

2022/23 Quarter 4 Review – Delivery Program 2022-2026

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Summary

This report reviews the operating and capital results against budget for the 2022/23 financial year, and progress against the performance measures identified within the Operational Plan 2022/23, within the broader Delivery Program 2022-2026.

The continued disruption from the Covid pandemic, an uncertain international environment and inflation levels not experienced for many years, impacted the City's community and its financial performance in 2022/23. The City's financial results were impacted in a variety of ways. A tight labour market, supply chain disruptions and capacity constraints in several sectors created challenges for recruitment, lower expenditure in a number of operational areas and delays to some of the capital works program. These challenges, combined with the early receipt of Federal Government grants, additional interest income and increased levels of capital grants and contributions have produced a higher than budgeted Net Surplus for the City.

Council's financial performance at Quarter 4 2022/23 reflects an Operating Surplus of \$155.2M, against a budget of \$121.0M. After allowing for interest income, capital grants and contributions, depreciation and capital project related costs, the Council achieved a Net Surplus of \$179.5M against a budget of \$77.1M. All major variances are outlined within the body of this report, and full details are provided at Attachment A.

The Capital Works Program expenditure was \$144.6M against a full year budget of \$223.3M. A summary of the 2022/23 capital project expenditure and forecast is outlined within the body of this report, and detailed at Attachment B.

The Technology and Digital Services Capital Works expenditure for projects developed internally was \$18.6M against a full year budget of \$25.1M.

The Plant and Equipment expenditure, net of disposals, was \$8.4M against a full year budget of \$13.5M.

Property Acquisitions (net) were \$92.5M against a full year budget of \$147.8M.

This report presents the City's interim financial results against budget for the 2022/23 financial year, as the results are being finalised as part of the preparation of the annual financial statements, which are still subject to external audit. If there are final adjustments to the results presented in this report, significant changes will be highlighted in the report covering the annual financial statements, presented to Council in October 2023.

Progress against the Delivery Program performance measures is generally satisfactory, with full details provided in Attachment C, and a number of operational achievements are highlighted within the body of this report.

The additional supplementary reports, which include details of major legal issues, the quick response, street banner and venue hire support grants and sponsorship programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000 are provided in Attachment D for information.

Recommendation

It is resolved that Council:

- (A) note the interim financial performance of Council for the 2022/23 financial year ending 30 June 2023, including the Net Surplus of \$179.5M as outlined within the report and summarised at Attachment A to the subject report;
- (B) note the full year Capital Works expenditure of \$144.6M for 2022/23, approve the proposed revote of \$21.7M and adjustments to future years forward estimates, to increase the adopted 2023/24 budget to \$237.6 including \$8.0M of contingency to progress the planned capital works, as detailed in the Attachment B to the subject report;
- (C) note the Technology and Digital Services capital expenditure of \$18.6M for 2022/23, and approve the proposed revote of \$2.5M and other adjustments totalling (\$1.2M), to increase the adopted 2023/24 TDS capital budget to \$21.0M as shown in Attachment B in the subject report;
- (D) note the full year Plant and Equipment expenditure of \$8.4M for 2022/23 (net of disposals), and approve the proposed revote of \$3.2M, to increase the adopted 2023/24 net budget to \$17.2M as show in Attachment B in the subject report;
- (E) note the full year net Property Acquisitions of \$92.5M;
- (F) note the operational performance indicators and quarter and full year achievements against the Delivery Program 2022-2026 objectives, as detailed in Attachment C to the subject report; and
- (G) note the supplementary report which details major legal issues, the quick response, street banner and venue hire support grants and sponsorship programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000 in Quarter 4, as detailed in Attachment D to the subject report.

Attachments

- Attachment A.** Financial Results Summary
- Attachment B.** Capital Expenditure Financial Results
- Attachment C.** Fourth Quarter Operational Plan Report 2022/23
- Attachment D.** Fourth Quarter 2022/23 Supplementary Reports

Background

1. The City's 2022-2026 Delivery Program and 2022/23 Operational Plan, including the 2022/23 budgets, were adopted by Council on 27 June 2022.
2. The Local Government Act 1993 requires quarterly progress reports against the financial objectives and six-monthly reports against the Operational Plan.
3. This report provides the fourth quarter (Q4) and full year forecast financial results for the 2022/23 financial year, and the achievements to date against the Operational Plan objectives.
4. A Q4 Financial Results Summary, together with a detailed breakdown of income and expenditure items, and a separate report showing operating results by the principal activities identified within the Operational Plan, are provided at Attachment A.
5. The Capital Expenditure results for the 2022/23 year, together with a summary of project expenditure, and proposed budget revote and adjustments for 2022/23 and future years, are outlined within the body of this report and detailed at Attachment B.
6. A Quarter 4 progress report against the operational performance measures identified within the 2022-2026 Delivery Program Plan is provided within Attachment C.
7. Additional reports, including major legal issues and the quick response, street banner Pole and venue hire support grants and sponsorships programs, fee-waived and discounted community facilities hire, international travel, property and land use matters approved under delegation and contracts over \$50,000, are also provided at Attachment D for information.

