

March 2016

Monthly Financial Report

Surf Coast Shire Council



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1. Executive Summary

1.1 Overview

| | Budget YTD Mar-16 | Actual YTD Mar-16 | Indicator |
|------------------------------------|----------------------|----------------------|-----------|
| Rates Collected | 75.3% | 76.3% | |
| Income Statement Operating Surplus | \$16.266m | \$18.590m | |
| Cash and Investments | \$29.430m | \$32.510m | |
| Sundry Debtors | | \$0.597m | |
| Special Charge Scheme Debtors | | \$0.189m | |
| Infringement Debtors | | \$0.973m | |
| Borrowings | \$15.719m | \$15.719m | |
| Balance Sheet Working Capital | 349% | 422% | |
| Total Revenue | \$60.920m | \$60.586m | |
| Total Operating Expenditure | \$44.654m | \$41.997m | |
| Capital Revenue | \$1.962m | \$2.195m | |
| Total Capital Works | \$12.857m | \$9.879m | |
| New Initiatives Revenue | \$0.748m | \$0.543m | |
| New Initiatives Expenditure | \$1.842m | \$1.140m | |

Indicator Legend

| | |
|--|----------------------------|
| | No action required |
| | Requires active monitoring |
| | Immediate action required |

1.2 Operating performance

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Budget \$'000</i> | <i>March YTD Variance \$'000</i> | | <i>Adopted Budget \$'000</i> | <i>Amended Budget \$'000</i> | <i>Full Year Variance \$'000</i> | |
|--|--|--|--|----------|--------------------------------------|--------------------------------------|--|----------|
| Operating | | | | | | | | |
| Revenue | 56,983 | 58,166 | (1,183) | U | 62,106 | 62,267 | 161 | F |
| Expenditure | (41,994) | (44,654) | 2,660 | F | (61,014) | (62,229) | (1,215) | U |
| Underlying surplus/(deficit) from operations | 14,989 | 13,512 | 1,477 | F | 1,092 | 38 | (1,054) | U |
| Capital | | | | | | | | |
| Capital Grants | 1,837 | 1,657 | 180 | F | 3,321 | 4,357 | 1,036 | F |
| Special Charge Revenue | - | - | - | | 301 | 301 | - | |
| Contributions | 359 | 305 | 54 | F | 355 | 382 | 27 | F |
| Asset writeoffs | (2) | - | (2) | U | (1,779) | (1,779) | - | |
| Developer contributions | 1,017 | 911 | 106 | F | 1,266 | 1,266 | - | |
| Gain(loss) on disposal of assets | 30 | (119) | 149 | F | (119) | (119) | - | |
| Granted assets | 360 | - | 360 | F | 3,220 | 3,220 | - | |
| Net surplus (deficit) | 18,590 | 16,266 | 2,324 | F | 7,657 | 7,666 | 9 | F |

The year to date operating surplus is \$18,590,000 which is \$2,324,000 favourable to budget. This variance is mainly due to:

- Materials and services favourable to budget \$2,195,000, mainly due to the following expenses being lower than budget: tendered contract services \$536,000, miscellaneous \$396,000, contract labour and services \$395,000, consultants \$339,000 and fuel \$178,000;
- Employee Benefits favourable to budget \$789,000 mainly due to vacancies, reduced Work Cover premium \$128,000 and training lower than budget \$98,000; and
- Granted assets favourable to budget \$360,000 due to timing of receipt of land under roads gifted assets.

These are partially offset by:

- Operating grants unfavourable to budget \$1,130,000, mainly due to fifty percent of the Financial Assistance Grants for 2015/16 being received last year as an advance payment.

1.3 Capital works and new initiatives performance

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Budget \$'000</i> | <i>March YTD Variance \$'000</i> | | <i>Adopted Budget \$'000</i> | <i>Amended Budget \$'000</i> | <i>Full Year Variance \$'000</i> | |
|-----------------------|--|--|--|---|--------------------------------------|--------------------------------------|--|---|
| Total capital works | 9,879 | 12,857 | 2,978 | F | 18,325 | 22,491 | (4,166) | U |
| Total new initiatives | 1,140 | 1,842 | 702 | F | 1,828 | 2,987 | (1,159) | U |

The year to date capital works program expenditure is \$12,857,000 which is \$2,978,000 favourable to budget. A summary of the material capital works program variances include:

- CCP Playzone Banyul \$555,000, this project is expected to be completed by June;
- Torquay Precinct Pathways \$275,000, this project is expected to be completed by June under budget;
- Anglesea Kindergarten Upgrade \$239,000, this project is expected to be completed by June; and
- Great Ocean Road Service Road Upgrade at Elkington Road \$180,000, this externally funded project is expected to be completed under budget by June.

The year to date new initiatives expenditure is \$1,140,000 which is \$702,000 favourable to budget. A summary of the material new initiative variances include:

- Spring Creek Precinct Structure Plan \$109,000, this project may not be completed by June;
- Municipal Emergency Resourcing Program \$56,000; this project may not be completed by June and
- Planning Scheme Amendments to implement strategic works \$49,000.

For further information on the capital works and new initiatives programs, users should refer to the March quarterly Program Status Report.

1.4 Financial position

| | <i>March YTD Actual \$'000</i> | <i>March YTD Budget \$'000</i> | <i>March 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) | 32,510 | 29,430 | 3,080 | F | 22,100 | 23,589 | 1,489 | F |
| Net current assets (working capital) | 35,250 | 30,842 | 4,408 | F | 11,765 | 14,961 | 3,196 | F |
| Net assets and total equity | 397,156 | 394,832 | 2,324 | F | 398,542 | 395,624 | (2,918) | U |

The financial position as at 31 March 2016 shows a total cash balance (including long term investments) of \$32,510,000 which is \$3,080,000 favourable to budget. This is mainly due to payments for capital projects under budget \$3,005,000 and payments to suppliers under budget \$1,920,000 partially offset by trust funds and deposits being returned higher than budget \$1,234,000 and receipt of grants lower than budget \$944,000.

Net assets and total equity is \$397,156,000, which is \$2,324,000 favourable to budget. This variance is due to the net surplus favourable to forecast \$2,324,000 (as explained on 1.2).

