

September 2015

Monthly Financial Report

Surf Coast Shire Council



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1. Executive Summary

1.1 Overview

	Budget YTD Sep-15	Actual YTD Sep-15	Indicator
Rates Collected	24.9%	23.5%	
Income Statement Operating Surplus	\$35.553m	\$35.846m	
Cash and Investments	\$28.103m	\$30.111m	
Sundry Debtors		\$0.473m	
Special Charge Scheme Debtors		\$0.270m	
Infringement Debtors		\$0.842m	
Borrowings	\$16.009m	\$16.009m	
Balance Sheet Working Capital	597%	619%	
Total Revenue	\$49.927m	\$49.926m	
Total Operating Expenditure	\$14.376m	\$14.099m	
Capital Revenue	\$0.195m	\$0.554m	
Total Capital Works	\$3.510m	\$1.723m	
New Initiatives Revenue	\$0.879m	\$0.465m	
New Initiatives Expenditure	\$0.485m	\$0.344m	

Indicator Legend

	No action required
	Requires active monitoring
	Immediate action required

1.2 Operating performance

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000		Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000	
Operating								
Revenue	49,151	49,417	(266)	U	62,708	62,783	75	F
Expenditure	(14,099)	(14,376)	277	F	(61,014)	(62,124)	(1,110)	U
Underlying surplus/(deficit) from operations	35,052	35,041	11	F	1,694	659	(1,035)	U
Capital								
Capital Grants	541	195	346	F	3,321	3,778	457	F
Special Charge Revenue	-	-	-		(301)	(301)	-	
Contributions	13	-	13	F	355	356	1	F
Asset writeoffs	-	-	-		(1,779)	(1,779)	-	
Developer contributions	221	316	(95)	U	1,266	1,266	-	
Gain(loss) on disposal of assets	18	-	18	F	(119)	(119)	-	
Granted assets	-	-	-		3,220	3,220	-	
Net surplus (deficit)	35,846	35,553	293	F	7,657	7,079	(578)	U

The year to date operating surplus is \$35,846,000 which is \$293,000 favourable to budget. This variance is mainly due to:

- Capital grants favourable to budget \$346,000 mainly due to early receipt of grants for CCP Recreation Facility \$160,000 and Anglesea Transfer Station Upgrade \$160,000; and
- Materials and services favourable to budget \$153,000.

These are partially offset by:

- Rates and charges unfavourable to budget \$177,000; and
- Contributions unfavourable to budget \$133,000.

1.3 Capital works and new initiatives performance

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000		Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000	
Total capital works	1,723	3,510	1,787	F	18,325	22,434	(4,109)	U
Total new initiatives	344	485	141	F	1,828	2,883	(1,055)	U

The year to date capital works program expenditure is \$1,723,000 which is \$1,787,000 favourable to budget. This variance is mainly due to timing of implementation of the capital works program. A summary of the material capital works program variance included:

- Anglesea kindergarten design \$294,000;
- The Esplanade kerb and sealing - Stage 1 \$207,000;
- Unsealed road renewal(\$165,000;
- Bike lane at Spring Creek \$161,000;
- Replacement of light fleet \$125,000;
- CCP play zone Banyul \$113,000;
- IT equipment purchases \$84,000;
- GOR service road upgrade at Elkington Road \$65,000;
- Shared path on Surf Coast Hwy at CCP \$62,000;
- Playground equipment renewal \$62,000; and
- Playground strategy implementation \$54,000.

For further information on the capital works program, users should refer to the September quarterly Program Status Report.

The year to date new initiatives expenditure is \$344,000 which is \$141,000 favourable to budget.

1.4 Financial position

	<i>September YTD Actual \$'000</i>	<i>September YTD Budget \$'000</i>	<i>September YTD Variance \$'000</i>		<i>Adopted Budget \$'000</i>	<i>Amended Budget \$'000</i>	<i>Full Year Variance \$'000</i>	
Cash and cash equivalents (including Financial Assets)	30,111	28,103	2,008	F	22,100	22,605	505	F
Net current assets (working capital)	55,267	53,205	2,062	F	11,765	14,476	2,711	F
Net assets and total equity	414,413	414,120	293	F	398,542	395,038	(3,504)	U

The financial position as at 30 September 2015 shows a total cash balance (including investments for periods greater than three months) of \$30,111,000, which is \$2,008,000 favourable to budget.

Net assets and total equity is \$414,413,000, which is \$293,000 favourable to budget. This variance is due to the net surplus favourable to forecast \$293,000 (as explained on 1.2).

2. Financial Analysis

2.1 Operating performance

2.1.1 Operating revenue

	YTD Actual \$'000	YTD Budget \$'000	YTD Variance \$'000	Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000
Revenues						
Rates and charges	45,548	45,725	(177) U	46,033	46,033	-
Operating grants	1,633	1,706	(73) U	7,124	7,139	15 F
Capital grants	541	195	346 F	3,321	3,778	457 F
Contributions	586	719	(133) U	3,268	3,328	60 F
Interest	206	193	13 F	773	773	-
User charges	1,305	1,254	51 F	6,157	6,157	-
Statutory fees	106	135	(29) U	673	673	-
Total operating revenue	49,926	49,927	(1) U	67,350	67,881	531 F
Net gain (loss) on disposal of property infrastructure, plant and equipment	18	-	18 F	(119)	(119)	-
Granted assets	-	-	-	3,220	3,220	-
Total revenue	49,944	49,927	18 F	70,451	70,982	531 F

2.1.2 Major operating revenue variances

	YTD (unfav) \$000's	FY (unfav) \$000's
Rates and Charges	(177)	
Rates Commercial/Tourism	96	
Vacant Land Rate	(288)	
Operating Grants	(73)	15
Municipal Emergency Resourcing Program	240	
Grants Commission allocation	(456)	
Capital Grants	346	457
Road Safety Program	22	
Tennis/Netball Courts Renewal	60	
Transport & Drainage Future Proj Design	6	
CCP Recreation Facilities	160	
Lorne Visitor Centre extension		50
Anglesea Transfer Station Upgrade Stg 2	160	160
CCP Playzone Banyul		50
GOR Service Rd Upgrade at Elkiington Rd	(100)	200
Anglesea Tennis Courts Synthetic Surface	72	
Contributions / Grants	(133)	60
Contributions & Recoupments	68	60
Pensioner Rate Concession Recoupment	(102)	
Interest	13	
User Charges	51	
Sundry Fees & Charges		
Statutory Fees	(29)	
Net gain (loss) on disposal of property infrastructure, plant and equipment	18	
Proceeds from Sale of Light Fleet	(107)	
Asset Sales Proceeds	61	
WDV of Light Fleet Sold	107	

2.1.3 Operating expenses

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000		Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000
Expenses							
Employee benefits	5,734	5,869	135 F		26,320	26,363	(43) U
Materials and services	5,379	5,532	153 F		22,794	23,860	(1,066) U
Bad and doubtful debts	67	17	(50) U		69	69	-
Finance costs	273	281	8 F		1,124	1,124	-
Depreciation	2,645	2,677	32 F		10,708	10,708	-
Asset write offs	-	-	-		1,779	1,779	-
Total operating expenses	14,099	14,376	277 F		62,794	63,903	(1,109) U

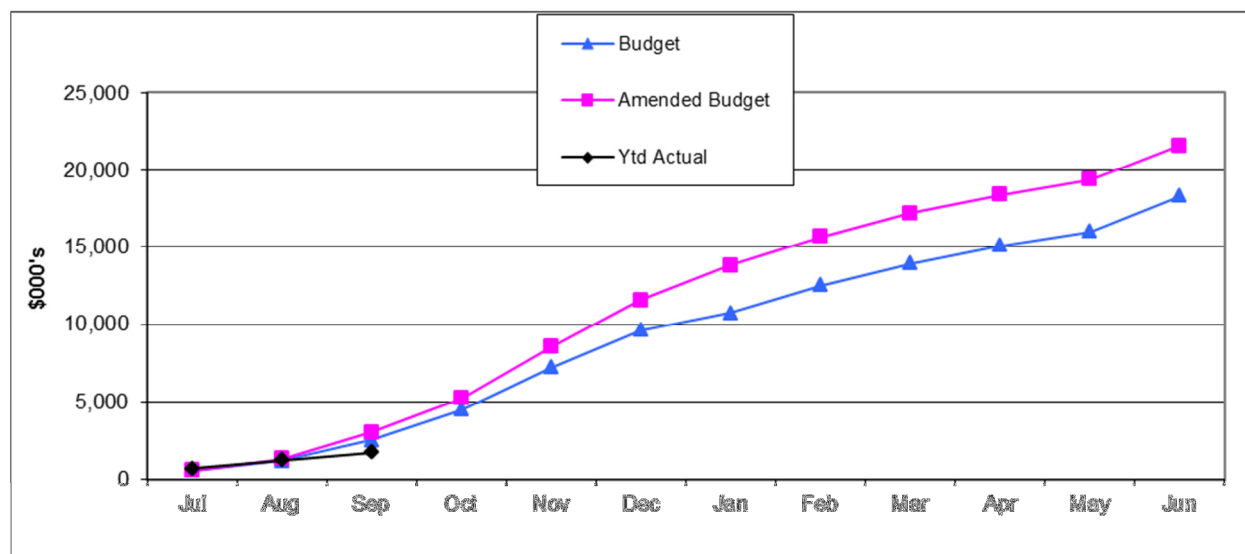
2.1.4 Major operating expense variances

	YTD (unfav) \$000's	FY (unfav) \$000's
Employee Benefits	135	(43)
Wages	103	
Work Cover Premium	47	
Superannuation	(54)	
Materials & Services	153	(1,066)
Contract Labour		(116)
Contract Services	103	(221)
Tendered Contract Services	141	
Consultants - General		(603)
Building Insurances	60	
Grants / Contributions	(110)	(97)
Publications & Subscriptions	(104)	
Miscellaneous	182	
Bad & Doubtful Debts	(50)	
Debt Servicing	8	
Depreciation	32	