2022/23 Operating Budget

8. The adopted 2022/23 budget projected operating income of \$651.1M and operating expenditure of \$530.1M, for an Operating Surplus of \$121.0M. After allowing for interest income of \$7.5M, capital grants and contributions of \$68.9M, depreciation expenses of \$114.4M, capital project related costs of \$5.8M, Council budgeted for a Net Surplus of \$77.1M.

Fourth Quarter Operating Results

9. The interim Q4 Operating Surplus was \$155.2M against a budget of \$121.0M, a favourable variance of \$34.2M. After allowing for interest income, capital grants and contributions, depreciation, capital project related costs and gains on the sale of assets, the Net Surplus was \$179.5M against a budget surplus of \$77.1M, a favourable variance of \$102.3M.
10. The result includes favourable variances of \$8.9M for operating income, \$25.3M for operating expenditure, \$16.1M for interest income, \$56.6M for capital grants and contributions, and a \$6.3M gain on sale of assets and a gain on investment funds of \$0.3M, partially offset by unfavourable variances in depreciation expense of (\$3.0M) and capital project related costs of (\$8.1M).

11. The primary operating income variations to the budget are detailed in the table below:

Income Type	2022/23 Full Year Budget Variance Favourable / (Unfavourable)	Comment
Advertising Income	\$13.3M	This variance reflects recognition of the sign-on fees that formed part of the new Street Furniture contract, following the completion of initial delivery milestones, partially offset by a slower roll-out of advertising panels in the first half of the financial year.
Building & Development Application Income	(\$1.0M)	The unfavourable result reflects a decrease in large value applications.
Commercial Properties	(\$1.4M)	The unfavourable variance reflects vacancies and ongoing adverse market conditions, but significantly reduced by better than anticipated results for the lease share at QVB following the operator's year end results.
Community Properties	(\$2.3M)	The unfavourable forecast reflects a delay in the commencement of the lease of the Business Innovation Hub at 180 George St Sydney and the delayed installation of new street kiosks.
Enforcement Income	(\$3.7M)	Inclement weather disrupted operations earlier in the year, and a tight labour market continue to impact recruitment and retention.
Grants & Contributions	\$5.7M	Council was successfully awarded a grant as part of the Regional and Local Roads Program, not included in the original budget (\$3.6M), noting that the relevant works will continue into the new financial year. The Financial Assistance Grants for 2023/24 have also been received in full during 2022/23 and need to be recognised in the year received.
Other Fees	\$1.7M	One off catch-up on caterer's turnover income, from prior years, following the finalisation of contract variation negotiations covering impact of Covid-19 restriction period.

Work Zone	(\$2.3M)	There are lower volumes of work zone applications, and for shorter periods, as developers seek to reduce costs in challenging inflationary environment with supply chain constraints.
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12. The primary operating expenditure variances to the budget are detailed in the table below:

Expenditure Type	2022/23 Full Year Budget Variance Favourable / (Unfavourable)	Comment
Employee benefits and on-costs	\$9.2M	Predominately relates to permanent vacancies, in a very tight and competitive labour market, partially offset by an increase in agency staff used to backfill essential roles. The availability of agency staff is also subject to supply and demand forces in the current market. In addition, the City's worker's compensation expense (\$5.2M) has significantly fallen following an actuarial assessment of workers compensation liabilities, reflecting lower anticipated common law and case estimates, combined with higher bond rates.
Consultancies	\$2.2M	Variance is driven by lower expenditure in a number of areas and projects across the organisation, including part of the heritage floorspace divestment project being postponed to 2023/24.
Event Related Expenditure	\$3.2M	Sydney Street Events expenses were re-allocated to Other Operating Expenditure.
Expenditure Recovered	\$2.3M	Predominately relates to property cost recoveries at the Woolstores buildings acquired in September 2022, after the budget was finalised. There was also recovery of costs from TfNSW for landscape rectification works required in Alexandria resulting from the WestConnex project.

