

7.3.1 2023/24 FINANCIAL MANAGEMENT AND CAPITAL WORKS PROGRESS REPORT – FIRST QUARTER 30 SEPT 2023

Responsible Manager:	Yanthi Nilam, Manager Finance
Responsible Director:	Simone Wickes, Director Corporate Services

RECOMMENDATION

That Council:

1. **Notes the Quarterly Financial Management and Capital Works Progress Report for the period ending 30 September 2023, presented in accordance with Section 97 of the Local Government Act 2020.**
2. **Approves the project variations contained therein.**

COUNCIL PLAN STRATEGIC OBJECTIVES

Good Governance

Ensure a financially, socially and environmentally sustainable organisation.

BACKGROUND

The Quarterly Financial Statements are prepared for formal presentation to the Council in accordance with Section 97 of the *Local Government Act 2020* (the Act).

The Quarterly Financial Statements include a comparison of year-to-date (YTD) actual revenue and expenditure with budgeted (YTD and forecast end-of-year) revenue and expenditure for the current financial year.

Council's 2023/24 Adopted Budget included four financial statements (refer Attachment A):

- Comprehensive Income Statement;
- Balance Sheet;
- Statement of Cash Flows; and
- Statement of Capital Works.

This report also provides a review of the 2023/24 Capital Works Program. In particular the Capital Works Progress report aims to:

- inform Council of funding changes to the program as a result of extra monies received from external sources;
- seek approval for new projects and project variations; and
- quantify the variation in project expenditure due to project changes.

This information forms part of the financial analysis in Attachment A. An update on the status of agreed major projects from the capital works portfolio can be found in Attachment B.

ANALYSIS

COMPREHENSIVE INCOME STATEMENT

Year-to-date Summary

As at 30 September 2023, the YTD net surplus from ordinary operations was \$124.1M, representing a 5.3% (\$6.2M) favourable variance against the YTD budget (\$117.9M). The full Income Statement is included in Appendix A - Financial Statements & Indicators

	YTD Mgmt		YTD		Budget		Forecast		Variance		traffic lights
	YTD Actual	Budget	Variance	%	\$'000	\$'000	\$'000	\$'000	\$'000	%	
Total income	173,181	170,584	2,597	1.5%	249,801	249,801	-	0.0%			●
Total expenses	49,076	52,694	3,618	6.9%	220,004	220,004	-	-			●
Surplus (deficit) for the year	124,105	117,890	6,215	5.3%	29,797	29,797	0	0.0%			●
Transfers to reserve	-	-	-	-	-	-	-	-			
Surplus (deficit) after transfers to reserves	124,105	117,890	6,215	5.3%	29,797	29,797	0	0.0%			●
Less Capital Income (non-recurrent)	(8,626)	(7,780)	846	10.9%	29,678	29,678	-	0.0%			●
Adjusted underlying surplus/ (deficit)	115,479	110,110	5,370	4.9%	118	118	0	0.0%			●

This result is mainly due to favourable overall income of \$2.6M relating to capital grants received and income from the Myrtle Street land acquisition by SRLA. Employee costs are currently favourable as are materials, services and contracts expenditure as Council services move into full operations for the current year.

The financial results for the 2023/24 financial year are expecting higher level activities in a full year of operations even compared to 2022/23 as both years are considered now as 'post-covid' financial years.

Forecast Summary

At this early stage of the financial year, both operating income and expenditure budgets are expected to be achieved. Investment interest has been increased in the budget for 2023/24 as higher income is expected to be received compared to 2022/23. At this stage operating and capital income grants are still expected as budgeted. Some increases in costs, mainly contractual, have also been factored into budgets as the economy is experiencing higher inflation levels. Major income and expenditure levels will be monitored going forward and any changed forecasts will be reported accordingly.

BALANCE SHEET

The Working Capital Ratio (WCR) assesses Council's liquidity position, this demonstrates if Council can generate sufficient cash to pay creditors on time. The WCR is strong with a ratio of 292.1% as at 30 September 2023. It comprises current assets of \$209.7M and current liabilities totalling \$71.8M. The budgeted figure for 30 June 2024 is a WCR of 191.3% (Appendix A).

The unrestricted cash position budget variance at 30 September 2023 was favourable by 130.7%. This comprises restricted cash required by legislation of \$35.4M (\$6.9M drainage, \$4.3M parking reserve and \$8.3M public open space) and trust funds and deposits of \$15.9M. Cash and investments are higher than budget year to date (\$0.5M) which relates to lower materials and services expenditure to date (refer Appendix A).

STATEMENT OF CASH FLOWS

The Cash Flow Statement shows Council’s cash position at the end of September 2023 at \$51.1M, which is higher than the adopted budget level of \$17.7M and higher than the budget year to date of \$50.6M. Government grants for various capital projects are still expected to be received this calendar year as project progress escalates for funded projects.



Investment Interest Performance

The following graph highlights the monthly interest performance on total cash invested. Interest performance is higher mainly due to higher investment interest rates although Council’s cash balance has decreased since commencement of the financial year. Payments for the 2022/23 year end capital works program has been the main cause as these occur in July; also, considerable expenditure has occurred in the 2023/24 program to the end of September. Cash is expected to increase with each rate instalment period but considerable expenditure will occur outside these periods due to the large capital program. Cash levels will be monitored and reported in the months ahead.



Liquidity of Investments

Type of investments	Term	Amount Invested
Call accounts	At Call	-
Term deposits	30 days or less	-
Term deposits	31 to 60 days	26,500,000
Term deposits	61 days to 90 days	13,500,000
Term deposits	91 days to 120 days	-
Total funds invested		40,000,000

STATEMENT OF CAPITAL WORKS

The Statement of Capital Works presents Council's performance against the adopted 2023/24 Capital Works Budget (\$135.3M). The annual plan target is to achieve a minimum of 90% expenditure of the agreed Capital Works Budget. As at 30 September 2023, expenditure to date is \$22.8M; some project variations have been received which will impact the total program which is Council's highest ever capital works budget.

Given the requirements of such a large capital works program and also some known project delays, the program is constantly under review and will be reported accordingly.