2. Financial Analysis

2.1 Operating performance

2.1.1 Operating revenue

| | <i>March</i> <i>YTD</i> <i>Actual</i> <i>\$'000</i> | <i>March</i> <i>Amended YTD</i> <i>Budget</i> <i>\$'000</i> | <i>March</i> <i>YTD</i> <i>Variance</i> <i>\$'000</i> | | <i>Adopted</i> <i>Budget</i> <i>\$'000</i> | <i>Amended</i> <i>Budget</i> <i>\$'000</i> | <i>Full Year</i> <i>Variance</i> <i>\$'000</i> |
|---|--|--|--|--|--|--|--|
| Revenues | | | | | | | |
| Rates and charges | 45,620 | 45,547 | 73 F | | 46,033 | 46,033 | - |
| Operating grants | 4,317 | 5,447 | (1,130) U | | 7,124 | 7,230 | 106 F |
| Capital grants | 1,837 | 1,657 | 180 F | | 3,321 | 4,357 | 1,036 F |
| Contributions | 2,447 | 2,457 | (10) U | | 3,268 | 3,350 | 82 F |
| Interest | 768 | 578 | 190 F | | 773 | 773 | - |
| User charges | 4,621 | 4,768 | (147) U | | 6,157 | 6,157 | - |
| Statutory fees | 586 | 585 | 1 F | | 673 | 673 | - |
| Total operating revenue | 60,196 | 61,039 | (842) U | | 67,350 | 68,574 | 1,224 F |
| Net gain (loss) on disposal of property infrastructure, plant and equipment | 30 | (119) | 149 F | | (119) | (119) | - |
| Granted assets | 360 | - | 360 F | | 3,220 | 3,220 | - |
| Total revenue | 60,586 | 60,920 | (333) U | | 70,451 | 71,675 | 1,224 F |

2.1.2 Major operating revenue variances

| | YTD (unfav) \$000's | FY (unfav) \$000's |
|---|---------------------------|--------------------------|
| Rates and Charges | 73 | |
| Rates | 9 | |
| Garbage Charges | 63 | |
| Operating Grants | (1,130) | 106 |
| Jan Juc Kindergarten | 55 | |
| HACC Services | 245 | |
| HACC Personal Care | (203) | |
| Grants Commission allocation | (1,369) | |
| Capital Grants | 180 | 1,036 |
| Lorne Visitor Centre extension | | 50 |
| Anglesea Transfer Station Upgrade Stg 2 | | 160 |
| CCP Playzone Banyul | | 50 |
| Jan Juc Creek Daylighting | 174 | |
| GOR Service Rd Upgrade at Elkington Rd | | 200 |
| Cape Otway Rd - Lloyd Mews to Taylors Rd | | 495 |
| Contributions / Grants | (10) | 82 |
| Contributions & Recoupments | 119 | 71 |
| Subdividers Contributions - Open Space | (161) | |
| Torquay Jan Juc Developer Contributions Plan | 261 | |
| Interest | 190 | |
| Interest on Investments | 184 | |
| User Charges | (147) | |
| Internal Tipping Fees Revenue | 133 | |
| Parking Penalties | 86 | |
| Delivered Meals | (60) | |
| Kindergarten Program Fees | 117 | |
| Waste Disposal Recycle Revenue | (65) | |
| Gravel Pit Fees | (79) | |
| Sundry Fees & Charges | (57) | |
| Statutory Fees | 1 | |
| Granted Assets | 360 | |
| Net gain (loss) on disposal of property infrastructure, plant and equipment: | 149 | |

2.1.3 Operating expenses

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Budget \$'000</i> | <i>March YTD Variance \$'000</i> | | <i>Adopted Budget \$'000</i> | <i>Amended Budget \$'000</i> | <i>Full Year Variance \$'000</i> |
|---------------------------------|--|--|--|--|--------------------------------------|--------------------------------------|--|
| Expenses | | | | | | | |
| Employee benefits | 18,654 | 19,443 | 789 F | | 26,320 | 26,363 | (43) U |
| Materials and services | 14,099 | 16,294 | 2,195 F | | 22,794 | 23,965 | (1,171) U |
| Bad and doubtful debts | 92 | 52 | (40) U | | 69 | 69 | - |
| Finance costs | 831 | 835 | 4 F | | 1,124 | 1,124 | - |
| Depreciation | 8,319 | 8,031 | (288) U | | 10,708 | 10,708 | - |
| Asset write offs | 2 | - | (2) | | 1,779 | 1,779 | - |
| Total operating expenses | 41,997 | 44,654 | 2,657 F | | 62,794 | 64,008 | (1,214) U |

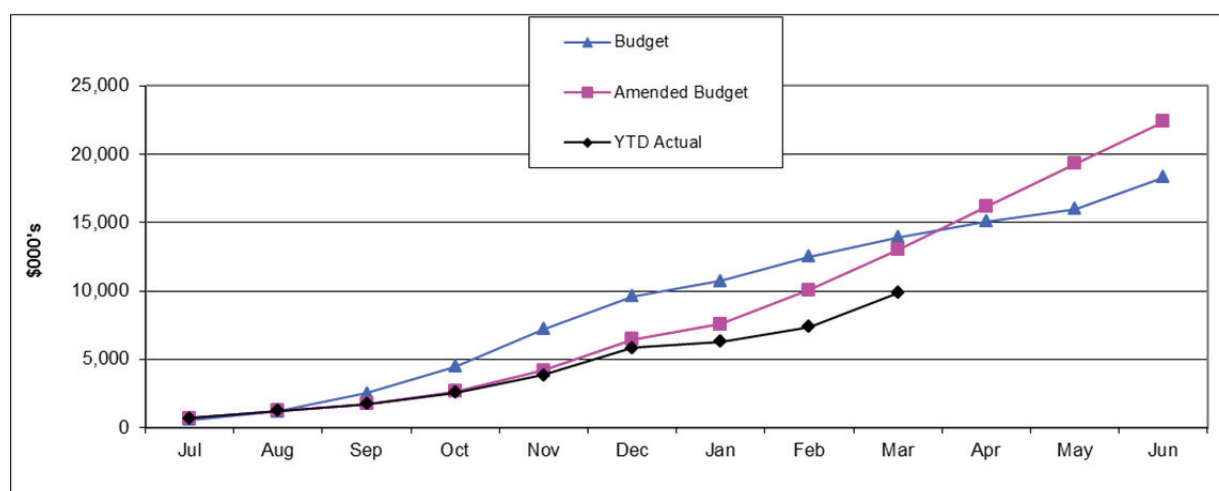
2.1.4 Major operating expense variances

| | YTD (unfav) \$000's | FY (unfav) \$000's |
|---------------------------------|------------------------------------|-----------------------------------|
| Employee Benefits | 789 | (43) |
| Wages | 513 | |
| Work Cover Premium | 128 | |
| Superannuation | 55 | |
| Conferences / Training Costs | 98 | |
| Materials & Services | 2,195 | (1,171) |
| Contract Labour | 148 | (99) |
| Contract Services | 247 | (283) |
| Tendered Contract Services | 536 | (69) |
| Consultants - General | 339 | (709) |
| Grants / Contributions | 65 | (146) |
| Printing | 66 | |
| Publications & Subscriptions | 83 | |
| Miscellaneous | 396 | 145 |
| Fuel | 178 | |
| Property Leases / Rental | 64 | |
| Bad & Doubtful Debts | (40) | |
| Debt Servicing | 4 | |
| Depreciation | (288) | |
| Asset Write Offs | (2) | |