2.2 Capital works performance

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000		Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000
Capital works							
Information Technology	19	104	85 F		415	415	-
Roads and Streets Special Projects	75	105	30 F		470	470	-
Parks and Reserves Special Projects	3	13	11 F		60	73	(13) U
Asset Preservation	499	924	426 F		4,134	4,303	(169) U
Community Buildings	630	919	288 F		1,864	3,430	(1,566) U
Drainage	70	95	25 F		404	662	(258) U
Recreation Facilities	97	383	286 F		4,017	5,057	(1,040) U
Special Capex Projects		-			-	542	(542) U
Transport	176	740	565 F		3,346	3,875	(528) U
Waste Management	90	36	(54) U		2,365	2,357	8 F
Fleet Replacement	66	191	125 F		1,250	1,250	-
Total capital works	1,723	3,510	1,787 F		18,325	22,434	(4,109) U

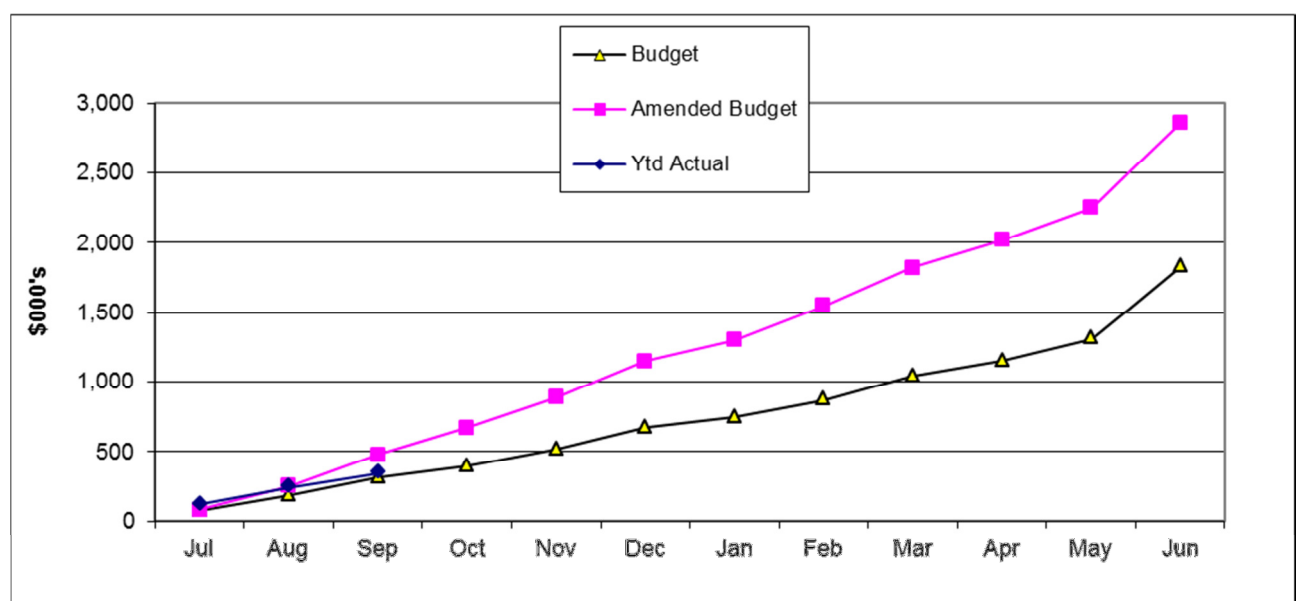
2.2.1 Capital works YTD & budget expenditure cumulative



2.3 New Initiatives expenditure performance

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000		Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000	
New Initiatives								
Culture & Community	50	57	7 F		255	530	(275) U	
Environment & Development	294	427	133 F		1,239	2,017	(778) U	
Governance & Infrastructure	-	1	1 F		333	336	(3) U	
Total new initiatives	344	485	141 F		1,828	2,883	(1,055) U	

2.3.1 New initiatives YTD & budget cumulative



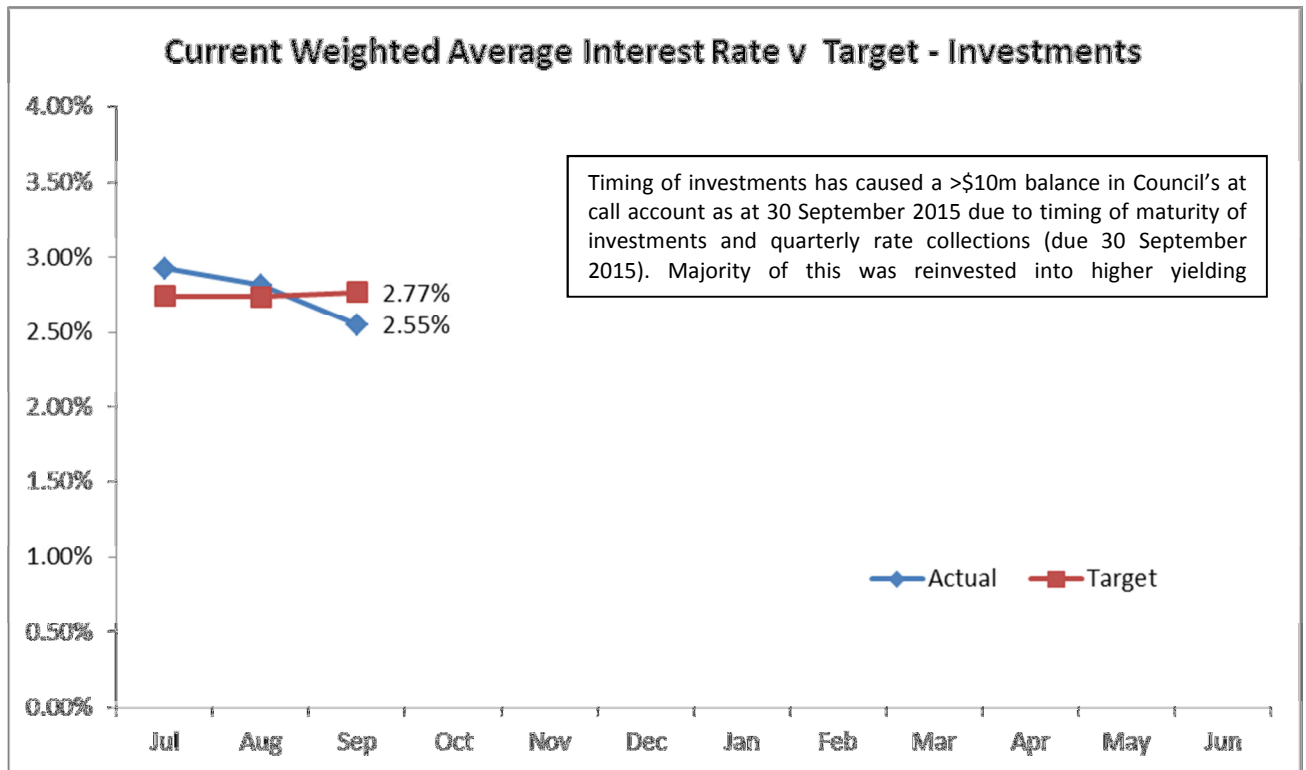
2.4 Financial Position

2.4.1 Cash and Investments (including long term investments)

Available Funds:	\$000's
Total Investments	29,306
Cash at Bank and cash on hand	805
Total Cash and Investments	30,111

Balance Sheet:	\$000's
Cash & Cash Equivalents (current)	28,611
Investments (non-current)	1,500
Total Cash and Investments	30,111