2023/24 Capital Works Budget VS Actuals



Adjustments to the 2023/24 Capital Works Expenditure Budget

The adopted 2023/24 Capital Budget of \$135,279,273 has been adjusted to a management budget of \$137,708,093 as at 30 September 2023, taking account of new projects with external income and either reduced or additional expenditure required for completion of the program (Attachment A).

The below table summarises the funding adjustments and budget movement since the December report.

Summary of Adjustments to the 2023/24 Capital Works Budget – at 30/09/2023

Description	Budget
Adopted Budget 2023/24	\$135,279,273
Project cost reductions	-\$ 1,728,568
New project budget requirements	\$ 2,282,923
Surplus funding / project variations	-\$ 4,302,900
Carry Forward - additional	\$ 6,177,365
Agreed Capital Works Budget at 30 September 2023	\$137,708,093

The increase in project budgets since July is \$2.43M. The movement listing New Projects, Additional Funding and proposed Carry Forwards for the Quarter is included in Attachment A – Financial Statements, Indicators and Capital Works Project Details.

A project status update on agreed high profile projects can be found at Attachment B – 2023/24 Capital Works Major Construction Projects.

FINANCIAL IMPLICATIONS

The quarterly Financial report to Council is required by legislation.

POLICY IMPLICATIONS

There are no policy implications to this report.

CONSULTATION

Community consultation was not required.

SOCIAL IMPLICATIONS

There are no social implications to this report.

HUMAN RIGHTS CONSIDERATIONS

There are no human rights implications to this report.

GENDER IMPACT ASSESSMENT

A GIA was not completed because this agenda item is not a 'policy', 'program' or 'service'.

CONCLUSION

Council's financial position reflects an overall positive performance against budget year to date, made up of a number of variances, both favourable and unfavourable, across Council's operational services. These variances will continue to be monitored for the remainder of the financial year and a favourable result is expected.

The Capital Works adopted budget of \$135.3M is the largest capital works program undertaken by Council. Some projects have been identified incurring delays which will require carry forward into next financial year. The adjusted management budget for the capital program currently is \$137.7M which becomes the adjusted target for the year.

ATTACHMENT LIST

1. Financial Management and Capital Works Progress Report First Quarter 30 Sep [7.3.1.1 - 8 pages]
2. 2023 24 Capital Works Major Construction Projects [7.3.1.2 - 13 pages]

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ATTACHMENT A – FINANCIAL STATEMENTS, INDICATORS AND CAPITAL WORKS PROJECT DETAILS

Comprehensive Income Statement

Comprehensive Income Statement for the period ending 30 September 2023							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2023/24 Adopted Budget \$'000	2023/24 Forecast \$'000	Forecast Variance \$'000	Forecast Variance %
Revenue from Ordinary Activities							
Rates & Charges	145,228	145,204	24	146,084	146,084	-	0.0%
Statutory Fees & Fines	2,675	2,766	(91)	11,066	11,066	-	0.0%
User Fees	8,691	8,211	480	26,777	26,777	-	0.0%
Grants - Operating	3,146	3,862	(716)	20,223	20,223	-	0.0%
Grants - Capital	8,626	7,780	846	31,120	31,120	-	0.0%
Contributions - cash	1,232	1,778	(546)	10,903	10,903	-	0.0%
Other Revenue	905	982	(77)	3,628	3,628	-	0.0%
Proceeds from Sale of Assets	2,678	-	2,678	-	-	-	0.0%
Total Revenue	173,181	170,584	2,597	249,801	249,801	-	0.0%
Expenses from Ordinary Activities							
Employee Costs	20,873	21,242	369	94,411	94,411	-	0.0%
Materials & Services	18,273	21,660	3,387	86,401	86,401	-	0.0%
Depreciation	8,745	8,345	(400)	33,393	33,393	-	0.0%
Amortisation - Intangible Assets	674	828	154	3,312	3,312	-	0.0%
Amortisation - Right of Use Assets	396	367	(29)	1,467	1,467	-	0.0%
Bad and doubtful debts	-	-	-	10	10	-	0.0%
Finance costs	33	46	13	186	186	-	0.0%
Other Expenses	82	206	124	824	824	-	0.0%
Total Expenses	49,076	52,694	3,618	220,004	220,004	-	0.0%
Net Surplus/(Deficit) from Ordinary Operations	124,105	117,890	6,215	29,797	29,797	-	0.0%

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Balance Sheet

Balance Sheet					
as at 30 September 2023					
	30 Sep 2023 Actual \$'000	2023/24 Adopted Budget \$'000	2023/24 Annual Forecast \$'000	Forecast Variance \$	Forecast Variance %
ASSETS					
Current Assets					
Cash & Cash Equivalents	51,143	17,663	18,324	661	3.7%
Trade and Other Receivables	147,179	19,371	19,371	-	0.0%
Non-current assets classified as held for sale	6,315	98,725	98,725	-	0.0%
Other Assets	5,078	1,294	1,294	-	0.0%
Total Current Assets	209,715	137,053	137,714	661	0.5%
Non-Current Assets					
Property, Plant & Equipment	3,735,688	3,662,671	3,723,462	60,791	1.7%
Right of use assets	6,215	5,242	5,242	-	0.0%
Intangibles	6,918	8,595	8,595	-	0.0%
Other Assets	0	1,172	1,172	-	0.0%
Total Non-Current Assets	3,748,821	3,677,680	3,738,471	60,791	1.7%
Total Assets	3,958,536	3,814,733	3,876,185	61,452	1.6%
LIABILITIES					
Current Liabilities					
Trade and Other Payables	23,501	35,130	35,130	-	0.0%
Trust Funds and Deposits	26,209	14,883	14,883	-	0.0%
Provision	20,853	20,396	20,396	-	0.0%
Lease Liability	1,226	1,248	1,248	-	0.0%
Total Current Liabilities	71,789	71,657	71,657	-	0.0%
Non-Current Liabilities					
Provision	1,576	3,052	3,052	-	0.0%
Other Liabilities	0	3,324	3,324	-	0.0%
Lease Liability	5,297	4,214	4,214	-	0.0%
Total Non-Current Liabilities	6,873	10,590	10,590	-	0.0%
Total Liabilities	78,662	82,247	82,247	-	0.0%
Net Assets	3,879,874	3,732,486	3,793,938	61,452	1.6%
EQUITY					
Accumulated Surplus	1,179,542	1,103,120	1,105,530	2,410	0.2%
Reserves	2,700,332	2,629,366	2,688,408	59,042	2.2%
Total Equity	3,879,874	3,732,486	3,793,938	61,452	1.65%