2.2 Capital works performance

| | <i>March</i> <i>YTD Actual</i> <i>\$'000</i> | <i>March</i> <i>Amended YTD Budget</i> <i>\$'000</i> | <i>March</i> <i>YTD Variance</i> <i>\$'000</i> | <i>Adopted Budget</i> <i>\$'000</i> | <i>Amended Budget</i> <i>\$'000</i> | <i>Full Year Variance</i> <i>\$'000</i> | |
|-------------------------------------|--|--|--|--|--|--|--|
| Capital works | | | | | | | |
| Information Technology | 76 | 53 | (24) U | 415 | 380 | 35 F | |
| Roads and Streets Special Projects | 289 | 326 | 38 F | 470 | 480 | (10) U | |
| Parks and Reserves Special Projects | 66 | 66 | F | 60 | 73 | (13) U | |
| Asset Preservation | 2,851 | 3,059 | 208 F | 4,134 | 4,361 | (227) U | |
| Community Buildings | 1,231 | 1,612 | 381 F | 1,864 | 3,144 | (1,280) U | |
| Drainage | 380 | 487 | 106 F | 404 | 569 | (165) U | |
| Recreation Facilities | 2,108 | 3,141 | 1,033 F | 4,017 | 5,049 | (1,031) U | |
| Special Capex Projects | 6 | 12 | 6 F | - | 542 | (542) U | |
| Transport | 1,974 | 2,944 | 969 F | 3,346 | 4,294 | (948) U | |
| Waste Management | 356 | 496 | 140 F | 2,365 | 2,349 | 16 F | |
| Fleet Replacement | 544 | 663 | 119 F | 1,250 | 1,250 | - | |
| Total capital works | 9,879 | 12,857 | 2,978 F | 18,325 | 22,491 | (4,166) U | |

2.2.1 Capital works YTD & budget expenditure cumulative



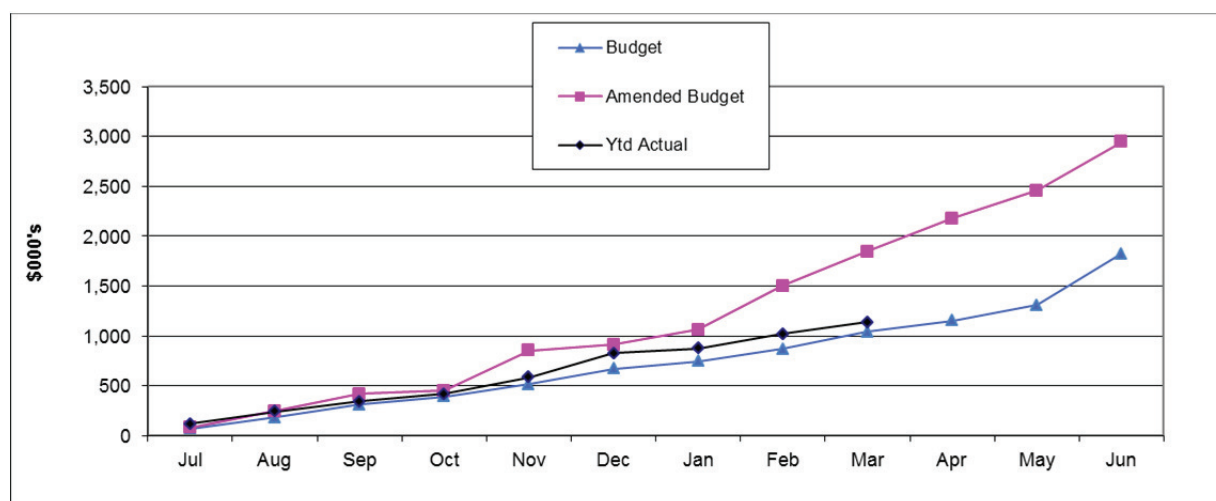
2.2.2 Reconciliation between Capital Works Adopted Budget and Amended Budget

| Capital works | \$'000 |
|---|---------------|
| Adopted Budget | 18,325 |
| Projects Carried forward from 2014/15 | 3,101 |
| Transfer from New Initiatives | 14 |
| Council allocation Post Budget (internally funded projects) | 589 |
| Council allocation Post Budget (externally funded projects) | 966 |
| Completed Projects (under budget) | (95) |
| Transfer to Adopted Strategy Reserve | (259) |
| Cancelled Project | (150) |
| Amended Budget | 22,491 |

2.3 New Initiatives expenditure performance

| | <i>March</i> <i>YTD</i> <i>Actual</i> <i>\$'000</i> | <i>March</i> <i>Amended YTD</i> <i>Budget</i> <i>\$'000</i> | <i>March</i> <i>YTD</i> <i>Variance</i> <i>\$'000</i> | | <i>Adopted</i> <i>Budget</i> <i>\$'000</i> | <i>Amended</i> <i>Budget</i> <i>\$'000</i> | <i>Full Year</i> <i>Variance</i> <i>\$'000</i> | |
|------------------------------|--|--|--|--|--|--|--|--|
| New Initiatives | | | | | | | | |
| Culture & Community | 168 | 279 | 111 F | | 255 | 520 | (265) U | |
| Environment & Development | 824 | 1,387 | 563 F | | 1,239 | 2,131 | (892) U | |
| Governance & Infrastructure | 149 | 177 | 28 F | | 333 | 336 | (3) U | |
| Total new initiatives | 1,140 | 1,842 | 702 F | | 1,828 | 2,987 | (1,159) U | |