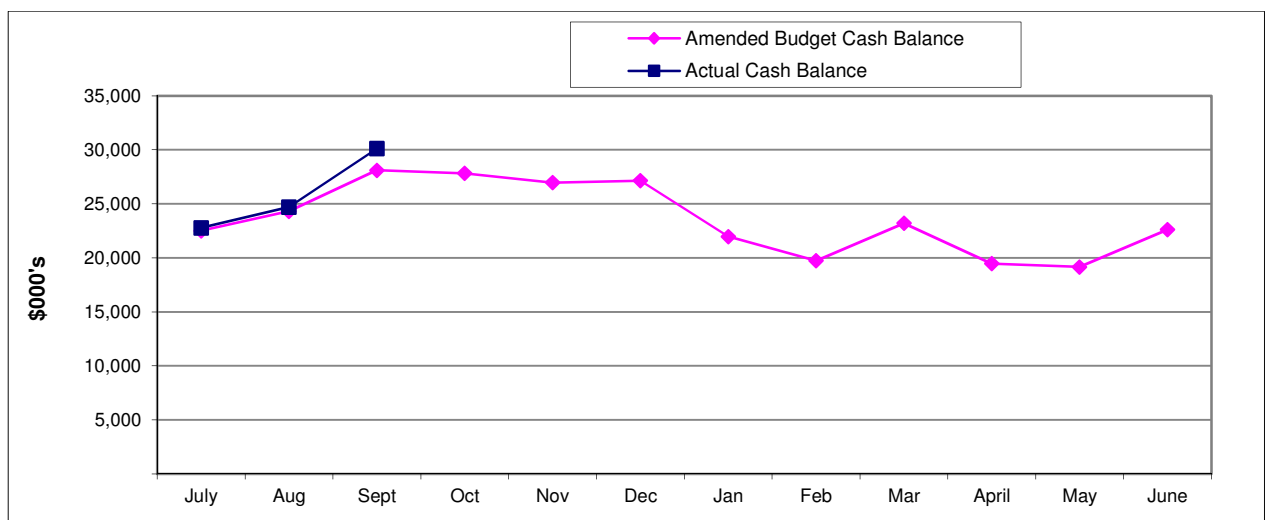
Represented by:	\$000's
Restricted Reserves	
Main Drainage	216
Open Space Development	1,374
Aireys Inlet Aged Units	337
Total Restricted Reserves	1,926
Allocated Reserves	
Waste Reserve	6,135
Plant Replacement Reserve	1,078
Developer Contribution Reserve (DCP)	3,507
Gherang Gravel Pits Reserve	1,566
Asset Development Reserve	60
Defined Benefits Superannuation Reserve	274
Carried Forward Capital Works Reserve	1,600
Carried Forward New Initiatives Reserve	-
Adopted Strategy Implementation Reserve	192
Asset Renewal Reserve	68
Total Allocated Reserves	14,481
Accumulated Unallocated Cash Reserve	261
Other Cash and Investments	13,443
Unrestricted Cash and Investments	13,704
Total Cash and Investments	30,111



Current Weighted Interest Rate is the weighted average interest rate of investments at the end of each month.

The **Target** is calculated using BBSW 90 days + 60bps.

Interest Rate Update: At its meeting on Tuesday 6 October, the Reserve Bank of Australia (RBA) maintained the official interest rate at 2.00%. In their media release the RBA noted that “in Australia, the available information suggests that moderate expansion in the economy continues. While growth has been somewhat below longer-term averages for some time, it has been accompanied with somewhat stronger growth of employment and a steady rate of unemployment over the past year. Overall, the economy is likely to be operating with a degree of spare capacity for some time yet, with domestic inflationary pressures contained. Inflation is thus forecast to remain consistent with the target over the next one to two years, even with a lower exchange rate” (RBA media release dated 06/10/2015).



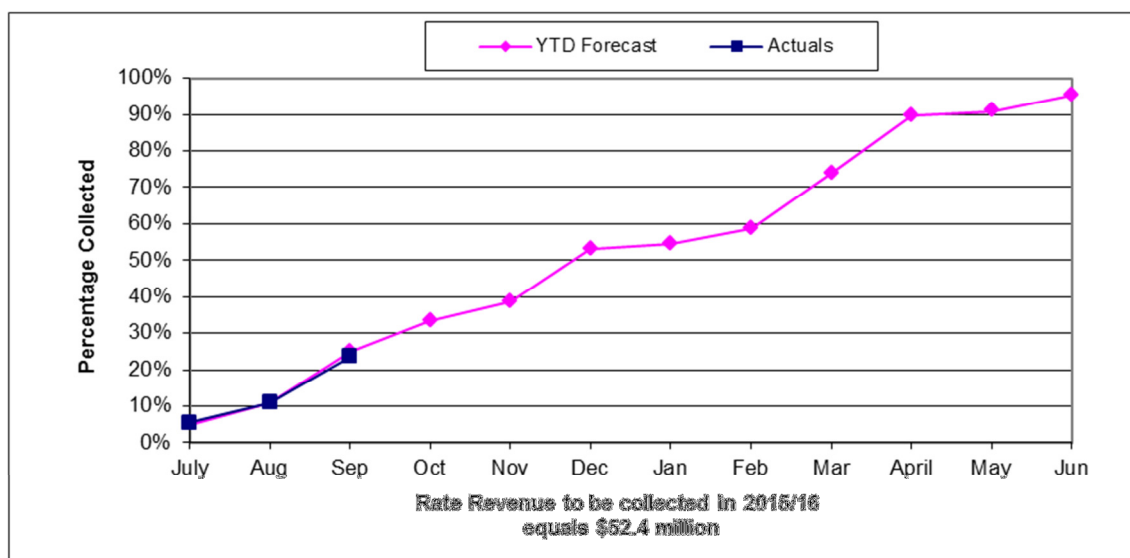
2.4.2 Rates and Charges Collection

Rates collection as at 30 September 2015

Current Rates Outstanding	2015/16 \$000's
Balance brought forward (including interest) - Arrears	2,277
General rates, municipal and garbage charges	45,418
Fire Services Property Levy (collected on behalf of State Revenue Office)	4,949
Supplementary assessments	250
Interest	21
Less pensioner rebates	(515)
To be collected	52,400
Collected	(12,340)
Percentage collected to date	23.5%
Balance outstanding	40,060
Forecast balance outstanding at 30 June 2016	2,000

Note: \$1,109,000 (49%) of the arrears at the beginning of the year have been subsequently collected.

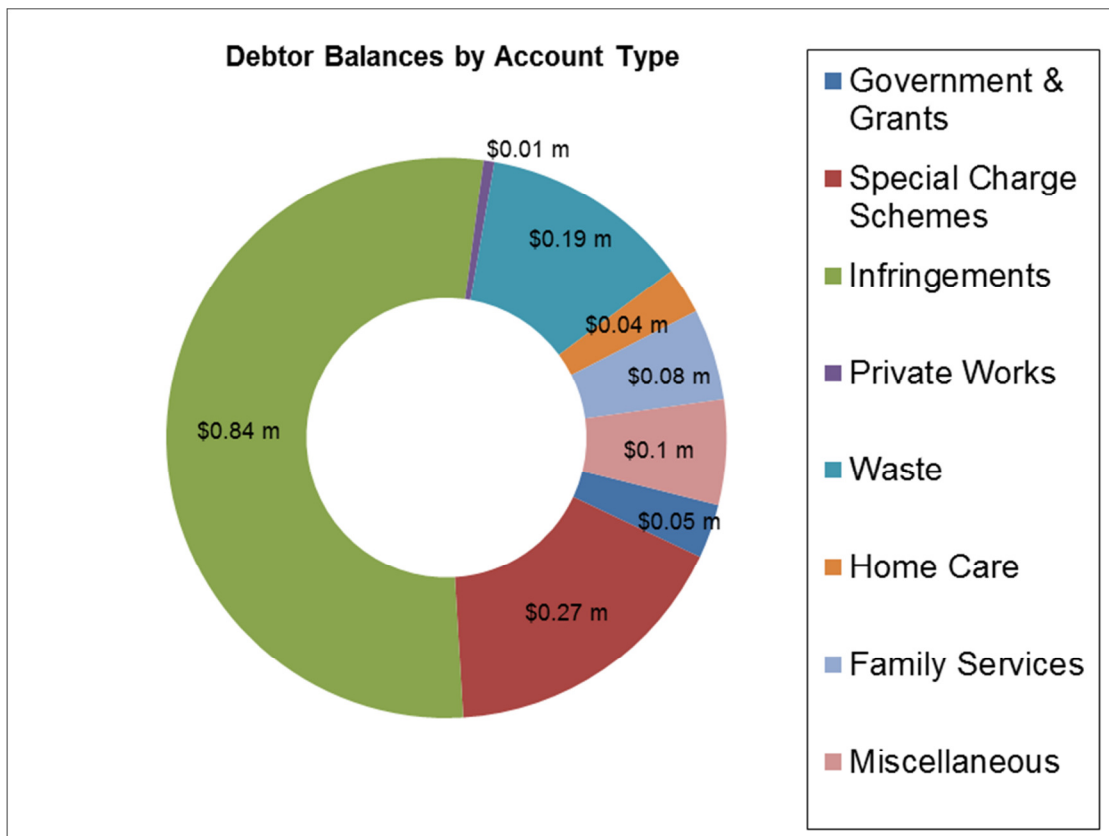
Actual & Budget rates received percentage