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Statement of Cash Flows

Statement of Cash Flows for the period ending 30 September 2023							
	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	2023/24 Adopted Budget \$'000	2023/24 Forecast \$'000	Forecast Variance \$	Forecast Variance %
	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Inflows (Outflows)	Inflows (Outflows)	Fav (Unfav)	Fav (Unfav)
Cash Flows from Operating Activities							
Receipts							
Rates & Charges	26,789	25,818	971	146,084	146,084	-	-
Statutory Fees & Fines	2,675	2,630	45	11,066	11,066	-	-
User Fees	8,489	8,132	356	27,360	27,360	-	-
Grants - Operating	2,224	3,121	(896)	20,223	20,223	-	-
Grants - Capital	3,757	3,949	(192)	31,120	31,120	-	-
Contributions - cash	1,232	2,198	(966)	10,903	10,903	-	-
Interest Revenue	889	299	590	2,447	2,447	-	-
GST reimbursed by Australian Tax Office	2,628	4,620	(1,991)	20,025	20,025	-	-
Other Revenue	457	308	149	1,231	1,231	-	-
Employee Costs	(21,537)	(21,480)	(57)	(93,679)	(93,679)	-	-
Materials & Services	(27,863)	(25,886)	(1,976)	(85,901)	(85,901)	-	-
Other Expenses	(82)	(127)	45	(1,874)	(1,874)	-	-
GST paid to Australian Tax Office	(1,057)	(1,010)	(47)	(834)	(834)	-	-
Operating Activities	(1,399)	2,571	(3,969)	88,171	88,171	-	-
Cash Flows from Investing Activities							
Payments for Property, Plant and Equipment	(24,282)	(24,395)	113	(147,455)	(149,884)	(2,429)	(1.6%)
Proceeds from Sale of Property, Plant and	-	1,904	(1,904)	7,616	7,616	-	0.0%
Investing Activities	(24,282)	(22,491)	(1,791)	(139,839)	(142,268)	(2,429)	(1.7%)
Cash Flows from Financing Activities							
Trusts and Refundable Deposits	245	-	245	-	-	-	-
Proceed from borrowings	-	-	-	30,000	30,000	-	-
Repayment of borrowings	-	-	-	(30,000)	(30,000)	-	-
Interest paid - Lease Liability	(33)	(47)	14	(186)	(186)	-	-
Repayment of Lease Liability	(241)	(356)	115	(1,424)	(1,424)	-	-
Financing Activities	(29)	(403)	374	(1,610)	(1,610)	-	-
Net increase (decrease) in cash and cash equivalents	(25,709)	(20,323)	(5,386)	(53,278)	(55,707)	(2,429)	4.6%
Cash and cash equivalents at the beginning of the financial year	76,852	70,942	5,910	70,942	73,352	2,410	3.4%
Cash and cash equivalents at the end of the period	51,143	50,619	524	17,663	17,644	(19)	(0.1%)

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Statement of Capital Works

Statement of Capital Works for the period ending 30 September 2023						
	YTD Actual \$'000	2023/24 Adopted Budget \$'000	% Complete	2023/24 Management Budget \$'000	Variance to Adopted Budget \$ %	
Property						
Land	-	-	-	-	-	-
Land Improvements	11	-	-	-	-	-
Total land	11	-	-	-	-	-
Buildings and Building Improvements	3,759	63,200	5.9%	57,855	5,345	8.5%
Total buildings and building Improvements	3,759	63,200	5.9%	57,855	5,345	8.5%
Total property	3,770	63,200	6.0%	57,855	5,345	8.5%
Plant & Equipment						
Plant, machinery and equipment	288	5,058	5.7%	5,141	(83)	-1.6%
Fixtures, fittings and furniture	7	392	1.8%	392	(0)	-0.1%
Computers and telecommunications	1,815	6,117	29.7%	6,161	(44)	-0.7%
Library books	735	1,440	51.0%	1,440	0	0.0%
Total plant and equipment	2,845	13,007	21.9%	13,134	(127)	-1.0%
Infrastructure						
Roads	4,884	10,435	46.8%	10,098	337	-3.9%
Bridges	482	1,817	26.5%	1,902	(85)	-4.7%
Footpaths and cycleways	1,077	4,570	23.6%	4,549	21	-1.6%
Drainage	842	9,431	8.9%	7,244	2,187	23.2%
Recreational, leisure and community facilities	7,469	26,711	28.0%	36,790	(10,079)	-37.7%
Waste management	141	-	100.0%	112	(112)	100.0%
Parks, open space and streetscapes	807	4,939	16.3%	4,916	23	-10.5%
Other infrastructure	455	1,169	38.9%	1,107	62	5.3%
Total Infrastructure	16,157	59,072	27.4%	66,719	-7,647	-12.9%
Total capital works expenditure	22,772	135,279	16.8%	137,708	-2,429	-1.8%
Represented by:						
New Asset expenditure	181	1,075	16.8%	1,094	-19	-1.8%
Asset renewal expenditure	10,548	62,664	16.8%	63,789	-1,125	-1.8%
Asset expansion expenditure	7,198	42,759	16.8%	43,527	-768	-1.8%
Asset upgrade expenditure	4,845	28,781	16.8%	29,298	-517	-1.8%
	22,772	135,279	16.8%	137,708	-2,429	-1.8%
Funding sources represented by:						
Grants	8,626	31,120	27.7%	31,120	-	-
Contributions	-	787	-	787	-	-
Council cash	14,146	103,372	13.7%	105,801	2,429	2.3%
Borrowings	-	-	-	-	-	-
Total capital works expenditure	22,772	135,279	16.8%	137,708	(2,429)	-1.8%