2.3.1 New initiatives YTD & budget cumulative



2.3.2 Reconciliation between New Initiatives Adopted Budget and Amended Budget

| New Initiatives | \$'000 |
|---|---------------|
| Adopted Budget | 1,828 |
| Projects Carried forward from 2014/15 | 1,033 |
| Transfer To Capital Works | (14) |
| Council allocation Post Budget (internally funded projects) | 130 |
| Council allocation Post Budget (externally funded projects) | 75 |
| Completed Projects (under budget) | (65) |
| Amended Budget | 2,987 |

2.4 Financial Position

2.4.1 Cash and Investments (including long term investments)

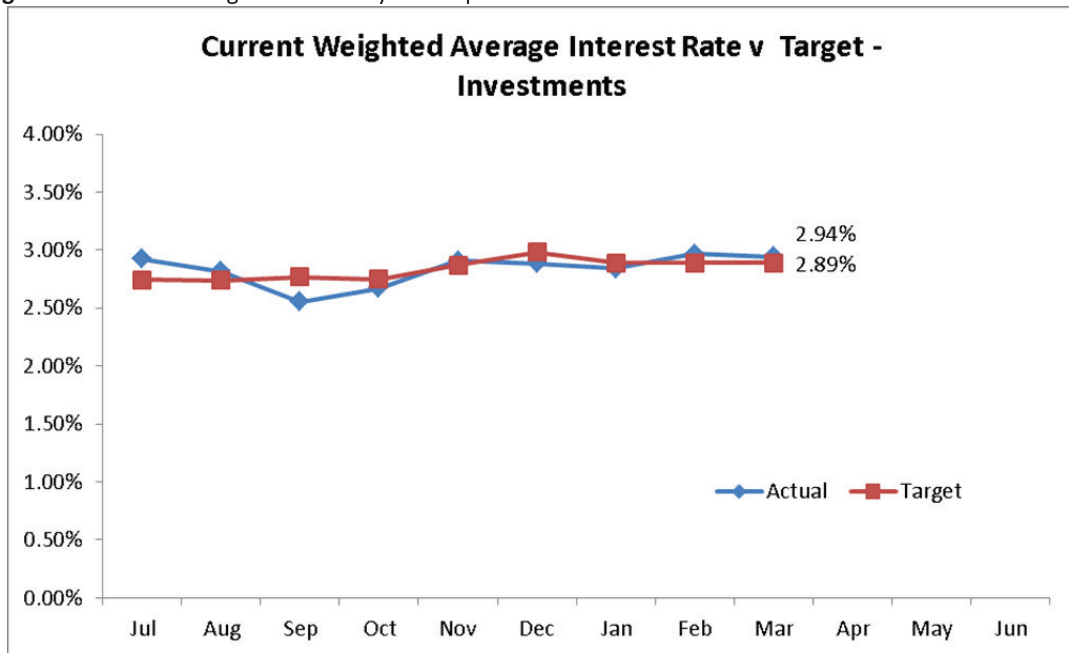
| Available Funds: | YTD \$000's |
|-----------------------------------|------------------------|
| Total Investments | 32,350 |
| Cash at Bank and cash on hand | 161 |
| Total Cash and Investments | 32,510 |

| Balance Sheet: | \$000's |
|-----------------------------------|----------------|
| Cash & Cash Equivalents (current) | 31,010 |
| Investments (non-current) | 1,500 |
| Total Cash and Investments | 32,510 |

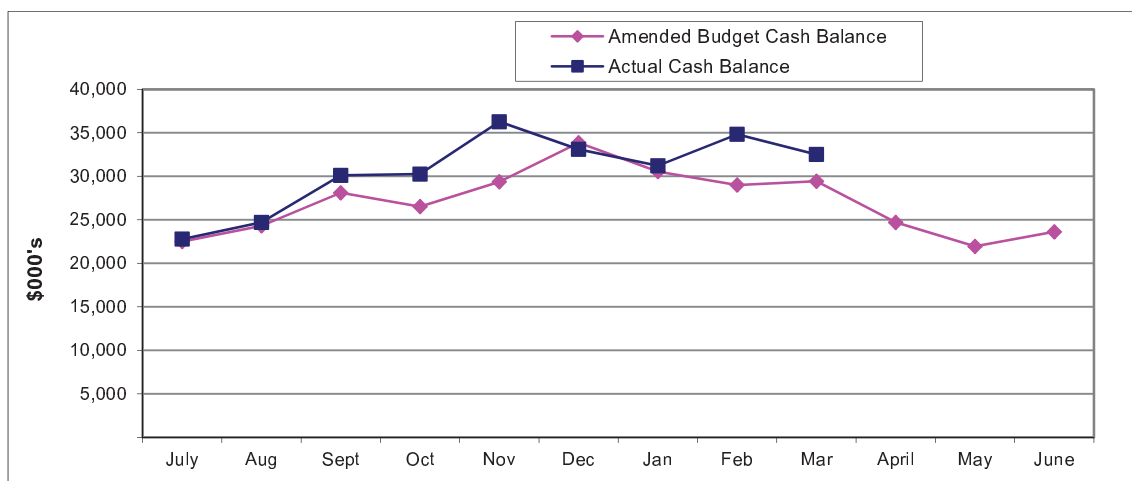
| Represented by: | \$000's |
|--|----------------|
| Restricted Reserves | |
| Main Drainage | 216 |
| Open Space Development | 1,442 |
| Aireys Inlet Aged Units | 337 |
| Total Restricted Reserves | 1,995 |
| | |
| Allocated Reserves | |
| Waste Reserve | 6,143 |
| Plant Replacement Reserve | 1,078 |
| Developer Contribution Reserve (DCP) | 4,360 |
| 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 | 451 |
| Asset Renewal Reserve | 89 |
| Total Allocated Reserves | 15,621 |
| | |
| Accumulated Unallocated Cash Reserve | 502 |
| Other Cash and Investments | 14,392 |
| Unrestricted Cash and Investments | 14,894 |
| Total Cash and Investments | 32,510 |

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 5 April, the Reserve Bank of Australia (RBA) maintained the official interest rate at 2.00%. In their media release the RBA noted that “the available information suggests that the economy is continuing to rebalance following the mining investment boom. Consistent with developments in the labour market, overall GDP growth picked up over 2015, despite the contraction in mining investment. The pace of lending to businesses has also picked up. Inflation is quite low. Recent information has confirmed that growth in labour costs remains quite subdued. Given this, and with inflation also restrained elsewhere in the world, inflation in Australia is likely to remain low over the next year or two.” (RBA media release dated 05/4/2016).



