecast.
- Software maintenance (particularly CAMMS management), asset purchases, professional services and consultants (Chief Infrastructure Office \$140,000 and Statutory Planning \$90,000). Permanent unfavourable variances for Chief Infrastructure Office (\$99,000) and Statutory Planning (\$145,000) have been reflected in the 2025-26 Forecast.

Overall, this favourable variance is not expected to be permanent with an unfavourable variance of \$149,000 for Materials & Services being reflected in the 2025-26 Forecast.

**Note 11**      **Bad and doubtful debts (\$128,000 favourable)** – The favourable variance reflects lower-than-anticipated bad debt expense to date, partially offset by an increased provision for doubtful infringement debts (Parking Management \$126,000).

**Note 12**      **Carrying amount of assets sold (\$73,000 unfavourable)** – Higher than anticipated written down value of fleet assets sold (Fleet Management \$73,000). This is a fixed asset accounting entry that does not impact on the cash result.

## Community Strengthening Directorate

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>								
User fees	13	2,262	2,337	(75)	3,270	3,142	(128)	3,270
Grants - operating	14	16,941	17,453	(512)	24,669	23,825	(844)	22,019
Other income	15	1,841	1,588	253	1,997	2,074	77	1,959
<b>Total income</b>		<b>21,044</b>	<b>21,378</b>	<b>(334)</b>	<b>29,936</b>	<b>29,041</b>	<b>(895)</b>	<b>27,248</b>
<b>Expenses</b>								
Employee costs	16	30,296	32,789	2,493	49,234	48,565	669	42,598
Materials and services	17	12,553	13,307	754	16,931	16,828	103	15,887
Bad and doubtful debts		5	3	(2)	9	9	-	9
Other expenses	18	2,068	2,352	284	2,857	2,859	(2)	2,556
<b>Total expenses</b>		<b>44,922</b>	<b>48,451</b>	<b>3,529</b>	<b>69,031</b>	<b>68,261</b>	<b>770</b>	<b>61,050</b>
<b>Net surplus (deficit)</b>		<b>(23,878)</b>	<b>(27,073)</b>	<b>3,195</b>	<b>(39,095)</b>	<b>(39,220)</b>	<b>(125)</b>	<b>(33,802)</b>

### Income

**Note 13 User fees (\$75,000 unfavourable)** – Mainly due to lower than anticipated income for home personal care, individual social support and home maintenance materials supplied (Home and Community Care \$62,000 and HACC – Home Maintenance \$48,000).

The unfavourable variance is partially offset by lower than anticipated costs for Food Services (\$47,000).

A permanent unfavourable variance of \$128,000 has been reflected in the 2025-26 Forecast.

**Note 14 Grants - operating (\$512,000 unfavourable)** – comprising:

*Lower than anticipated:*

- Family Day Care \$508,000 (more than offset by lower educator payments).

*Lower than anticipated grant funding recognised to date based on satisfied performance obligations for:*

- Home and Community Care \$239,000.
- HACC - Home Maintenance \$180,000.
- HACC – Co-ordination \$69,000

These unfavourable income impacts in Community Care income are also more than offset by favourable expenditure variances.

The above unfavourable variances are partly offset by the following favourable variations.

*Additional, unbudgeted or earlier than anticipated:*

- Maternal and Child Health \$230,000.
- Children Support Services \$105,000.
- Food Services \$80,000.
- Enhanced Maternal Child Health Program \$43,000.

A permanent unfavourable variance of \$844,000 has been reflected in the 2025-26 Forecast mainly

**Note 15 Other income (\$253,000 favourable)** - Due to higher rental, venue hire and recovery income to date (The Drum Theatre \$114,000, Civic Facilities \$93,000, Senior Citizen Facilities \$43,000, Paddy O'Donoghue Centre \$27,000 and Jan Wilson Community Centre \$27,000). A permanent favourable variance of \$77,000 has been reflected in the 2025-26 Forecast.

These favourable variances are partially offset by lower than anticipated sporting club rental income to date (Sports Planning \$74,000).