2023/24 Quarterly Financial Management and Capital Works Report

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Financial Indicators

Indicator	Measure	YTD Actual 2023/24	Full Year Budget 2023/24
<i>Operating position</i>			
Adjusted Underlying result	Adjusted underlying surplus (deficit) / Adjusted underlying revenue	70.4%	0.4%
<i>Liquidity</i>			
Working Capital	Current assets / current liabilities	292.1%	191.3%
Unrestricted cash	Unrestricted cash / current liabilities	2.22%	-6.7%
<i>Obligations</i>			
Loans and borrowings	Interest bearing loans and borrowings / rate revenue	0.00%	0.00%
Loans and borrowings	Interest and principal repayments / rate revenue	0.00%	0.00%
Indebtedness	Non-current liabilities / own source revenue	4.6%	6.0%
Asset renewal	Asset renewal expenditure / depreciation	52.3%	169.4%
<i>Stability</i>			
Rates concentration	Rate revenue / adjusted underlying revenue	87.7%	66.1%
Rates effort	Rate revenue / CIV of rateable properties in the municipality	0.2%	0.2%
<i>Efficiency</i>			
Expenditure level	Total expenses / No. of property assessments	\$576	\$2,580
Revenue level	Residential rate revenue/No. of residential assessments	\$1,551	\$1,551
Workforce turnover	No. of permanent staff resignations & terminations / average no. of permanent staff for the financial year	3.2%	11.0%

2023/24 Quarterly Financial Management and Capital Works Report

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Capital Works Project Details

This report provides a review of the 2023/24 Capital Works Program. In particular, the Capital Works Progress report aims to:

- seek approval for new projects and project variations; and
- inform Council of funding changes to the program as a result of variations approved in project expenditure.

The Capital Works budget movements from July 2023 to September 2023 include:

- Projects with a cost reduction (Table 1);
- Projects with new budget requirement (Table 2);
- Project variations – surplus funds (Table 3); and
- Projects to be carried forward – additional (Table 4).

Table 1: Project variations – adjustment for additional expenditure prior year (budget reduction)

Project Name	Adopted Budget	\$ Change to Adopted Budget	Updated Management Budget as at Q1
Digital Experience Platform (DXP) - Website Refresh	300,000	- 2,591	297,409
Digital - Data and Analytics Program	405,000	- 3,945	401,055
2021-2022 Digital - Smart City Transition Program	505,000	- 5,949	499,051
Digital - Integration Platform Commissioning (Middleware)	340,000	- 13,890	326,110
Financial System Upgrade	350,000	- 4,506	345,494
Mt Waverley Reserve Pavilion Redevelopment - Pavilion Upgrade Design "	330,000	- 5,819	324,181
Extension of Bogong Multi Level Car Park	26,670,000	- 310,956	26,359,044
Central Plant System at Clayton Community Centre - part of the Zero Net Carbon Action Plan - Energy Performance Contracts project	800,306	- 26,768	773,538
Jack Edwards Reserve Pavilion Redevelopment	6,700,000	- 11,034	6,688,966
Jingella Avenue, Ashwood - Road Rehabilitation (Construction)	824,735	- 81,912	742,823
Mt Waverley Library Toilets Refurbishment -Year 2 Construct	163,000	- 61,392	101,608
Mulgrave Reserve Cricket Net Redevelopment	953,705	- 89,349	864,356
Talbot Park Playspace Upgrade - Construct	978,946	- 5,755	973,191
Clayton Community Centre Energy efficiency upgrade - part of the Zero Net Carbon Action Plan - Energy Performance Contracts project	200,016	- 23,786	176,230
Retaining Wall - 54 Wave Avenue MOUNT WAVERLEY - 2022/23	48,000	- 8,250	39,750
Retaining Wall - 2022/23 - 311 Gallaghers Road Glen Waverley	142,000	- 4,570	137,430
Syndal Activity Centre streetscape improvements	20,000	- 1,334	18,666
2023-2024 Footpath Renewal Program	4,280,000	- 200,000	4,080,000
2023-2024 Kerb & Channel Renewal Program	2,114,293	- 130,000	1,984,293
2023-2024 Road Resurfacing Program	4,710,120	- 736,763	3,973,357
	50,835,121	- 1,728,568	49,106,553

2023/24 Quarterly Financial Management and Capital Works Report

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Table 2: Project variations – new project budgets requested (July 2023 – September 2023)

Project Name	Adopted Budget	\$ Change to Adopted Budget	Updated Management Budget as at Q1
23/24 Building Structures Renewal Program - Mulgrave CC Roof Replacement	-	500,000	500,000
23/24 Building Structures Renewal Program - Oakleigh Library Roof Replacement	-	400,000	400,000
Building Fit-Out renewal - Essex Heights changeroom refurbishment	-	300,000	300,000
Building Fit-Out renewal - Glen Waverley Nth Pavilion changeroom refurbishment	-	300,000	300,000
Pinewood Reserve Playspace Upgrade Design	-	53,187	53,187
Synthetic Renewal of the Ashwood Reserve Hockey Pitch (project was approved at 26 September 2023 Council meeting)	-	200,000	200,000
Drainage Rehabilitation Work - 16 Kelly Street Chadstone - Construction	-	70,000	70,000
MGA Collection Storage	-	89,750	89,750
Essex Heights Reserve Multi-purpose Net Redevelopment	670,902	204,492	875,394
2023 - 2024 Parks & Gardens Irrigation System Improvement Program	210,000	12,900	222,900
Gardiners Reserve - Pitch 1 redevelopment and Lighting Construction	2,000,000	152,594	2,152,594
	2,880,902	2,282,923	5,163,825

Table 3: Project variations – surplus funds

Project Name	Adopted Budget	\$ Change to Adopted Budget	Updated Management Budget as at Q1
23/24 Building Structures Renewal Program Roof Replacement	1,190,000	- 900,000	290,000
2023/24 Building - Fit Out Renewal Program	1,140,000	- 600,000	540,000
Local Drainage - 2 Lawson Street, Oakleigh East (construction)	236,000	- 120,000	116,000
Portman Street, Oakleigh - Footpath enhancement works	500,000	- 500,000	-
3 Yarrinup Avenue, Chadstone - Development Contribution Plan (DCP) Program (Construction)	709,800	- 340,000	369,800
8-12 Simpson Drive, Mount Waverley - Development Contribution Plan (DCP) Program (Construction)	2,197,000	- 1,250,000	947,000
Inverell Avenue, Mount Waverley - Rehabilitation Drainage Program (Construction)	1,216,800	- 500,000	716,800
21 Lennox Avenue, Glen Waverley - Rehabilitation Drainage Program (Construction)	59,150	- 30,000	29,150
4-7 Darvell Close, Wheelers Hill - Rehabilitation Drainage Program (Construction)	92,950	- 50,000	42,950
2023 - 24 Reserve Improvement Program	357,500	- 12,900	344,600
	7,699,200	- 4,302,900	3,396,300