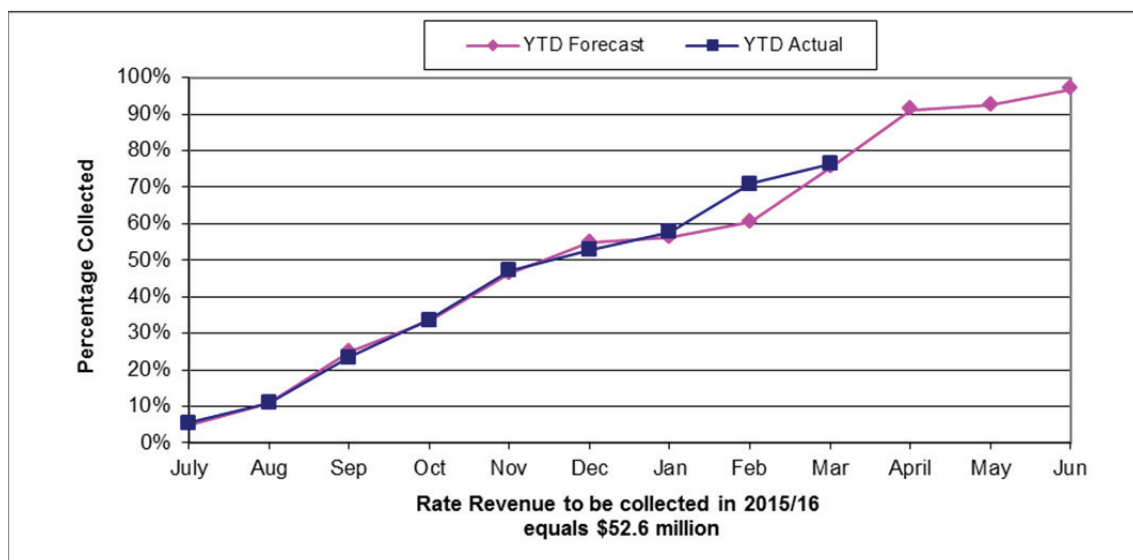
2.4.2 Rates and Charges Collection

Rates collection as at 31 March 2016

| 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 | 371 |
| Interest | 107 |
| Less pensioner rebates | (536) |
| To be collected | 52,586 |
| Collected | (40,145) |
| Percentage collected to date | 76.3% |
| Balance outstanding | 12,441 |
| Forecast balance outstanding at 30 June 2016 | 2,000 |

Note: \$1,662,000 (73%) of the arrears at the beginning of the year have been subsequently collected.

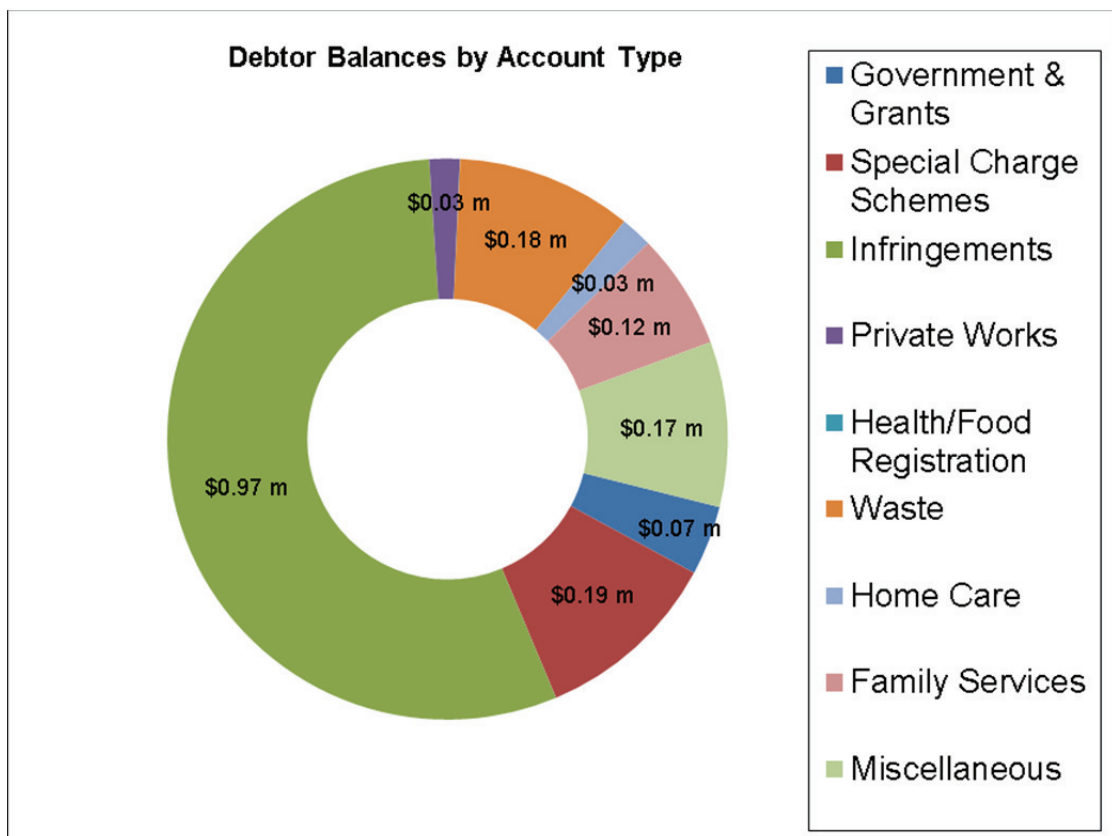
Actual & Budget rates received percentage