## Expenses

**Note 16 Employee costs (\$2.49 million favourable)**

Community Strengthening Directorate	2025-26 Variance Fav/(unfav) \$	Grant Funded Programs \$	Offset by Lower Income \$	2025-26 Potential Underspend/ (overspend) \$
COMMUNITY CARE	696,885	-	333,922	362,963
COMMUNITY STRENGTHENING EXECUTIVE	(18,919)	-	-	(18,919)
COMMUNITY WELLBEING	1,997,812	1,271,666	-	726,146
SAFE, ACTIVE & CONNECTED COMMUNITIES	(55,901)	-	-	(55,901)
CREATIVE AND ENGAGED CITY	(127,706)	-	-	(127,706)
<b>Grand Total</b>	<b>2,492,171</b>	<b>1,271,666</b>	<b>333,922</b>	<b>886,583</b>

The \$2.49 million favourable variance at the end of the March consists of:

- \$1.27 million (51%) relates to grant funded programs which represent a future obligation and require an acquittal, caused mainly by a delay in recruitment (Child First \$338,000, Children's Services Grants \$236,000, Pre-School Field Officer \$179,000, Playgroups Initiative \$151,000, MCH Additional Support \$131,000, Harm Prevention Strategy \$112,000 and Best Start \$57,000).
- \$334,000 in Community Care is offset by lower income due to actual target achievement and service levels. This is due to ongoing resourcing challenges combined with an ageing workforce on limited duties or Workcover, as well as service demand.

- The remaining \$887,000 favourable variance is due to delays in recruitment of vacant positions as well as the timing gap between recruitment of vacant positions commencing and onboarding occurring, in the following areas:
  - HACC – Home Maintenance (\$242,000)
  - Children’s Support Services (\$240,000)
  - Library and Information Services (\$212,000)
  - Maternal and Child Health (\$144,000)
  - Family Day Care (\$104,000)
  - HACC – Coordination (\$80,000)
  - Youth and Family Support (\$67,000)
  - Food Services (\$56,000)

These favourable variances are partially offset by higher casual salaries, overtime, temporary staff, staff recoveries and salaries (Cultural and Community Hubs \$172,000, Experiences and Partnerships \$70,000 and Access and Quality Systems \$61,000).

A permanent favourable variable of \$669,000 has been reflected in the 2025-26 Forecast.

**Note 17 Materials and services (\$754,000 favourable)** - Due to lower Family Day Care educator payments which is matched by lower income (\$433,000), performance fees, special project costs, events, community education (Experiences and Partnerships \$158,000, Festival and Events \$105,000, Creative City Promotions \$41,000 and Community Funding \$34,000) and grant funded expenditure (PYP Linkages \$34,000).

These favourable variances are partially offset by higher professional services for supervision and recruitment (Maternal and Child Health \$83,000).

A permanent favourable variance of \$103,000 has been reflected in the 2025-26 Forecast.

**Note 18 Other expenses (\$284,000 favourable)** – Mainly due to later than expected community grant program funding distributions. This will occur in the coming months (Community Funding \$266,000). Most of this variance is expected to resolve by year end.

## Non-Directorate

	Notes	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
<b>Income</b>								
Rates and charges		118,084	118,045	39	156,275	156,276	1	155,575
Statutory fees and fines	19	173	97	76	97	123	26	70
Grants - operating		5,339	5,339	-	7,119	7,119	-	14,056
Contributions - monetary	20	2,307	2,000	307	2,000	2,161	161	2,000
Contributions - non-monetary		-	-	-	7,500	7,500	-	7,500
Other income	21	7,074	6,970	104	6,973	8,020	1,047	6,220
<b>Total income</b>		<b>132,977</b>	<b>132,451</b>	<b>526</b>	<b>179,964</b>	<b>181,199</b>	<b>1,235</b>	<b>185,421</b>
<b>Expenses</b>								
Employee costs		(407)	(418)	(11)	1,471	1,466	5	2,156
Materials and services		435	427	(8)	619	629	(10)	519
Prior year capital expenditure unable to be capitalised (non- cash)	22	415	-	(415)	-	-	-	-
Depreciation		36,347	36,347	-	53,228	53,229	(1)	48,481
Amortisation - right of use assets		536	536	-	715	715	-	715
Borrowing costs		1,997	2,028	31	3,793	2,758	1,035	3,936
Finance costs - leases		-	-	-	57	57	-	57
Asset write offs	23	4,752	-	(4,752)	-	-	-	-
Other expenses		449	405	(44)	493	545	(52)	492
<b>Total expenses</b>		<b>44,524</b>	<b>39,325</b>	<b>(5,199)</b>	<b>60,376</b>	<b>59,399</b>	<b>977</b>	<b>56,356</b>
<b>Net surplus (deficit)</b>		<b>88,453</b>	<b>93,126</b>	<b>(4,673)</b>	<b>119,588</b>	<b>121,800</b>	<b>2,212</b>	<b>129,065</b>