2023/24 Quarterly Financial Management and Capital Works Report

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Table 4: Project variations – additional carry forward requests

Project Name	Adopted Budget	\$ Change to Adopted Budget	Updated Management Budget as at Q1
2019-20 Building Services Renewal Program - MARC Pool Water Heating Boiler (previously MARC Swimming Pool Heating Water Boilers)	-	32,807	32,807
Ashwood Chadstone Pathways to equality	-	2,125	2,125
Major Category Public Lighting Renewal	1,256,015	18,466	1,274,481
Hughesdale Activity Centre - Additional Streetscape Enhancement Works	175,000	4,047	179,047
Samada Street Reserve Improvements	-	30,000	30,000
Bridge Rehabilitation - Napier Park, Glen Waverley (Over Melbourne Water Overland Flow Path) - Construction	360,000	9,998	369,998
Electronic Document Management System Replacement Project	549,000	30,255	579,255
Glen Waverley Sports Hub Project	14,200,000	2,325,474	16,525,474
Holmesglen Reserve Public Toilet Design & Installation	-	158,091	158,091
Chilled Water and Optimisation at MARC for Zero Net Carbon Action Plan - Energy Performance Contracts project	-	9,341	9,341
Oakleigh Recreation Centre Redevelopment	-	33,335	33,335
Drainage Rehabilitation, 161 Police Road, Mulgrave -CONSTRUCT	288,123	4,600	292,723
Kingsway Redevelopment Consultation and Design	75,750	13,500	89,250
Ladner Court, Torquay Avenue & Ashby Court, Chadstone - Road Rehabilitation (Construction)	-	471,808	471,808
Stocks Road, Mount Waverley- Strategic Drainage (Construction)	1,550,000	29,527	1,579,527
Schematic Design – Glen Waverley Civic Precinct Project	-	195,455	195,455
Mt Waverley 3 Year old Kindergarten Refurbishment (Year 1)	920,000	1,745	921,745
Building Structures Renewal Program Roof Replacement	-	441,127	441,127
Hughesdale Hall Kitchen Upgrade	-	15,751	15,751
Building Renewal - Fit Out Program	-	173,049	173,049
Gardiners Reserve South Pitch & Lighting Redevelopment - Design	-	18,290	18,290
Flora Road Playspace Upgrade Construction	-	64,228	64,228
2022-2023 BT Infrastructure and Security Renewal	-	27,776	27,776
Building Renewal - Services Program	-	13,930	13,930
Fregon Reserve Sports Lighting Upgrade	8,000	18,090	26,090
Atheldene Drive Reserve Playspace Upgrade Construction	-	5,530	5,530
2022-2023 Golf Course Renewal Projects	-	115,000	115,000
2022-2023 Waste Transfer Station Essential Works	-	207,909	207,909
Rivett Crescent Reserve Playspace Upgrade Construct	-	2,665	2,665
Cambro Road Reserve Playspace Upgrade	-	4,567	4,567
Diamond Avenue Reserve Playspace Upgrade	-	4,527	4,527
Rembrandt Drive Reserve Playspace Upgrade	-	4,097	4,097
Mount Waverley Reserve Playspace Upgrade	-	10,769	10,769
Highview Park Playspace Upgrade	-	3,877	3,877
Portland Street North Reserve Playspace Upgrade	-	3,918	3,918
Carlson Reserve Cricket Net Redevelopment	-	207,635	207,635
Princes Highway Reserve Cricket Net Redevelopment	190,000	137,170	327,170
MGA Collection database renewal	-	10,533	10,533
Carlson Reserve Pavilion Redevelopment - Design	226,000	28,838	254,838
Bridge Rehabilitation - Duerdin Street Notting Hill (Construction)	1,200,000	74,408	1,274,408
2022 - 2023 Road Reserve Landscaping Improvement Program	-	7,242	7,242
MARC Energy efficiency and BMS upgrade. - part of the Zero Net Carbon Action Plan - Energy Performance Contracts project	199,685	41,421	241,106
Installation of solar at the Civic centre - part of the Zero Net Carbon Action Plan - Energy Performance Contracts project	-	5,530	5,530
Scoping study at Oakleigh Library precinct	130,000	13,250	143,250
2022-2023 Fleet and Plant Renewal Program	1,516,563	83,304	1,599,867
2022 - 2023 Avendon Estate Cypress Windrow Replacement Program	-	537,526	537,526
2022-2023 Post Closure Landfill Management	-	112,000	112,000
Active Monash leisure management software renewal	-	6,273	6,273
Essex Heights Reserve Multi-purpose Net Redevelopment	663,000	7,902	670,902
Active Rec Opportunities Strat. Implementation	-	8,434	8,434
The Gateway Retail Strip Upgrade - Design 2022/23 (Year 1)	54,300	38,055	92,355
Columbia Park ELC Extension	-	87,055	87,055
Building Renewal - Structures program (Clayton Pool Concourse)	-	151,270	151,270
Pinewood Reserve Cricket Net Feasibility & Design	295,000	30,000	325,000
MWCC - Bringing the Environment Inside	115,000	83,845	198,845
	23,971,436	6,177,367	30,148,803

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ATTACHMENT B 2023/24 CAPITAL WORKS MAJOR CONSTRUCTION PROJECTS**Carlson Reserve Pavilion Redevelopment - Construction**