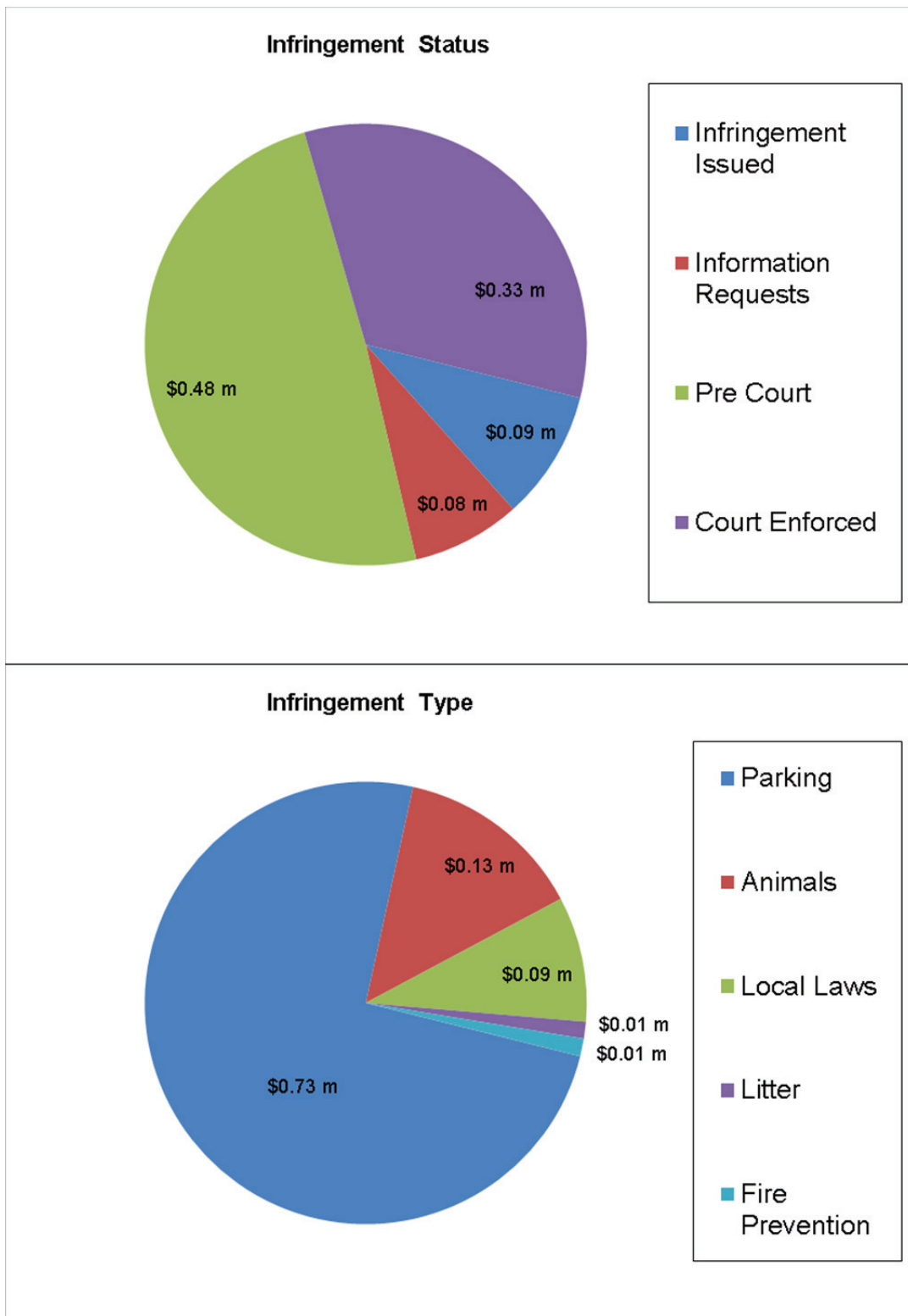
2.4.3 Non Rate Debtors and Infringements

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

| Category | Feb 2016 \$'000 | Mar 2016 \$'000 | Change fav/(unfav) \$'000 | Prior Year Mar 2015 \$'000 |
|--------------------------------------|--------------------|--------------------|------------------------------|-------------------------------|
| Current | 226 | 321 | (95) | 369 |
| >30 days | 115 | 223 | (108) | 97 |
| >60 days | 30 | 16 | 14 | 4 |
| >90 days | 48 | 37 | 11 | 80 |
| Sundry Debtors | 419 | 597 | (178) | 551 |
| Special Charge Scheme Debtors | 217 | 189 | 27 | 413 |
| Infringement Debtors | 949 | 973 | (24) | 921 |
| Total | 1,585 | 1,759 | (174) | 1,885 |