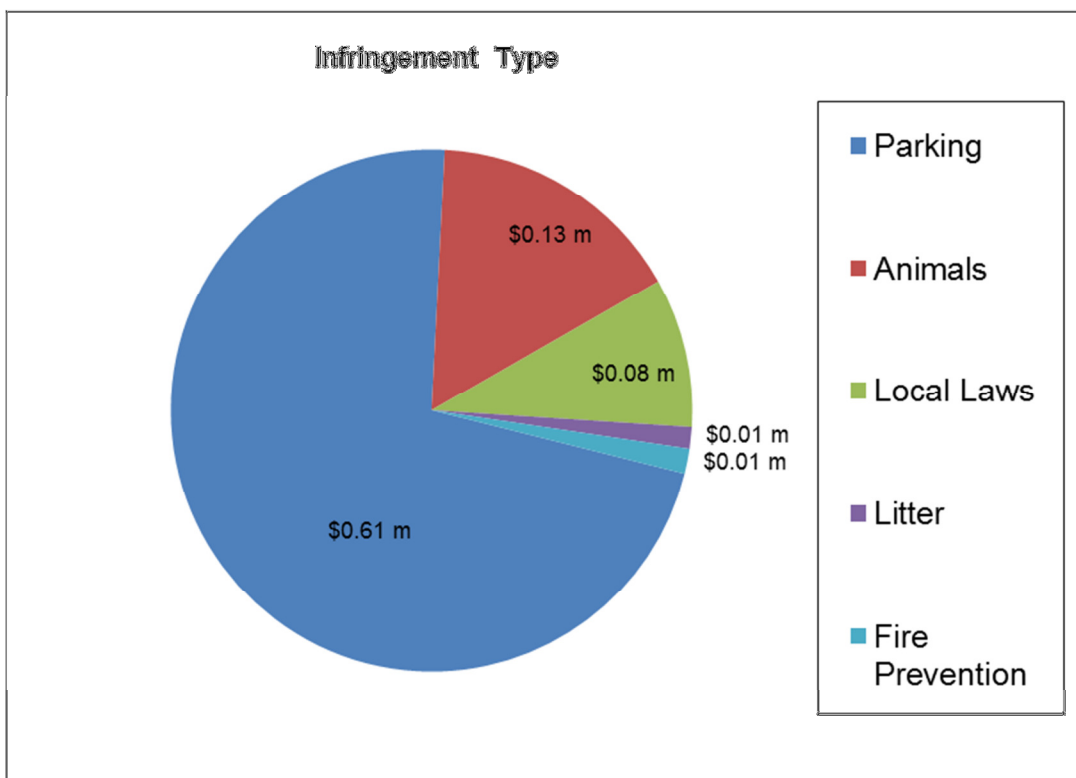
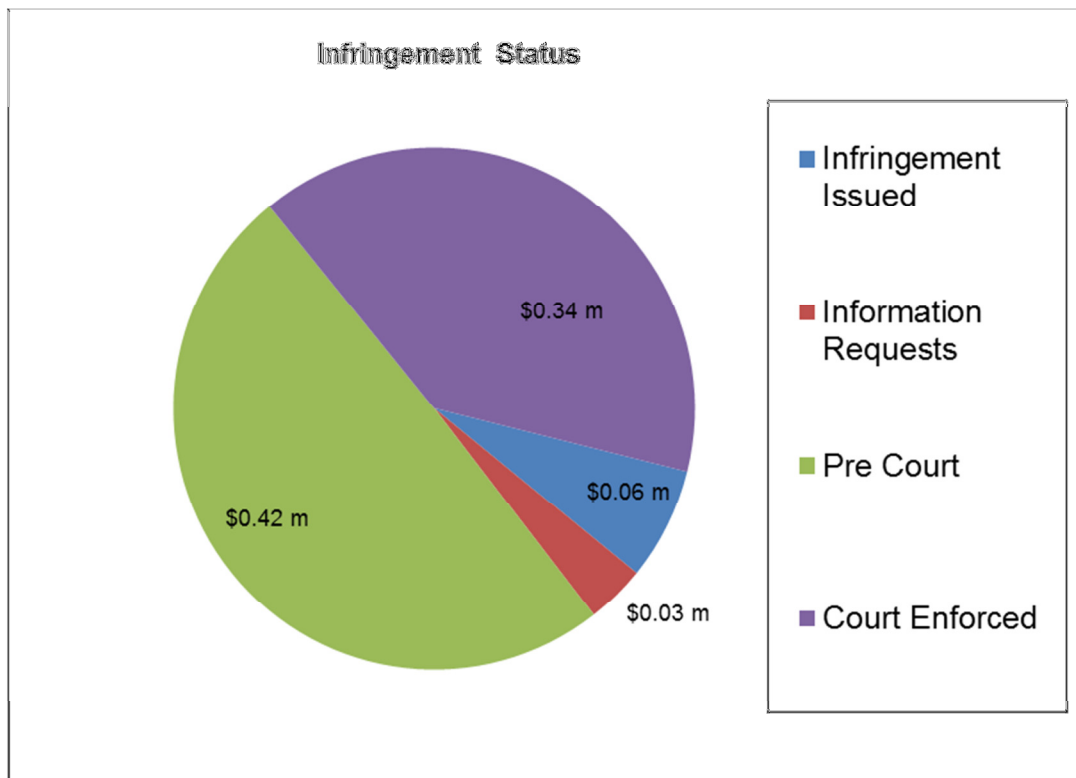
2.4.3 Non Rate Debtors and Infringements

An aged trial balance of debtors at month end is summarised below:

Category	Aug 2015 \$'000	Sep 2015 \$'000	Change fav/(unfav) \$'000	Prior Year Sep 2014 \$'000
Current	326	329	(3)	478
>30 days	109	77	32	82
>60 days	5	21	(16)	67
>90 days	55	45	10	42
Sundry Debtors	495	473	22	669
Special Charge Scheme Debtors	292	270	22	527
Infringement Debtors	826	842	(16)	808
Total	1,613	1,585	28	2,004

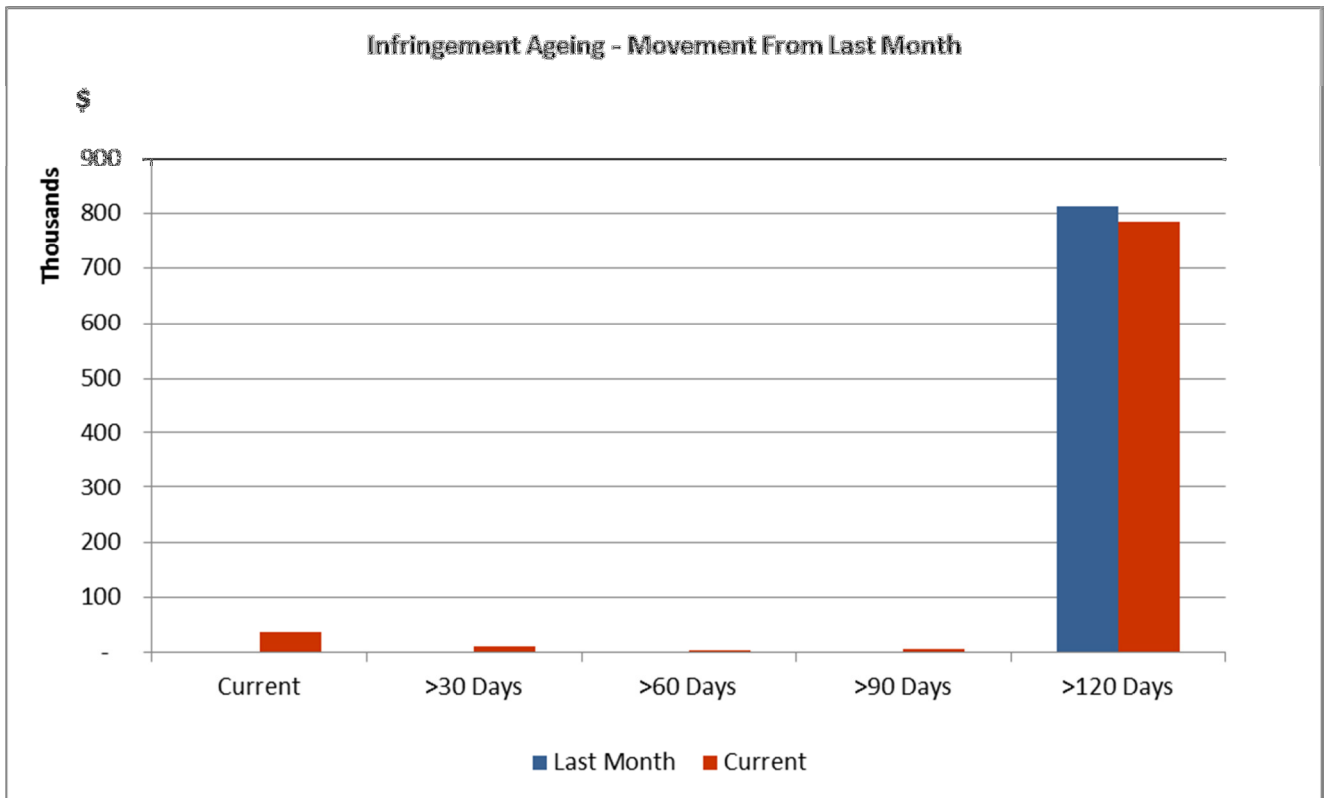
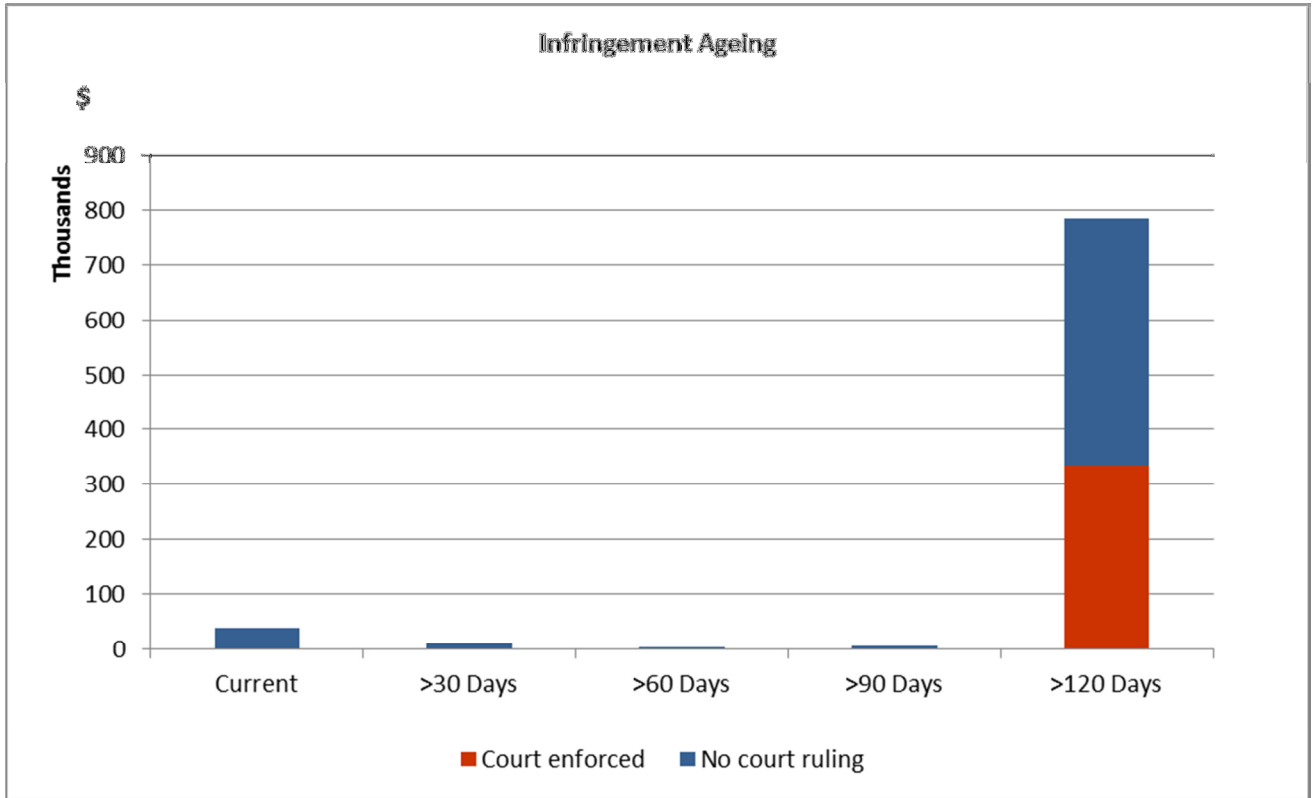