Location: Carlson Reserve Pavilion, Clayton	
Key Dates: October 2023 -October 2024	23/24 Current Management Budget: \$1,737,000
<p>Summary of project: Carlson Reserve Pavilion Redevelopment project will deliver a new sporting pavilion supporting tenant cricket and soccer clubs as well as general community use. The project will be the first fully modular constructed building, delivered through a design and construct methodology.</p> <p>The new pavilion and associated infrastructure will deliver an engaging and coherent recreational space for the enjoyment of all visitors, supports diversity, access, and equity for people of all ages, genders, physical abilities and cultural backgrounds. The project includes a functional and compliant community football facility, Improves, and considers a ‘whole of site’ approach, activates and improves the reserve entry, ensuring it is welcoming for all when not being used for games as a reserve and open space.</p>	
<p>Progress this quarter:</p> <p>The project was presented at the September Council Meeting with the contract awarded to K.L Modular System Australia. K.L Modular Systems Australia are an industry leader in the modular construction industry previously delivering varying scope projects for Metropolitan Councils and State Government within the Education sector.</p> <p>The project is in the final stages of contract development and sign off with a project pre-commencement meeting with key Monash stakeholders to take place in late October.</p> <p>Preliminary design works including high level concept plans were submitted by K.L Modular Systems Australia with their tender submission. The initial design stage will include review of these plans by the internal working group with the draft design package to be presented to internal and external stakeholders for sign off.</p> <p>It is anticipated that the design component of the project will be delivered by February 2024, with the construction phase inclusive of the demolition of the existing sporting pavilion, module foundations and installation to commence thereafter. The construction program submitted by K.L Modular System Australia identifies an August 2024 completion and handover.</p>	

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Cycling Connection between Scotchmans Creek Trail and Djerring Trail

Location: Djerring Trail and Scotchmans Creek Trail, Oakleigh	
Key Dates: September 2023 -May 2024	23/24 Current Management Budget: \$100,000
Summary of project:	
<p>There was an initial proposal for a pop-up separated cycleway to be installed along Atkinson Street in Oakleigh using a Sustainable Victoria grant. Due to the 'quick-build' nature of this proposal, many safety issues were identified and the proposal did not proceed. The provision of this path is still identified as a great benefit to Monash and accordingly consultation was undertaken with the community. Overall support was found from the community although safety was still seen as a major issue. Further design changes were made including the proposal to remove all parking on the east side of Atkinson Street to accommodate the cycleway. Funding is required to proceed with construction of the path and alternative route design.</p> <p>This project is to be delivered in 2 stages; (Stage 1 Burlington Street to Scotchmans Creek Trail; Stage 2 south of Burlington Street to Djerring Trail link)</p> <p>Further design discussion in progress on alternative alignment at the southern end (south of Burlington Street Roundabout).</p> <p>Timeframe for works is as follows:</p> <p style="padding-left: 40px;">23/24 - Detail design (Stage 1) to be awarded to external contractor late Oct early November, estimated expenditure \$45K. Tender documentation to be completed May 2023.</p> <p style="padding-left: 40px;">24/25 - Construct Stage 1; Design Stage 2</p> <p style="padding-left: 40px;">25/26 - Construct Stage 2</p>	
Progress this quarter:	
<ul style="list-style-type: none"> - Preliminary design has been completed (full length project). - Quotes received for detailed design (by external engineering consultants). 	

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Dorrington Child and Family Hub Build

Location: 7 Dorrington Drive, Mount Waverley	
Key Dates: June 2023 - December 2024	23/24 Current Management Budget: \$2,250,000
Summary of project:	
<p>The City of Monash vision is to plan future early years' services, including the provision of kindergarten facilities that will operate in close association with local schools, Council services, and the community. The centres will provide facilities which will meet the needs of the projected number of three and four year old children, by providing additional kindergarten places as deemed necessary by the Department of Education and Training (DET) as they roll out their Kindergarten Reform program.</p> <p>This is much needed in the SA2 of Mount Waverley South neighbourhood which has been identified in the Kindergarten Infrastructure Service Plan (KISP) and prioritised by the Victorian School Building Authority (VSBA) when formulating the Building Blocks Partnership with Council.</p> <p>Construction of the Dorrington Child and Family Hub allows for 66 places across the two kindergarten rooms and gives Monash an additional 66 places to what is currently available.</p>	
Progress this quarter:	
<p>The demolition tender has been advertised with all demolition works to be completed prior to construction commencement (February 2024).</p> <p>The tender for the construction of the new hub will open late October 2023 and close mid November 2023 with the aim to go to the December Council meeting for awarding. Works are expected to commence in February 2024 and be completed by the end of the calendar year ready for use in term 1, 2025.</p>	

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Figure 1 Image of proposed new building

Dover Street Kindergarten Build

Location: Dover Street, Oakleigh East	
Key Dates: January 2024 - December 2024	23/24 Current Management Budget: \$2,300,000
Summary of project:	
<p>The construction of a new facility for the Dover St Kindergarten allowing for 66 places across two kindergarten rooms, gives Monash an additional 35 places to what is currently available.</p> <p>The City of Monash vision is to plan future early years' services, including the provision of kindergarten facilities that will operate in close association with local schools, Council services, and the community. The centres will provide facilities which will meet the needs of the projected number of three and four year old children, by providing additional kindergarten places as deemed necessary by the Department of Education and Training (DET) as they roll out their Kindergarten Reform program.</p> <p>This is much needed in the SA2 of Oakleigh / Huntingdale neighbourhood which has been identified in the Kindergarten Infrastructure Service Plan (KISP) and prioritised by the Victorian School Building Authority (VSBA) when formulating the Building Blocks Partnership with Council.</p>	
Progress this quarter:	
<p>Options are being investigated for construction of a traditional bespoke designed facility or a modular building at this site which has the potential to provide an excellent outcome in a more time efficient manner than traditional construction methodology.</p>	

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The Project Working Group (PWG) have compiled 3 project options (Grove Modular Design, VSBA Modular Design and Bespoke Build) for the proposed kindergarten.
 All project options have taken into consideration tree loss, traffic/parking, disruption to neighbours, budget, delivery timeframe and risks for each option.
 A PCG meeting has been set for October 2023 to provide a recommendation forward for this project.