**Note - Non-Directorate includes non-attributable items such as rates income, ESVF on Council properties, developer's contributions, interest income, gifted assets, carrying amount of assets disposed/written off and finance costs.**

## Income

**Note 19 Statutory fees and fines (\$76,000 favourable)** – Higher than anticipated fine income from prior Council election penalties. The 2025-26 Forecast includes a favourable variance of \$26,000.

**Note 20 Contributions – monetary (\$307,000 favourable)** – Higher public open space contributions received. These contributions are restricted and transferred to reserves to fund future open space planning, development, improvements and land acquisitions. A permanent favourable variance of \$161,000 has been reflected in the 2025-26 Forecast and is fully offset by a transfer to the reserve.

**Note 21 Other income (\$104,000 favourable)** – Largely pertains to higher interest earned on investments, reflecting cash retained in the investment portfolio for longer than anticipated due to the timing of capital expenditure, as well as investment interest rates remaining above the assumptions used in the Mid-Year Budget.

The 2025–26 Forecast reflects a favourable variance of \$1.05 million relating to interest on investments.

## Expenses

**Note 22** **Prior year capital expenditure unable to be capitalised (non-cash) (\$415,000 unfavourable)** – Mainly due to prior year capital expenditure included in works-in-progress being non-capital in nature and not meeting capitalisation thresholds (Corporate Accounting \$415,000). Comprises:

- \$161,000 of capital works that were below the capitalisation threshold that predominantly relates to the Fixtures, Fittings and Furniture and Roads Surface asset classes.
- \$65,000 relates to non-council asset works undertaken as part of the Road Resurfacing project at Railway Parade, Noble Park.
- \$78,000 relates to repairs and maintenance, predominantly for Recreational, Leisure and Community Facilities and Road patching works. These expenses are closely monitored.
- \$55,000 relates to operational services that mainly relates to the Road Surface and Drainage asset classes.
- \$21,000 relates to Studies/Surveys/Concepts for concept designs (not capital in nature).

**Note 23** **Asset write offs (\$4.75 million unfavourable)** – Arising mainly from disposals, asset renewal and replacement works as part of capital work projects. This item is not budgeted as it is difficult to predict and is a non-cash accounting entry (Corporate Accounting \$4.75 million). Year to date result mainly relates to:

- Replacement of assets as part of Council's capital renewal programs for infrastructure (\$3.6 million) and building (\$123,000) assets.
- Assets valued at \$441,000 from the Recreational, Leisure and Community Facilities, Footpaths and Cycleways and Drainage asset classes that have now been transferred to non-Council assets due to ownership clarification.
- Building sheds and stores at Heyington Crescent (61–63), Noble Park North, have been demolished (\$236,000).
- Infrastructure asset write-offs amounting to \$121,000 due to incorrect mapping and duplicate assets that were previously recognised in the Asset Register.
- Parks, Open Space and Streetscapes assets that were not found on site (\$64,000).

These adjustments are not reflected in the 2025-26 Forecast as they are non-cash accounting entries that do not impact Council's cash result.

## Capital Works Program

	YTD ACTUAL \$'000	YTD BUDGET \$'000	YTD VARIANCE \$'000	ANNUAL MID YEAR BUDGET \$'000	FULL YEAR FORECAST \$'000	MYB to FORECAST VARIANCE \$'000	ANNUAL ORIGINAL BUDGET \$'000
Notes							
<b>Income</b>							
Grants - capital	6,419	6,416	3	25,411	21,065	(4,346)	20,870
Contributions - monetary	69	69	-	5,446	5,446	-	1,162
<b>Total income</b>	<b>6,488</b>	<b>6,485</b>	<b>3</b>	<b>30,857</b>	<b>26,511</b>	<b>(4,346)</b>	<b>22,032</b>
<b>Net surplus (deficit)</b>	<b>6,488</b>	<b>6,485</b>	<b>3</b>	<b>30,857</b>	<b>26,511</b>	<b>(4,346)</b>	<b>22,032</b>

No variances requiring commentary for this directorate at 31 March 2026.