Infringement Debtors



There have been 40 infringement notices withdrawn year to date at a value of \$3,598. Of the withdrawn notices 39 relate to parking infringements and 1 relates to animal infringements.

A total of 671 infringement notices have been issued year to date at a value of \$82,182. Council budgeted \$579,000 in infringement revenue for 2015/16.

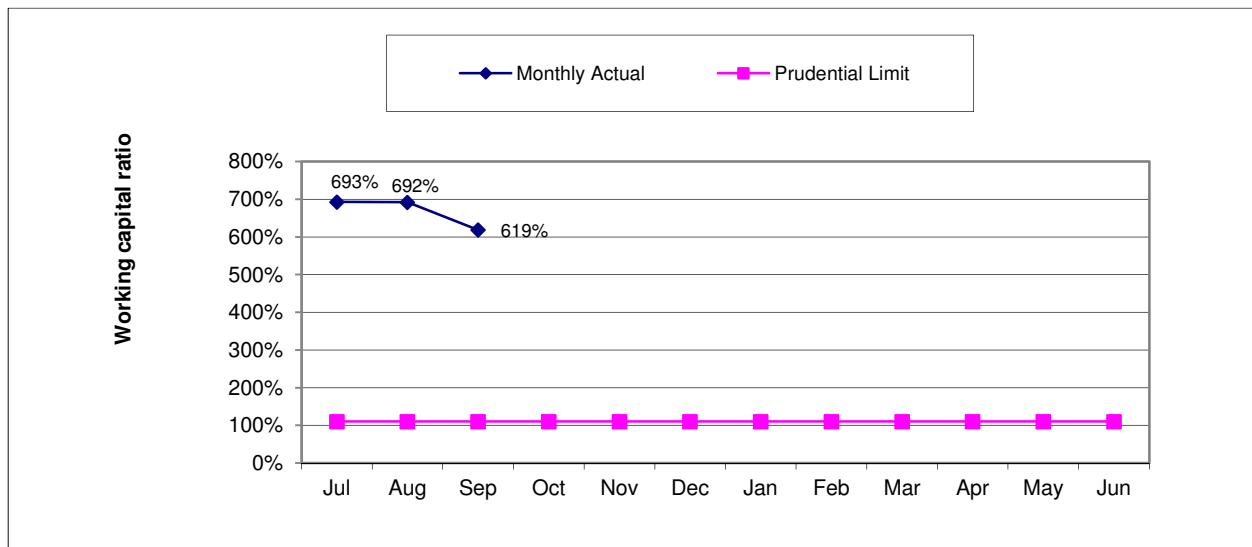


Note: Infringements >120 days with no court ruling may be due to:

- Court capacity to process cases;
- Information requests from courts/customers;
- Summons preparation in progress; and
- Information requests sent to Vic Roads awaiting reply.

2.4.4 Working Capital

	September YTD Actual \$'000	September YTD Budget \$'000	Adopted Budget \$'000	Amended Budget \$'000	Prudential limit
Current assets	65,918	63,906	24,625	26,813	
Current liabilities	10,652	10,702	12,860	12,337	
Net current assets	55,267	53,205	11,765	14,476	
Working capital ratio	619%	597%	191%	217%	110%

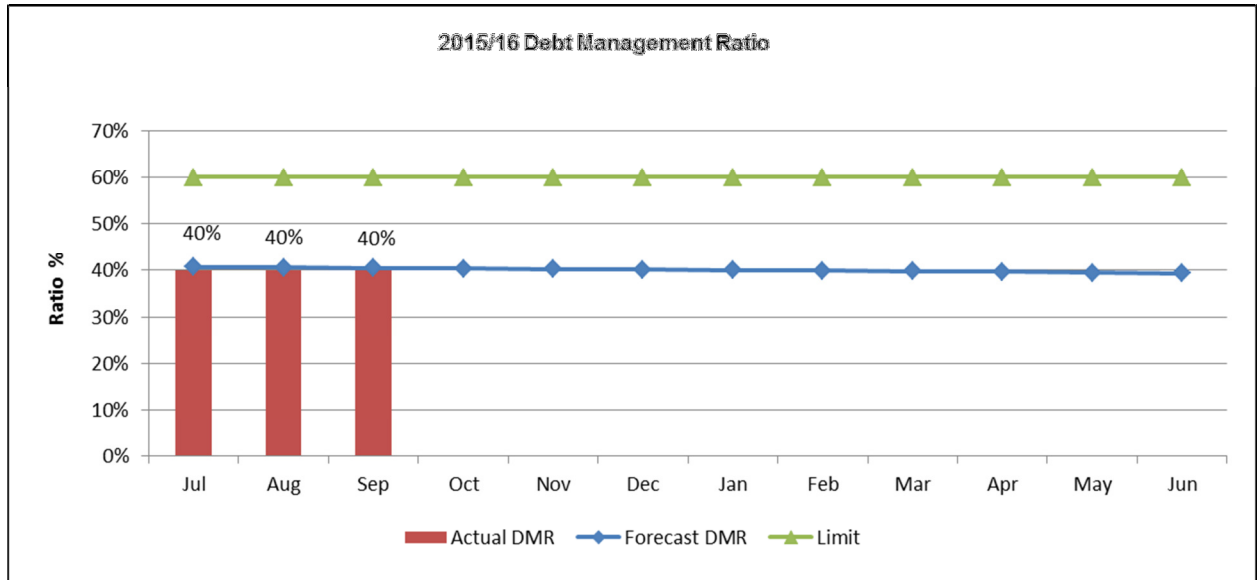


Prudential limit:

Working capital ratio (Current Assets/Current Liabilities) 110%

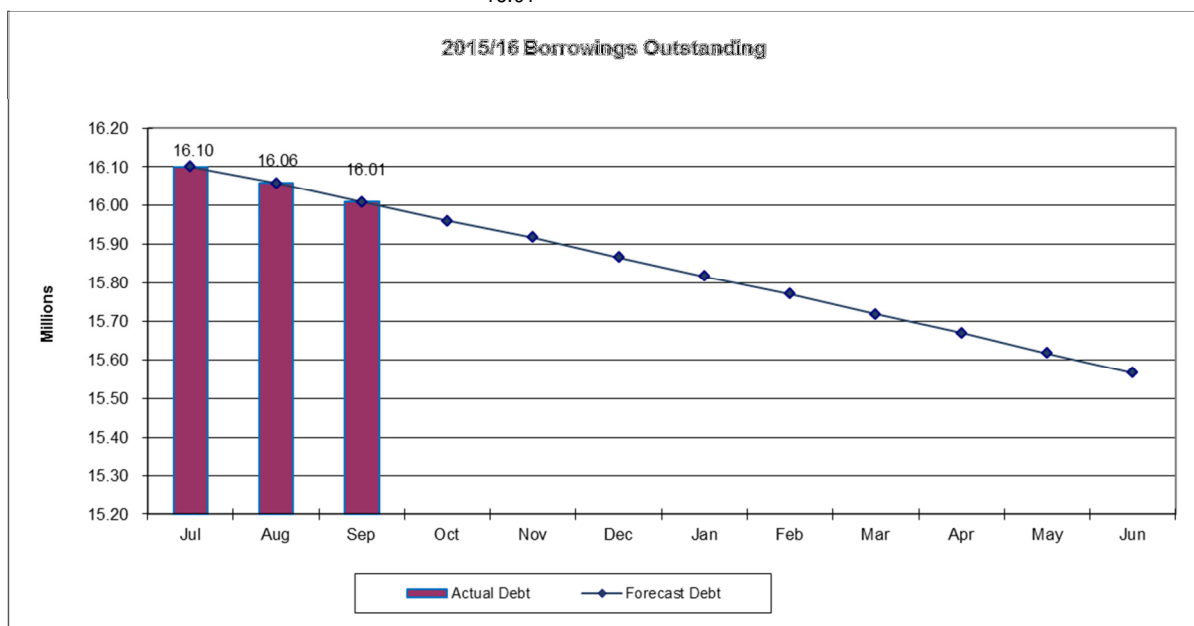
2.4.5 Borrowings

	YTD Actual \$'000	YTD Budget \$'000	Adopted Budget \$'000	Amended Budget \$'000	Prudential limit
Debt management ratio (Total Debt/Rate Rev)	40%	40%	39%	39%	60%
Debt commitment ratio (Principal & Int/Rate Rev)	4.31%	4.26%	4.26%	4.17%	N/A
Debt servicing ratio (Loan Int/Total Rev)	1.66%	1.66%	1.67%	1.66%	5%



Loan Details

Loan ID	Principal \$m	Loan Term	Maturity Date	Balance \$m	Interest Details
Loan 1	7.00	20 years	21/06/2030	6.03	Fixed - 10 years @ 7.49%, 10 years @ 7.15%
Loan 2	5.26	20 years	29/06/2031	4.68	Fixed - 10 years @ 7.31%, 10 years @ 7.15%
Loan 3	5.87	20 years	29/12/2031	5.25	Fixed - 10 years @ 6.31%, option to repay or refinance on 29/12/2021
Loan 4	0.08	10 years	31/05/2021	0.05	Fixed - 10 years @ 6.50% Cemetery
				16.01	



2.4.6 Financial Sustainability Indicators

The Victorian Auditor-General's Office (VAGO) releases financial sustainability indicator assessments annually for each Victorian council in its annual report to parliament on local government audits. To be financially sustainable, entities need to be able to meet current and future expenditure as it falls due. VAGO created a number of short and long term sustainability indicators to provide an insight into the financial sustainability of councils.

Indicator	VAGO Target	Budget 2015/16	Forecast 2015/16	Var to VAGO Target	Trend over next 3 years
Self Financing % ¹	> 20%	25%	24%	F	Consistent
Indebtedness % ²	< 40%	49%	50%	U	Favourable
Adjusted Indebtedness % ^{2a}	< 40%	-	39%	F	Favourable
Capital Replacement ³ (5 years to June 15)	> 1.5	1.4	1.5	F	Consistent
Renewal Gap ⁴ (5 years to June 15)	> 1.0	0.6	0.6	U	Unfavourable
Underlying Result % ⁵ (5 years to June 15)	> 0%	7%	7%	F	Favourable
Liquidity ⁶	>1.5	1.9	2.2	F	Favourable

1. Self Financing

Self Financing indicates if Council is generating sufficient operating cash flows to invest in asset renewal and repay debt that may have been incurred in the past, by comparing net operating cash flows to underlying revenue.

This is an annual measure (calculated over 12 months)

2. Indebtedness

Indebtedness is a measure to indicate if Council is overly reliant on debt to fund capital programs, by comparing non-current liabilities to own-source revenue. This indicator should be reviewed in conjunction with available working capital. The non current liabilities number reported for Council is inflated by \$9.2m of provisions held for landfill rehabilitation, of which \$6.0m is cash backed.

This is an annual measure (calculated over 12 months)

2a. Adjusted Indebtedness

The Adjusted Indebtedness measure reflects the above ratio excluding the cash reserves held for landfill rehabilitation.

3. Capital Replacement

Capital replacement (also known as "Investment Gap") indicates whether Council is replacing assets at a rate consistent with their consumption by comparing the rate of spending on assets to depreciation.

*This is an annual measure, but reported as a rolling average to show long term trend
Over the previous 5 year period.*

4. Renewal Gap

The Renewal Gap indicates whether Council has been maintaining existing assets at a consistent rate by comparing renewal and upgrade expenditure to depreciation.

*This is an annual measure, but reported as a rolling average to show long term trend
Over the previous 5 year period.*

5. Underlying Result

The Underlying Result indicates whether Council is generating enough revenue to cover operating costs (including the cost of replacing assets, and is reflected in the depreciation expense) by comparing an adjusted net surplus to total underlying revenue.

*This is an annual measure, but reported as a rolling average to show long term trend
Over the previous 5 year period.*

6. Liquidity

Liquidity measures the ability to pay existing liabilities in the next 12 months

This is an annual measure (calculated over 12 months)

Comments: The Capital Replacement indicator is forecast to remain in line with the VAGO target in 2015/16 and future years, however will reduce from its current level which is heavily influenced by the construction of the Torquay North Community Precinct in 2011/2012.

The Indebtedness ratio has increased above the VAGO target due to recognition of future liability to rehabilitate the landfill at Anglesea to EPA standards.

Appendix A SURF COAST SHIRE

Income Statement

For the 3 months ended 30 September 2015

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000	Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000
Revenues from ordinary activities						
Rates and charges	45,548	45,725	(177)	46,033	46,033	-
Operating grants	1,633	1,706	(73)	7,124	7,139	15
Capital grants	541	195	346	3,321	3,778	457
Contributions	586	719	(133)	3,268	3,328	60
Interest	206	193	13	773	773	-
User charges	1,305	1,254	51	6,157	6,157	-
Statutory fees	106	135	(29)	673	673	-
Total revenues	49,926	49,927	(1)	67,350	67,881	532
Expenses from ordinary activities						
Employee benefits	5,734	5,869	135	26,320	26,363	43
Materials and services	5,379	5,532	153	22,794	23,860	1,066
Bad and doubtful debts	67	17	(50)	69	69	-
Finance costs	273	281	8	1,124	1,124	-
Depreciation	2,645	2,677	32	10,708	10,708	-
Asset write offs	-	-	-	1,779	1,779	-
Total expenses	14,099	14,376	277	62,794	63,903	1,109
Net gain (loss) on disposal of property infrastructure, plant and equipment	18	-	18	(119)	(119)	-
Granted assets	-	-	-	3,220	3,220	-
Net surplus/(deficit)	35,846	35,553	293	7,657	7,079	(578)
Other Comprehensive Income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment	-	-	-	9,391	9,391	-
	35,846	35,553	293	17,048	16,470	(578)

SURF COAST SHIRE

Balance Sheet

As at 30 September 2015

	September YTD Actual \$'000	September YTD Budget \$'000	September YTD Variance \$'000	Adopted Budget \$'000	Amended Budget \$'000	Full Year Variance \$'000
Current assets						
Cash & cash equivalents	9,911	7,903	2,008	8,350	8,855	505
Trade and other receivables	36,421	36,417	4	3,722	4,821	1,099
Financial Assets	18,700	18,700		12,250	12,250	-
Inventories	287	287	-	303	287	(16)
Land held for resale	599	599	-	-	599	599
Total current assets	65,918	63,906	2,012	24,625	26,813	2,188
Non current assets						
Trade and other receivables	125	169	(44)	504	263	(241)
Financial Assets	1,500	1,500	-	1,500	1,500	-
Property plant & equipment, infrastruc	386,353	388,051	(1,698)	410,950	405,560	(5,390)
Investment in library	580	580	-	589	580	(9)
Total non current assets	388,558	390,300	(1,742)	413,543	407,902	(5,641)
Total assets	454,476	454,206	270	438,168	434,715	(3,453)
Current liabilities						
Trade and other payables	2,726	2,640	(86)	4,796	3,985	(811)
Provisions	6,295	6,295	-	6,237	6,400	163
Interest bearing liabilities	444	444	-	628	629	1
Trust funds and deposits	1,187	1,323	136	1,199	1,323	124
Total current liabilities	10,652	10,702	50	12,860	12,337	(523)
Non current liabilities						
Provisions	13,846	13,820	(26)	11,878	12,359	481
Interest bearing liabilities	15,565	15,565	-	14,888	14,981	93
Total non current liabilities	29,411	29,385	(26)	26,766	27,340	574
Total liabilities	40,063	40,087	24	39,626	39,677	51
Net assets	414,413	414,120	293	398,542	395,038	(3,504)
Equity						
Accumulated surplus	218,610	212,052	6,558	184,369	183,526	(843)
Assets revaluation reserve	178,078	178,078	-	196,836	187,469	(9,367)
Other reserves	17,725	23,990	(6,266)	17,337	24,043	6,706
Total equity	414,413	414,120	293	398,542	395,038	(3,504)