Extension of Bogong Multi Level Car Park

Location: Bogong Avenue, Glen Waverley	
Key Dates: August 2023 - April 2025	23/24 Current Management Budget: \$26,359,044
<p>Summary of project:</p> <p>Council is committed to the provision of car parking in the Glen Waverley Activity Centre (GWAC). The GWAC is in desperate need for additional car parking following SRLA proposal to occupy the Montclair Avenue car park site. The extension of the existing Bogong car park provides additional parking required within the precinct.</p> <p>Works include:</p> <ul style="list-style-type: none"> • Four additional levels with approximately 520 car / bike spaces • New lift and lift-well • Motorcycle parking • Bicycle Parking • Electric charging bays • Smart Parking Assistance and signage • Parking enforcement Technology • Anti-climb measures/ barriers • Internal and external lighting • Minor landscaping 	
<p>Progress this quarter:</p> <ul style="list-style-type: none"> - The construction contract has been awarded. - The car park has been closed. VMS boards and parking signage have been installed to direct community to Euneva car park. 	

Attachment 7.3.1.2 2023 24 Capital Works Major Construction Projects

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- Protection Works notices been issued and being finalised with adjoining properties. Construction Management Plan completed and approved.
- Preliminary underground and existing column structural support investigations and site establishment set up being completed by construction contractor. Demolition works have commenced with traffic / pedestrian management adjustments completed in Bogong Avenue.
- Demolition works to continue and the commencement of structural column strengthening in the next period.
- Completion expected in April 2025.



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Glen Waverley Sports Hub Project

Location: Waverley Road, Glen Waverley	
Key Dates: June 2021 - February 2024	23/24 Current Management Budget: \$16,525,474
<p>Summary of project:</p> <p>The subject area for the proposed Monash Tennis Centre project is approximately 3.4 hectares, situated on the western boundary of the Glen Waverley Golf Course, 915 Waverley Road, Glen Waverley.</p> <p>In 2019, Council commenced an Integrated Site Planning process to explore potential site development options in response to a number of site constraints for golf. The existing driving range is both constrained by its size and proximity to adjoining properties. Council developed a Tennis discussion paper and a tennis plan that addressed tennis within the municipality, driving specifically by the Monash Tennis Clubs. The plan called out the need for bigger more vibrant clubs and centres where Council should priorities future infrastructure spend at these locations. Working with the existing golf contractor, Glen Waverley and Glenvale Tennis Clubs, Council identified the opportunity to locate a tennis facility on the site as a potential solution to a range of local issues. Supported by Council's Tennis Plan, Council expanded the draft design to accommodate the requirements of North East Link Project (NELP) and considered activating the space through the introduction of multi-functional spaces and entertainment options to maximise the site's utility and community benefit.</p> <p>Based on Council's significant strategic planning on tennis and golf in our municipality, the North East Link Project (NELP) formally invited Monash to submit a proposal for a new tennis facility at the Glen Waverley Golf course site. Council was successful in obtaining a \$21,000,000 grant to fund the proposed project. Works involve:</p> <ul style="list-style-type: none"> • Demolition of existing buildings • Construction of a two-storey shared Golf / Tennis pavilion and golf buggy storage facility • Construction of 18 synthetic tennis courts and lighting • New carpark, pedestrian paths, and Civil infrastructure • Construction of Golf practice green and hitting cages • Landscape works and supporting infrastructure. 	
<p>Progress this quarter:</p> <ul style="list-style-type: none"> - Pavilion has reached lock up stage with internal fit out being undertaken. - Final earth works and underground utilities being completed. Tennis courts concrete sub base being undertaken and fencing works. - Landscape and car park works to commence in next period. - Regular ongoing PWG /PCG/ Steering Committee meetings being held. - Consultation updates continue with local residents and Monash Shape page. - Project to be completed in early 2024 and is tracking within budget. 	

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Jack Edwards Reserve Pavilion Redevelopment

Location: Jack Edwards Reserve, Oakleigh	
Key Dates: February 2023 - September 2025	23/24 Current Management Budget: \$6,688,966
<p>Summary of project:</p> <p>Through the club advocacy, the State and Federal Government has provided a grant for the redevelopment of a new soccer pavilion at Jack Edwards Reserve. The proposal is for a multi-purpose double storey football (Soccer) pavilion redevelopment and community stadium at Jack Edwards Reserve, Oakleigh.</p> <p>The design will include a facility that accommodates the requirements of a National Premier League (NPL) 1 venue with aspirations of hosting FFA cup finals and potential B-League fixtures:</p> <ul style="list-style-type: none"> • 4 unisex change rooms with amenities • players lecture/briefing room • 2 match official rooms • massage rooms • Training room • First Aid Room • Storage (indoor and outdoor) • Spectator amenities • Cleaners' rooms • Kiosk and bar • Social room, with kitchen and bar facilities to cater for community events • Secondary meeting room • Media Zones • Players races • 500 seat capacity with covered grandstand (potential to be increased at a later date) • Lift <p><u>Associated Infrastructure:</u></p> <ul style="list-style-type: none"> • Site Power utilities consolidation and upgrades • Pathway connections • 500lux LED sports lighting • Wayfinding signage • Drinking Fountains • Coaches' boxes • Spectator/Accessible toilets • Landscape and Water Sensitive Urban Design 	
<p>Progress this quarter:</p> <p>External architect is finalising Detailed Tender Design documentation.</p> <ul style="list-style-type: none"> - Tenant club and community consultation is regularly being undertaken. - On track for a late November construction tender to award at March Council meeting and commence construction in April 2024. 	

2023/24 Quarterly Financial Management and Capital Works Report

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Mount Waverley Reserve Sport Hub

Location: Mount Waverley Reserve, Mount Waverley	
Key Dates: February 2023 -June 2025	23/24 Current Management Budget: \$3,773,448
Summary of project:	
<p>Following endorsement of the masterplan, Council is now preparing to implement the plan for Mount Waverley Reserve, which will take place over the next 3-4 years.</p> <p>Works involve:</p> <ul style="list-style-type: none"> • New double-storey pavilion • Cricket Nets • Playspace • Public Amenity block • Car park • Sportsground and sports lighting redevelopment • Activity Space • New maintenance and storage facility 	
Progress this quarter:	
<p>C01632 Mt Waverley Reserve Pavilion Redevelopment – Design</p> <p>Architect has been awarded and commenced design works of Pavilion. Scope has increased to a two-storey facility. This will increase design costs and variation will be submitted for approval. Awaiting further external funding confirmation announcements.</p> <p>Design expected to be completed in early 2024 with a view to commence construction in April 2024. On site Community consultation has been undertaken with residents and clubs informing of Reserve works and 2 storey pavilion facility.</p> <p>Project Working group meeting fortnightly.</p>	
<p>C09600 Mount Waverley Reserve - Design Program</p> <p>Architect has been engaged and undertaking design works for pavilion, sports oval, cricket net, activity zone, carpark and supporting infrastructure. All design works to be completed before April 2024.</p>	
<p>C09692 Mt Waverley Reserve Cricket Nets – Design</p> <p>Architect has been engaged and currently working through schematic design. Full tender Design package to be completed by March 2024 ready for construction tender subject to Council funding.</p>	