Expenditure Type	2022/23 Full Year Budget Variance Favourable / (Unfavourable)	Comment
Grants, Sponsorships and Donations	\$4.2M	Delay in accommodation grant funding relating to the opening of the Business Innovation Space opening, and payment of the affordable housing grant to Wesley Community Services.
Infrastructure Maintenance	(\$4.9M)	Increase in roadway maintenance restorations funded by the Regional and Local Roads Grants Program, along with increased street furniture maintenance. Granite sealing program works were also accelerated in preparation for the World Pride event.
IT Related Expenditure	\$1.2M	Re-scheduling of IT projects into future year and lower than anticipated software licences/maintenance.
Property Related	\$1.0M	Costs for the new Business Innovation space at 180 George Street were budgeted to be operational from September 2022, and reductions in property management fees reflecting vacancies.
Service Contracts	\$1.7M	The removal of barriers will not occur this financial year due to the extension of the alfresco dining program beyond April 2023.
Stores and Materials	(\$3.6M)	Additional works required to the application programming integration (API) of the digital display panels on street furniture as part of the Street Furniture upgrade.
Surveys & Studies	\$1.0M	The variance is across many areas relating to planned works that were subsequently completed in-house or deferred.
Waste Disposal Charges	\$2.3M	Lower tonnages than assumed in the budget, which anticipated a continuation of higher tonnages experienced in the prior two COVID impacted financial years.

13. The variances which adjust the Operating Result to the Net Result are detailed in the table below:

Income Type	2022/23 Full Year Budget Variance Favourable / (Unfavourable)	Comment
Interest income	\$16.1M	Higher opening cash balance and higher interest rates than budgeted (as detailed in the monthly investment reports).
Capital Grants and Contributions (incl. works-in-kind)	\$56.6M \$47.6M variance Cash grants and contribution \$9.0M variance Works in Kind contributions	<p>Developer contributions rebounded to pre-pandemic levels, which were significantly higher than budget which had assumed an extended reduction in development activity.</p> <p>In particular, the variance is being driven by Central Sydney Contributions Plan with large contributions received for large developments in Pitt St (\$6.0M and \$3.8M) and Lee St (\$9.2M), and a number of significant contributions under the s7.11 contributions plan from major developments outside Central Sydney, including large mixed residential and retail developments in Rosebery and Waterloo.</p> <p>It is worth noting that income received for our developer contributions plans, is not new funds, in that both plans continue to recoup the City's previous expenditure as we forward funded infrastructure and facilities in preparation for the coming development.</p> <p>The right to receive Works in Kind contributions and land dedications are recognised for significant developments across the council area, however the timing of delivery or receipt of these contributions is contingent on development progress.</p>
Depreciation	(\$3.0M)	Impacted by the timing of roads and stormwater asset revaluations, with increased valuation when preparing the financial

Income Type	2022/23 Full Year Budget Variance Favourable / (Unfavourable)	Comment
		<p>statements, higher than anticipated when the budget was completed in June 2022.</p> <p>Intangible asset class (primarily IT assets) depreciation is also higher than originally budgeted, reflecting a growing program. These assets have a short life, usually 3 years for the purposes of depreciation, and so the impact of changes are immediate.</p>
Capital Project Related Costs	(\$8.1M)	The variance reflects the timing of expenditure on works that cannot be capitalised (e.g. demolition costs and NSW Government owned traffic signals).
Gain on Sale of Assets	\$6.3M	The gain reflects the sale proceeds of the City's heritage floor space in excess of the asset book value.
Gain on Investment Funds	\$0.3M	The gain reflects the final recovery of bankruptcy proceedings in relation to investments held prior to the global financial crisis.

Additional Commentary on Q4 Operating Result

14. The adopted 2022/23 operating budget was developed as the City was emerging from the second wave of the Covid-19 pandemic. Operational contingencies in the operating budget were set at \$4.5M to include an allowance for the uncertain operating and financial environment.
15. The full year operating result for each Division was within budget, however there were a number of units which had small unfavourable variances, largely attributable to the fact that the City paid an Award increase (3%) that was above that provided in the budget (2%). This is particularly relevant to units where the budget is predominantly for salary and wages related costs.
16. In addition to that general budget variance, the City Rangers unfavourable result reflects lower enforcement income than budgeted, City Property's result arises due to lower than budgeted commercial and community income, and Planning Assessments result identifies that building and development application was lower than budgeted. These income variances are all detailed earlier in the report.
17. The People and Culture units unfavourable result signified an increase in organisational training and recruitment expenditure, above that budgeted, as external training become available again following the height of the pandemic, and as the City responded to a very competitive recruitment market.