SURF COAST SHIRE

Cash Flow Statement

For the 3 months ended 30 September 2015

	September YTD Actual \$'000	September YTD Forecast \$'000	September YTD Variance \$'000	Adopted Budget \$'000	Amended Forecast \$'000	Full Year Variance \$'000
Cash flow from operating activities						
Receipts from customers	15,552	16,179	(627)	56,037	56,474	437
Payments to suppliers	(5,839)	(6,026)	187	(24,270)	(24,380)	(110)
Payments to employees	(5,708)	(5,869)	161	(26,264)	(26,308)	(44)
	4,005	4,284	(279)	5,503	5,787	284
Interest received	206	193	13	773	773	-
Government receipts	2,251	1,599	652	10,445	10,121	(324)
Net cash inflow/ (outflow) from operating activities	6,462	6,076	386	16,721	16,681	(40)
Cash Flows from investing activities						
Payments for property, plant, equipment & proceeds from sale of property, plant & equipment	(1,716)	(3,510)	1,794	(14,998)	(19,131)	(4,133)
Cash Flows from investing activities	50	50	-	-	6,500	6,500
Net cash inflow/ (outflow) from investing activities	(1,604)	(3,353)	1,749	(14,121)	(11,754)	2,367
Cash flows from financing activities						
Deposits received/refunded	(136)	-	(136)	-	-	-
Debt servicing	(273)	(281)	8	(1,124)	(1,124)	-
Proceeds from interest bearing loans and borrowings	-	-	-	-	-	-
Repayment of interest bearing loans and borrowings	(140)	(140)	-	(584)	(549)	35
Net cash inflow/ (outflow) from financing activities	(549)	(421)	(128)	(1,708)	(1,673)	(35)
Net increase (decrease) in cash held	4,309	2,301	2,008	892	3,253	2,361
Cash at the beginning of the period	5,602	5,602	-	7,457	5,602	(1,855)
Cash at the end of the period	9,911	7,903	2,008	8,350	8,855	505

Appendix B

Capital Project Variations

Project Variations/Reserve Movements Approved by Chief Executive Officer (\$5,000 and under)

Account	Project Name	Comment	Project Budget \$	Project Cost \$	Variation \$
Accumulated Unallocated Reserve					
8573	Torquay North Children's Centre	More complex consultancy required in line with the changed external environment.	30,000	33,000	(3,000)
9487	Modewarre Avenue of Honour Restoration	Project Complete.	3,050	565	2,485
Net transfer from Accumulated Unallocated Cash Reserve (fund transfers approved by Chief Executive Officer)					(515)

Project Variations/Reserve Movements > \$5,000

Nil

Project Variations with \$0.00 net cost to Council

No Cost to Council					
Account	Project Name	Comment	Project Budget \$	Project Cost \$	Variation \$
9448	Lorne Mens Shed	Lorne Mens shed construction by Council.	57,640	196,440	(138,800)
9448	Lorne Mens Shed (contribution)	Contribution from Lorne Mens Shed and Lorne Op Shop.	0	(138,800)	138,800
8482	Roadside Weeds and Pest Program Expenditure	Increase in grant funding confirmed by State Government, increase in project scope.	21,220	23,314	(2,094)
8482	Roadside Weeds and Pest Program Grant		(21,220)	(23,314)	2,094
8596	GOR Historical Tourist Guide Books Expenditure	Grant Funding to produce Great Ocean Road Tourist Guide Books.	0	8,400	(8,400)
8596	GOR Historical Tourist Guide Books Grant			(8,400)	8,400

No Cost to Council					
Account	Project Name	Comment	Project Budget \$	Project Cost \$	Variation \$
9460	Lorne Swing Bridge Pathway	Sealed footpath from Deans Marsh Rd to the Great Ocean Road, increase in project scope and footpath excavation requires a rock breaker to remove rock.	63,310	92,401	(29,091)
9460	Lorne Swing Bridge Pathway (contribution)	VicRoads contribution towards costs to remove rock.		(9,091)	9,091
9460	Lorne Swing Bridge Pathway (grant)	Successful grant application Department of Economic Development, Jobs, Transport and Resources.		(20,000)	20,000
9252	Bicycle Lanes Program	High visibility green textured surface treatments on bike lanes, Horseshoe Bend Road, increase in project scope.	10,000	20,000	(10,000)
9252	Bicycle Lanes Program (grant)	Successful grant application Department of Economic Development, Jobs, Transport and Resources.		(10,000)	10,000
9248	Pathway Ancilliary Program	Footpath connections, concrete hard standing areas Boston Road, increase in project scope.	10,000	20,000	(10,000)
9248	Pathway Ancilliary Program (grant)	Successful grant application Department of Economic Development, Jobs, Transport and Resources.		(10,000)	10,000
9526	Aireys Inlet Pedestrian Island	Concrete pedestrian refuge & road widening, Aireys Inlet, increase in project scope.	160,000	180,000	(20,000)
9526	Aireys Inlet Pedestrian Island (grant)	Successful grant application Department of Economic Development, Jobs, Transport and Resources.		(20,000)	20,000
No Cost to Council					0

Appendix C

Accumulated Unallocated Reserve

Accumulated Unallocated Reserve

	\$
Opening balance 1 July 2015	1,049,839
<i>Approved movements in reserve:</i>	
June Council Meeting resolution Lorne Mens Shed	(30,000)
June Council Meeting resolution	(762,000)
July Council Meeting resolution Elkington Road Service Rd Upgrade Cap	(200,000)
July Council Meeting resolution Elkington Road Service Rd Upgrade Grant	200,000
July Finance Report Movements Approved August 2015	(8,500)
Aug Finance Report Movements Approved September 2015	(18,388)
<i>Closing balance 30 September 2015</i>	<u>230,951</u>
<i>Proposed September variations</i>	(515)
<i>Proposed closing balance</i>	<u>230,436</u>

Appendix D

Current Contracts Awarded

Contract Number	Description	Contractor	Start Date	End Date	Contract Value \$000's	Variations \$000's	Contract Total \$000's
08-335	Receive & process kerbside comingled recycling	SKM Recycling	01/07/2010	30/06/2020	1,100	-	1,100
11-401	Gherang Gravel Pits	Local-Mix Quarries Pty Ltd	01/05/2011	30/04/2021	144	-	144
11-416	Managed Print Services Contract	Viatek Western Victoria Pty Ltd	01/10/2011	01/10/2016	1,000	-	1,000
11-426	Provision of Security Services	Barwon Security Pty Ltd	15/11/2011	14/11/2015	7	44	52
11-435	Kerbside Collection Contract	Cleanaway Australia	18/11/2012	17/11/2019	9,977	-	9,977
12-444	Provision of Building Maintenance Services	Torquay Building Service	01/07/2012	30/06/2016	Schedule of Rates		
12-444B	Provision of Building Maintenance Services	Torquay Plumbing Service	01/07/2012	30/06/2016	Schedule of Rates		
12-444C	Provision of Building Maintenance Services	Nmj Electrical Pty Ltd	01/07/2012	30/06/2016	Schedule of Rates		
12-446	Surf Coast Shire Transfer Stations - Provision of Green Waste, Recycled timber, F	Jw & Hl O'Connor Pty Ltd	01/11/2012	31/10/2015	131	-	131
12-450	General Valuations	Opteon Property Group	01/10/2012	30/09/2016	691	-	691
12-454	Provision of Asset Management Information System	Civica Pty Limited	21/09/2012	30/11/2015	278	-	278
12-472	Provision of Roadside Signage and Installation	Roadside Services & Solutions	17/12/2012	16/12/2015	Schedule of Rates		
12-472A	Provision of Roadside Signage and Installation	Roadside Products Pty Ltd	17/12/2012	16/12/2015	Schedule of Rates		
12-485	Anglesea Landfill Cell3 Liner - Stage A	Ertech Pty Ltd	28/08/2013	05/12/2015	1,713	19	1,732
12-486	Provision of Internal Audit Services	Grant Thornton Australia Ltd	01/04/2013	31/03/2016	80	-	80
13-487	Supply of Bins & Bulk Haulage of Waste	Sita Australia	01/02/2014	31/01/2021	1,504	-	1,504
13-494	Operation and Management of Anglesea Landfill	Armistead Earthmoving	01/03/2014	28/02/2021	2,940	-	2,940
13-495	Operation and Management of Anglesea Transfer Station	Armistead Earthmoving	01/07/2014	30/06/2021	1,671	-	1,671
13-497	Maintenance of Air Conditioning & Kitchen Equipment	D & E Air Conditioning Pty Ltd	19/07/2013	18/07/2016	50	32	82
13-507	Provision of Drain Cleaning Services	Bartlett'S Environmental	01/11/2013	31/10/2015	Schedule of Rates		
13-523	Parks for Community Shelter & Amentity Project	Kalbaru Constructions Pty Ltd	25/03/2014	30/11/2015	380	-	380
1407-0614	Electricity Supply to Public Lighting Victoria	AGL	01/08/2011	31/07/2016	304	301	605
14-534	Anglesea Waste Transfer Station Upgrade Stage 2	Ace Infrastructure Pty Ltd	02/03/2015	26/06/2016	706	-	706
14-538	Provision of Banking Services	Commonwealth Bank Of Australia	01/07/2014	30/06/2017	209	-	209
14-540	Supply & Delivery of Kerbside Mobile Waste Bins	Trident Plastics (Sa) Pty Ltd	01/07/2014	30/06/2021	469	-	469
14-542.1	Construction of Concrete Footpath and/or kerb	Cj Walters Concreting	01/07/2014	30/06/2016	Schedule of Rates		
14-542.2	Construction of Concrete Footpath and/or kerb	Geelong Kerbing Pty Ltd	01/07/2014	30/06/2016	Schedule of Rates		
14-543	Pearse Road Upgrade Pearse Road Sealing and Drainage Upgrade Works	Avcr	16/07/2014	09/10/2015	235	47	281
14-545	Design of Banyul Warri Fields Youth, Recreation & Playzone	Playce Pty Ltd	17/11/2014	31/12/2015	98	-	98