2023/24 Quarterly Financial Management and Capital Works Report

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C09328 Mt Waverley Reserve Sports Lighting Upgrade

Sports lighting works packaged up with Sports Oval works. Works contract has been awarded and to commence in early November following completion of Melbourne Water water main work across the oval and completed by May 2024. Preliminary investigations currently being undertaken by Construction Contractor.

C09691 Mt Waverley Reserve Pavilion Redevelopment – Construction

Architect has been engaged and currently working through Detailed Design Phase. Design expected to be completed by March with a construction commencement in April / May. Construction to be completed by April / May 2025. Community Consultation session was recently undertaken on site with positive responses from residents and the clubs. The tenant clubs have signed off on the proposed floor plan.

C09701 Mt Waverley Reserve - Oval Reconfiguration and Outdoor Sports Infrastructure Upgrade Construction

Tender awarded. Works to commence 1 November following Melbourne Water pipeline works. Works to be completed by April 2024. Project to be completed with Mount Waverley Sports Lighting project.



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Images of the new pavilion at Mt Waverley Reserve

Oakleigh South Child and Family Hub

Location: Corner of North and Guest Roads, Oakleigh South

Key Dates:

April 2022 -December 2023

23/24 Current Management Budget:

\$4,800,000

Summary of project:

This project focuses on the design of a new facility at Scammell Reserve to address the identified shortfall in kindergarten places as shown in Council’s Early Years Infrastructure Plan. It will support an application to DET for a subsequent Capacity Building VSBA Building Blocks.

The City of Monash vision for early years is to plan future early years’ services, including the provision of kindergarten facilities, around integrated Child and Family Hubs that will operate in close association with local schools, Council services, health services and the community. The integrated centres will provide facilities which will meet the needs of the local communities and provide the services required to support the health and wellbeing of children and their families through supporting a ‘one door’ facility. Having a wide variety of services co-located and collaborating with each other can produce powerful synergies affecting both what happens during school hours and outside of them, including:

- Improving access to and participation in services for families.
- Improving connection to school.
- Improving attendance, academic achievement, and behaviour; and
- Increasing family involvement in children’s schooling.

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Talbot Park Playspace Upgrade - Construct

Location: Talbot Park, Oakleigh South

Key Dates:
January 2024 -June 2024

23/24 Current Management Budget:
\$973,191

Summary of project:

This project is the construction of a District Standard playground in 2022-23 at Talbot Park Oakleigh South. This upgrade project is needed as the current playspace is dated and requires an upgrade in order to create a space that is fit for purpose and relevant for the community. The Playground Redevelopment Program 2020-2025 has been directly informed by playground priorities identified in the Active Monash Capital Works Priorities Framework 2018.

The design and community consultation for this project occurred in 2021-22

The site is a former landfill site that shows significant settlement and movement of the surface. Outfall drainage is also required to drain areas that no longer naturally drain due to the land settlement.

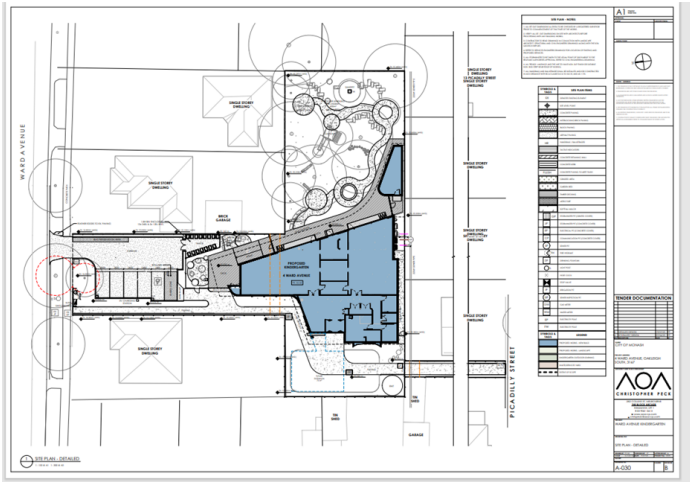
Progress this quarter:

- Construction contract was awarded at the August 2023 Council Meeting.
- Procurement of equipment is underway with construction works expected to commence on site early 2024.



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Ward Ave Kindergarten Build

Location: Ward Ave, Oakleigh South	
Key Dates: July 2023 -April 2024	23/24 Current Management Budget: \$4,800,000
Summary of project:	
<p>The reconstruction of the Ward Ave Kindergarten will allow for 66 kindergarten places across two kindergarten rooms, gives Monash an additional 33 places to what is currently available.</p> <p>The City of Monash vision is to plan future early years' services, including the provision of kindergarten facilities that will operate in close association with local schools, Council services, and the community. The centres will provide facilities which will meet the needs of the projected number of three and four year old children, by providing additional kindergarten places as deemed necessary by the Department of Education and Training (DET) as they roll out their Kindergarten Reform program.</p> <p>This is much needed in the SA2 of Oakleigh / Huntingdale neighbourhood which has been identified in the Kindergarten Infrastructure Service Plan (KISP) and prioritised by the Victorian School Building Authority (VSBA) when formulating the Building Blocks Partnership with Council.</p>	
Progress this quarter:	
<ul style="list-style-type: none"> - Tender documentation completed with construction tenders to be called October. - Will be presented to Council for awarding at December 2023 Council meeting. - Works to commence February 2024 and be completed by November 2024 ready for use at commencement of term 1, 2025. 	
	
Plan of new Ward Avenue Kindergarten	