Capital Expenditure

18. The Capital Works program achieved expenditure of \$144.6M against a full year budget of \$223.3M. The impacts of Covid on the construction industry, including the various lockdowns, disruptions to supply chain, and indeed the inability to source the required professional services and labour, have all conspired to hamper delivery of the planned program this financial year.
19. While work continues on the City's large and complex capital works portfolio, a number of significant projects were completed in 2022/23 such as College Street Cycleway, Woolworths Building Façade Remediation, Pittsway Arcade Food Court Refurbishment and Upgrade, Lyons Road Park, and the McDonald Street widening works.
20. Given the work in progress, a further \$21.7M of unspent funds at year end will need to be carried forward and revoted in addition to the capital works program adopted as part of the 2023/24 Operational Plan in June. This will ensure adequate funding to continue the capital works projects during 2023/24 and into future years.
21. A final review of the program has then been undertaken, to take into account the adopted budget, revised revotes, the project timelines, the required community engagement and the capacity to deliver the projects in the difficult market conditions. Following this review, it is recommended that \$4.5M now be pushed into the future years forward estimates, for a revised 2023/24 capital works budget totalling \$237.6M including an \$8.0M contingency.
22. A financial summary of the 2022/23 Capital Works program, a schedule showing the funds carried forward and deferred, the revised 2023/24 budget and future years' forward estimates by significant project and program, and a status report on all active capital projects exceeding \$5.0M in value is provided in Attachment B.

23. Significant program and project budget/forecast variances for 2022/23 capital programs asset enhancement budgets and future years' forward estimates were reported in the first three quarters, however there were further project variances by the final quarter of the year, including:
- (a) Properties - Community, Cultural and Recreational
 - (i) Green Square Public School and Community Spaces; Unexpected materials and services delays along with latent site conditions previously reported have delayed the main works by many months. The main works are now underway with piling for footings, site detention tanks and lift wells under construction.
 - (b) Bicycle Related Works
 - (i) Castlereagh St Cycleway - North; Construction works have recently commenced following a longer than expected tendering process.
 - (c) Public Domain
 - (i) George St South Pedestrianisation; Project to now be completed in 2023/24 with expected savings against the total budget.
 - (d) Open Space and Parks
 - (i) North Roseberry Park; Project was delayed due to additional design resolution but construction is now progressing well.
 - (ii) Synthetic Sports Field - Perry Park; Project was delayed due to a protracted tendering process but construction has now commenced.
 - (iii) Synthetic Sports Field - Crescent Park; Project was delayed due to design resolution on levels and flooding but construction has now commenced.
24. Significant program and project budget/forecast variances for 2022/23 capital programs asset renewal budgets and future years' forward estimates were reported in the first three quarters, however there were further project variances by the final quarter of the year, including:
- (a) Open Space and Parks
 - (i) In-Road Tree Planting; Additional design for the program was required this year, to develop and support the construction phase which will now occur in 2023/24.
 - (ii) Woolloomooloo Playground; Unfavourable variance relates to additional community consultation being undertaken, resulting in a revised project scope and delayed implementation.
 - (b) Properties Assets
 - (i) City Recital Hall; Unfavourable variance related to Stage 2 works reflecting recent market cost escalation.

- (ii) Galbestos remediation at Town Hall House; Construction delayed as design resolution was complex and took longer than originally planned but is now underway.
25. The Plant and Assets expenditure incurred during the year, net of disposals, was \$8.4M against a budget of \$13.5M. The underspend predominately reflected plant and assets which could not be delivered within the year. It is proposed to revote an additional \$3.2M, to increase the adopted 2023/24 net budget to \$17.2M as shown in Attachment B.
26. Technology and Digital Services capital works expenditure was \$18.6M against a budget of \$25.1M. The proposed revote of \$2.5M of funds, and other adjustments totalling (\$1.2M), will increase the adopted 2023/24 TDS capital budget to \$21.0M as shown in Attachment B.
27. Property Acquisitions and Divestments resulted in net acquisitions of \$92.5M for the 2022/23 year, against a net acquisition budget of \$147.8M. The acquisition of 15 O’Riordan Street and the Woolstores properties occurred in the first quarter, offset partially by the divestment of heritage floor space.