Contract Number	Description	Contractor	Start Date	End Date	Contract Value \$000's	Variations \$000's	Contract Total \$000's
14-546.1	Provision of Tree Maintenance Services	Wood Professional Tree Service	01/11/2014	31/10/2016			Schedule of Rates
14-546.2	Provision of Tree Maintenance Services	A1 Tree Services	01/11/2014	31/10/2016			Schedule of Rates
14-546.3	Provision of Tree Maintenance Services	Tree Watch Arborist	01/11/2014	31/10/2016			Schedule of Rates
14-546.4	Provision of Tree Maintenance Services	Snakes & Ladders Tree Service	01/11/2014	31/10/2016			Schedule of Rates
14-546.5	Provision of Tree Maintenance Services	Bellarine Tree Service	01/11/2014	31/10/2016			Schedule of Rates
14-547.1	Provision of Wet Plant Hire (Bobcat)	Tim Powell Landscapes	01/11/2014	31/10/2016			Schedule of Rates
14-547.2	Provision of Wet Plant Hire (Excavator)	Torquay Excavations	01/11/2014	31/10/2016			Schedule of Rates
14-547.3	Provision of Wet Plant Hire (Water Cart)	Patash And Civil (Group) Pty Ltd	01/11/2014	31/10/2016			Schedule of Rates
14-547.4	Provision of Wet Plant Hire (Material Cartage)	Patash And Civil (Group) Pty Ltd	01/11/2014	31/10/2016			Schedule of Rates
14-548.1	Supply of Crushed Rock Material - Crushed Rock	Geelong Quarries Pty Ltd	01/11/2014	30/09/2016			Schedule of Rates
14-548.2	Supply of Crushed Rock Material - Recycled Matrl	Regional Recycle Pty Ltd	01/11/2014	30/09/2016			Schedule of Rates
14-549	Provision of External Plant Dry Hire	Sherrin Rentals Pty Ltd	01/11/2014	31/10/2015			Schedule of Rates
14-551	Waste Management Environmental Services	Landserv Pty Ltd	01/11/2014	31/10/2017	211	-	211
14-552.1	Provision of grass slashing services 2014-16 - Roadside Slashing Program	Ararat Auto & Ag Services / Araratautomotive S	04/11/2014	31/03/2016	205	-	205
14-552.2	Provision of grass slashing services 2014-16 - Block Slashing	Aus Eco Solutions	04/11/2014	31/03/2016			Schedule of Rates
14-552.2B	Provision of grass slashing services 2014-16 - Block Slashing	Surf Coast Grass Slashing	04/11/2014	31/03/2016			Schedule of Rates
14-552.2C	Provision of grass slashing services 2014-16 - Block Slashing	Small Farm Contracting	04/11/2014	31/03/2016			Schedule of Rates
14-552.2D	Provision of grass slashing services 2014-16 - Block Slashing	Coastal & Country Property Solutions	04/11/2014	31/03/2016			Schedule of Rates
14-552.2E	Provision of grass slashing services 2014-16 - Block Slashing	Torquay Slashing & Mowing	04/11/2014	31/03/2016			Schedule of Rates
14-564	Cleaning of Council Buildings	TJS Services	01/07/2015	30/06/2018	1,220	-	1,220
15-567	Design, Supply, Installation of Guardrail	Premier Willows Pty Ltd	01/03/2015	28/02/2016			Schedule of Rates
15-575	Torquay Surfwould and VIC Refurbishment	Bowden Corporation Pty Ltd	09/06/2015	12/08/2016	100	29	129
15-576	Spring Creek Reserve Play Space	Keystone Civil	19/09/2015	30/10/2015	88	-	88
15-577	Spring Valley Play Space and Car Park	Keystone Civil	19/09/2015	30/10/2015	38	-	38
15-580	Anglesea Kindergarten	Searle Bros Ballarat Pty Ltd	11/08/2015	08/01/2016	479	20	498
15-582	Provision of Line Marking Services	Southern Highway Services Pty Ltd	01/06/2015	31/05/2017			Schedule of Rates
15-582.1	Provision of Line Marking Services (Secondary Contractor)	Roadside Services & Solutions	01/06/2015	31/05/2017			Schedule of Rates
15-595	Jan Juc Creek Day Lighting - Stage 1	Aquatech Pty Ltd	12/10/2015	31/03/2016	310	-	310
15-596	Torquay Precinct Pathways	Prestige Concrete Services	12/10/2015	31/03/2016	282	-	282
15-598	Provision of Security Services	Barwon Security Pty Ltd	15/11/2015	14/11/2018	74	-	74
1710/0832	Provision of Stationary, Cut Paper, Procurement Australia Contract	Officemax	01/11/2014	31/10/2017	309	-	309

Glossary of Terms

Amended Budget	Adopted budget and any Council approved changes.
Asset Revaluation Reserve	Revaluation increases in property, plant and equipment and infrastructure asset values over time.
Asset Write Offs	Property, plant and equipment and infrastructure assets or asset components that have been replaced by new asset expenditure (renewal), deteriorated assets and assets transferred to external parties.
Capital Works	Renewal, upgrade, or expansion of existing Council owned or controlled assets or new assets, including Crown Land assets managed by Council. Includes property, plant and equipment and infrastructure (road pavements and other structures, street furniture, drainage, passive recreation facilities).
Cash & Cash Equivalents	Cash on hand, deposits at call and other highly liquid investments with original maturity dates of three months or less and investments are in accordance with Council's SCS-016 Cash Management Policy.
Contributions	Contributions included in Revenues from Ordinary Activities include developer contributions, operational subsidies and recoupment of expenditures from governments, agencies and customers.
Debt Commitment Ratio	Compares funds paid on loan principal and loan interest to rate revenue. An increasing trend indicates a higher burden on the current rate revenue base.
Debt Management Ratio	Measures the level of indebtedness compared to the rate base. An increasing trend may indicate an over-reliance on sources of funds other than rate revenue to fund debt redemption.
Debt Servicing Ratio	Compares funds paid on loan interest to all revenue sources. An increasing trend indicates a higher burden on the current revenue base.
Developer Contribution	Cash contribution from developer relating to subdivision works, drainage levy or open space contribution to be applied at a future date in accordance with the relevant infrastructure plan for the area and approved by Council.
Granted Asset	Infrastructure and property asset gifted to Council at the cost of completed subdivision works by developers. Includes roads, street furniture, drainage, passive recreation facilities and land assets.
Interest Bearing Liabilities	Includes bank loans.
Operating Performance	Operating Surplus/(Deficit) reported in the annual Financial Statements
New Initiatives	One-off project expenditures that do not constitute the creation of an asset. New Initiatives may, however, span more than one financial year.
Provisions	Liabilities where current obligating events exist that require Council to make a future outlay to meet that obligation. Includes annual leave, long service leave and future landfill rehabilitation.
Trust funds and deposits	Contract deposits, planning and building permit deposits, subdividers holding deposits, hall booking, citronella collar and baby capsule bonds. These monies are anticipated to be returned to the payer when the refund conditions have been met.
Other Reserves	Council holds cash-backed reserve funds for legislative and policy purposes. Legislative reserves are restricted and are applied for a prescribed purpose, including main drainage levies, open space contributions and the Aireys Inlet Housing Project. Policy reserves are held for plant replacement, subdivider contributions, mayoral charity, tourism infrastructure, waste management operations, asset development and work in progress.

Underlying Surplus

Operating surpluses without the inclusion of capital income. The objective is to provide additional capacity to fund required capital works from operations.

User Charges

Special rates declared under Special Charge Schemes and user charges, fees, penalties and fines in accordance with the Fees & Charges Schedule adopted in the annual Council Budget.