Operational Highlights

28. There were a number of operational highlights, including (in chronological order):
- (a) In March and April 2023, City staff delivered 12 information pop-up stalls near the City’s community recycling stations and the Ultimo Recycling Pop-Up to promote the City’s recycling services for tricky items such as mobile phones, batteries, electronics and light bulbs. 897 residents were engaged about how to recycle tricky items and use the City’s recycling services.
 - (b) The City and the University of Sydney collaborated to deliver Raising the Bar Sydney in April 2023. This partnership aimed to support bold and exciting ideas in our city, nurture our tech startup ecosystem and support local bars and live music venues activating the Tech Central precinct. 30 free talks were held at 15 venues with a wide range of topics from robotics and climate tech to cyber security and next-gen bio tech. Approximately 1,800 individuals attended in-person and 89% stated that they would attend another Raising the Bar event in the future.
 - (c) The Surry Hills @Play festival, funded by a City of Sydney Precinct Activation Grant, ran throughout April. This new festival aimed to spark community participation and business regeneration through a diverse program of activities, including pop-up picnics, live music, free bike tours, art installations, a scavenger hunt and school holiday workshops.
 - (d) More than 500 international students attended the Lord Mayor’s annual Welcome for International Students on 26 April which included advice on services and how Sydney works. This event officially inducted members of City’s International Student Leadership and Ambassador Program. Comprising 24 students from 12 countries and regions, the ambassadors are taking part in a year-long program that includes free training, work integrated learning and volunteer opportunities to develop leadership skills and work on projects for international student communities.

- (e) The Betty Makin Youth Recognition Awards were held on 28 April at the Redfern Town Hall. This event acknowledges the positive contributions made by young people. The Awards were held at the same time as with the annual Youth Week in the City program and National Youth Week, an annual celebration of young people aged 12-25 years, aimed at providing opportunities for young people to express their creativity, showcase their talents and engage in social and cultural activities. The theme for Youth Week 2023 from 20 April to 30 April 2023 was "Connect. Participate. Celebrate".
- (f) On Saturday 22 April 2023, the Juanita Nielsen Community Centre, in partnership with Nina Gbor from EcoStyles, hosted its second seasonal clothes swap event. Held to align with International Earth Day, the event spread awareness of the need for a more sustainable and environmentally friendly way to live. The day attracted over 100 participants.
- (g) To commemorate Anzac Day, the City, in consultation with the Anzac Memorial, has replanted the Anzac Memorial gardens in Hyde Park with plants from Australia, New Zealand and Turkey including banksia, rosemary and New Zealand Christmas bush.
- (h) The City commissioned new Acknowledging Country artwork by Kim Healey titled Jagun (meaning Country in Bundjalung). Kim Healey is a proud Bundjalung and Gumbaynggirr woman and a descendant of the Djunbun (Platypus) Clan. Jagun acknowledges and pays respect to Country and celebrates Aboriginal and Torres Strait Islander peoples and cultures. The artwork was first displayed in the public domain for Reconciliation Week in May 2023, and will feature prominently in the lead up to and during NAIDOC Week in July. From August, the artwork will also be used to Acknowledge Country on banners installed across the city centre, Redfern, Glebe and Woolloomooloo. The artwork has also featured on QMS screens, and window decals for community venues.
- (i) Nine new compact footway sweeper machines commenced service on 17 May 2023. The footway sweepers are much more manoeuvrable than previous vehicles, and comply with the EU6 standards, meeting the lowest emissions possible. The machines include a brand new, state of the art broom system and technology which are 100% fully recyclable.
- (j) Recently refurbished parks include Minogue Crescent Reserve at Forest Lodge, Lyons Road Park, Camperdown and Tote Park in Zetland. To celebrate, open days were held on 27 May, including entertainment, activities and refreshments.
- (k) The City's Connect Sydney program is a capacity building training program for community, not-for-profit, charitable and other social purpose organisations. The program was developed with grant funding from the Department of Communities and Justice. The City engaged Burbangana Group, an expert First Nations-led consultancy and training organisation, to develop and facilitate a three-part series of free hybrid training workshops throughout May and June 2023. A total of 51 people attended the three workshops, which were on the topics of governance, grant writing, fundraising and board management. The workshops supported a variety of Aboriginal and Torres Strait Islander organisations.

- (l) The bara Monument for the Eora won the Aboriginal Heritage category of the 2023 National Trust Heritage Awards. At the 2023 NSW Landscape Architecture Awards in June the Drying Green won the Award of Excellence in the parks and open space category and the City's Street tree master plan won the Award of Excellence in the landscape planning category. Additionally, the City's Food scraps recycling trial was a finalist in the Outstanding council project of the WASTE 2023 awards.
- (m) A ground-breaking event was held on 15 June to officially mark the start of construction for City West Housing's newest affordable rental housing development, Boronia Apartments in Waterloo. With funding from all three tiers of government, including the City of Sydney, this 74-apartment building in the heart of the inner City will provide good quality well located affordable rental housing for a range of residents on different incomes, including women and children escaping Domestic and Family Violence.
- (n) Redfern Waterloo Pet Day 2023 was held on 17 June at Waterloo Green. This annual City of Sydney event provides free pet health services to concession card holders in our local area in partnership with Counterpoint Community Services, animal welfare organisations and local vets.
- (o) To mark Refugee Week 2023 (18-24 June) the City hosted a series of events and extended our welcoming banner campaign across the CBD and other locations across the city. Banners and flags were flown on more than 70 poles at different locations across the city. Pull up banners were also on display across City community centres and at Town Hall House. The theme for Refugee Week 2023 was Finding Freedom. The event program was delivered in partnership with Refugee Council of Australia and Refugee Advice and Casework Service.
- (p) From 21 to 28 June, the City ran the Visiting Entrepreneur 2023 program, featuring high-profile international entrepreneurs providing a series of free talks to inform and upskill our local tech entrepreneurs. This year's program explored the current wave of ideas, trends, and technologies that are spilling into all aspects of our lives.
- (q) The City as a member of Southern Sydney Regional Organisation of Councils (SSROC) partnered with Boral to take part in the largest crumbed rubber asphalt demonstration project in Australia. Boral will use 2,000 tonnes of crumbed rubber asphalt added to 1,200 tonnes of standard asphalt mix to pave eight local Sydney council streets. The crumbed rubber will come from 3,600 recycled standard passenger car tyres or 2,400 car and 490 truck tyres with the first pavement laid in June.
- (r) Redfern Community Centre recently ran a five-week cooking program designed for Aboriginal men. The program was facilitated by local Elder Aunty Beryl Van-Oploo and on average 12 men attended each session. Participants learnt how to create simple, nutritious and healthy meals on a budget and were presented with a booklet of recipes to practice at home.

- (s) The Sydney Streets events returned to Redfern (13 May), Darlinghurst (20 May) and Haymarket (24 June), bringing the community and visitors together and supporting local businesses.
- (t) The City has commenced publication of City Insights on its website, providing information relating to city visitation, consumer spend, people movement, and economic performance that can help illustrate how the city is being used, when, and by who.

Financial Implications

- 29. Financial performance in the majority of the principal activities, as defined within the Delivery Program 2022-2026, were impacted by the delivery challenges faced within the year. These challenges have contributed to a favourable Operating Result, as noted within the body of this report.
- 30. At Quarter 4 the Operating Result was \$155.2M, a favourable variance of \$34.2M on budget, while the Net Surplus was \$179.5M, or \$102.3M ahead of budget.
- 31. The interim Net Surplus result for 2022/23 reflects a favourable operating result of \$34.2M, better than budgeted interest income of \$16.1M, and a significantly higher value of capital grants and contributions \$56.6M recognised for the year than anticipated. With a higher opening cash balance than budgeted, and the underspend in the Capital Works program, these results contribute to a year end cash position of \$730.6M.
- 32. Note that surplus funds not yet required for projects are generally being directed towards specific cash reserves (restrictions), in accordance with the Council's resolution and the City's long term financial plan, while the majority if the unrestricted cash is required to fund those capital programs without a specific reserve.

Relevant Legislation

- 33. The Local Government Act 1993 and Local Government (General) Regulation 2021 require quarterly progress reports against the financial objectives and regular reports (at least six monthly) against the Operational Plan.
- 34. Section 406 of the Act requires councils to comply with the Integrated Planning and Reporting Guidelines, issued by the Chief Executive of the Office of Local Government.

Critical Dates / Time Frames

- 35. The quarterly report is due to be submitted to Council within two months of the end of the respective quarter.
- 36. The information contained within this report reflects Council's financial performance in the 2022/23 financial year.

Public Consultation

37. There is no requirement for prior public consultation for this report.

BILL CARTER

Chief Financial Officer