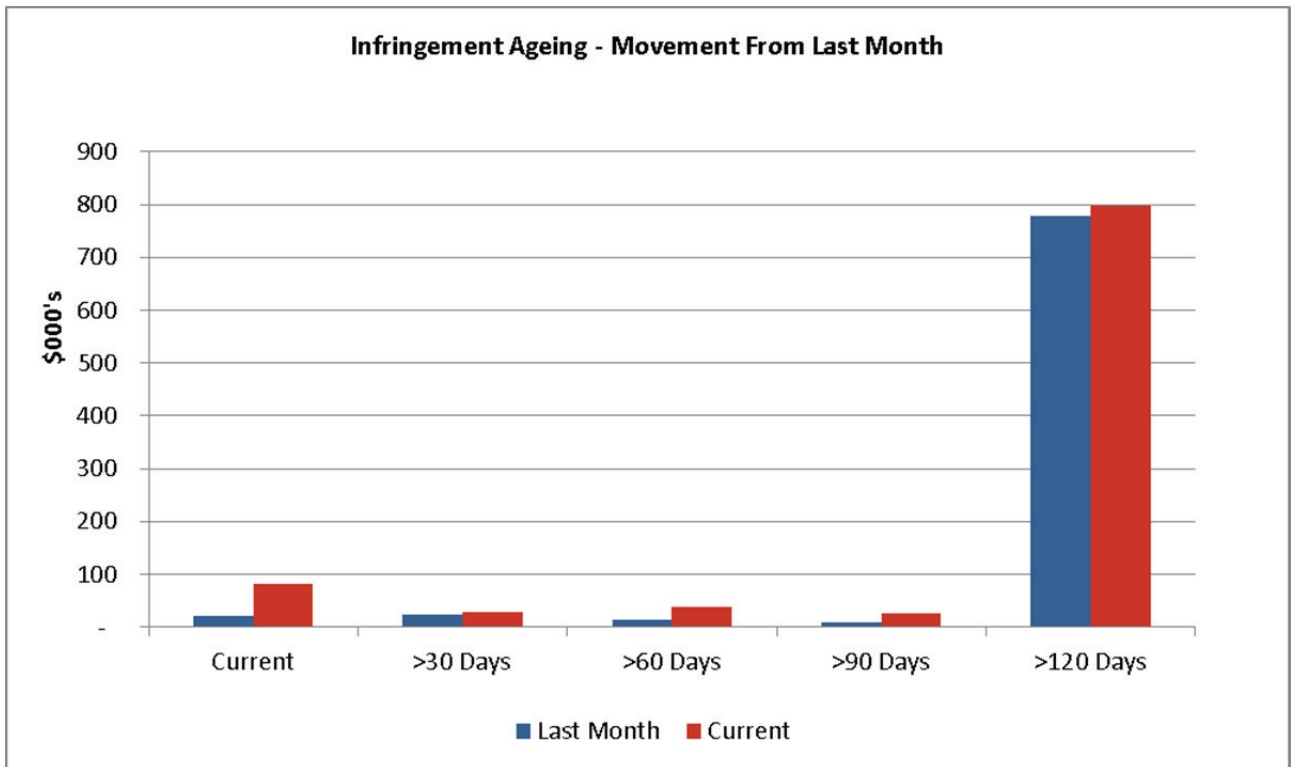
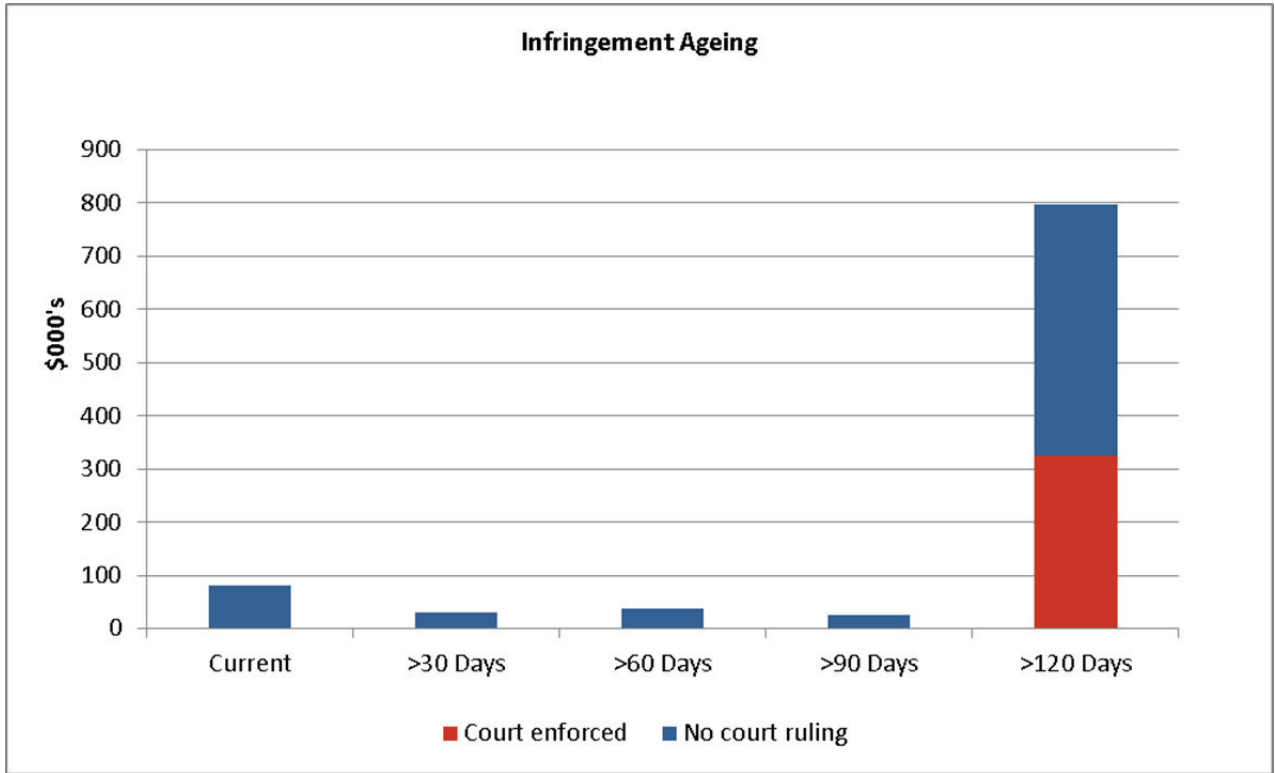


Infringement Debtors



There have been 362 infringement notices withdrawn year to date at a value of \$31,600.

A total of 4,620 infringement notices have been issued year to date at a value of \$542,000. Council budgeted \$579,000 in infringement revenue for 2015/16.

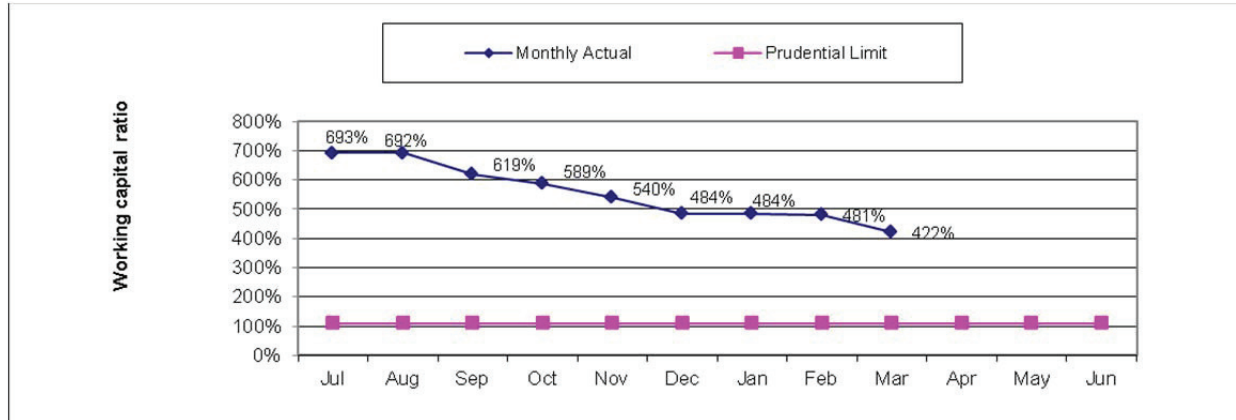


Note: Infringements >120 days with no court ruling may be due to:

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

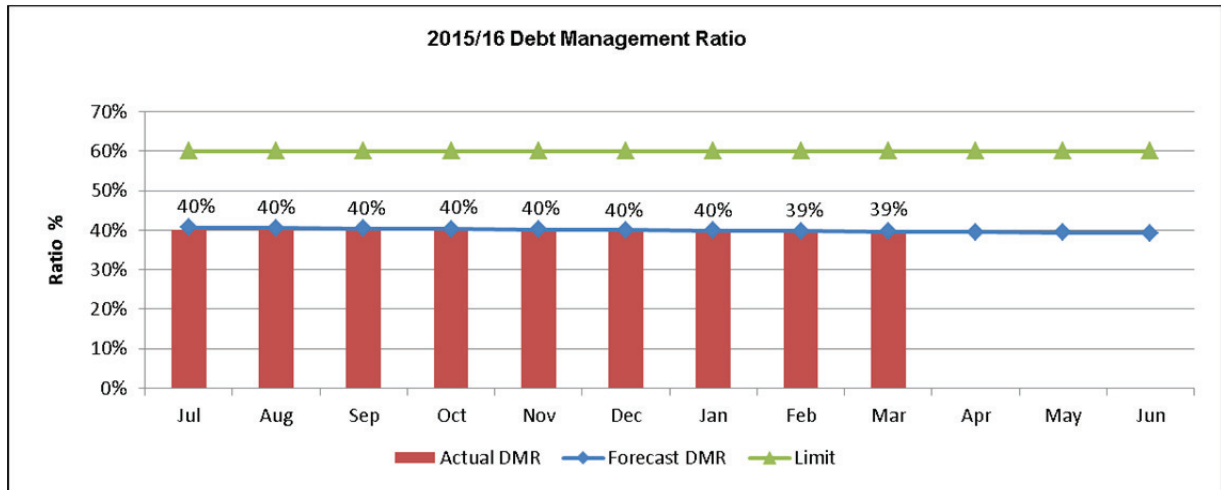
2.4.4 Working Capital

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Budget \$'000</i> | <i>Adopted Budget \$'000</i> | <i>Amended Budget \$'000</i> | <i>Prudential limit</i> |
|-----------------------|--|--|--------------------------------------|--------------------------------------|-------------------------|
| Current assets | 46,184 | 43,248 | 24,625 | 27,198 | |
| Current liabilities | 10,934 | 12,405 | 12,860 | 12,237 | |
| Working capital ratio | 422% | 349% | 191% | 222% | 110% |



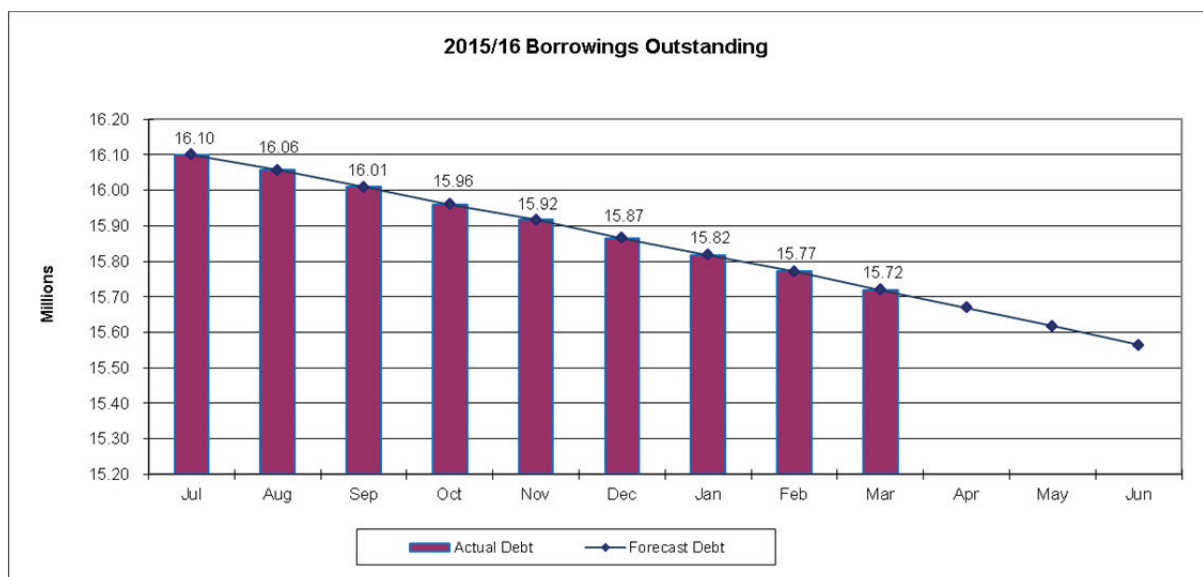
2.4.5 Borrowings

| | YTD Actual \$'000 | Amended YTD Budget \$'000 | Adopted Budget \$'000 | Amended Budget \$'000 | Prudential limit |
|--|-------------------------|---------------------------------|-----------------------------|-----------------------------|------------------|
| Debt management ratio (Total Debt/Rate Rev) | 39% | 39% | 39% | 39% | 60% |
| Debt commitment ratio (Principal & Int/Rate Rev) | 4.31% | 4% | 4.26% | 4.26% | N/A |
| Debt servicing ratio (Loan Int/Total Rev) | 1.64% | 2% | 1.67% | 1.64% | 5% |



Loan Details

| Loan ID | Principal \$m | Loan Term | Maturity Date | Balance \$m | Interest Details |
|---------|---------------|-----------|---------------|-------------|--|
| Loan 1 | 7.00 | 20 years | 21/06/2030 | 5.91 | Fixed - 10 years @ 7.49%, 10 years @ 7.15% |
| Loan 2 | 5.26 | 20 years | 29/06/2031 | 4.60 | Fixed - 10 years @ 7.31%, 10 years @ 7.15% |
| Loan 3 | 5.87 | 20 years | 29/12/2031 | 5.16 | 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 |
| | | | | 15.72 | |



2.4.6 Financial Sustainability Indicators

| Financial Sustainability Indicators | | | | | |
|---|-------------|----------------|------------------|--------------------|-------------------------|
| Indicator | VAGO Target | Budget 2015/16 | Forecast 2015/16 | Var to VAGO Target | Trend over next 3 years |
| Self Financing % ¹ | > 20% | 25% | 25% | 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 | 1.7 | 1.7 | F | Consistent |
| Renewal Gap ⁴ (5 years to June 15) | > 1.0 | 0.8 | 0.8 | U | Unfavourable |
| Underlying Result % ⁵ (5 years to June 15) | > 0% | 5% | 5% | 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 \$13.2m of provisions held for landfill rehabilitation, of which \$6.0m is cash backed.

This is an annual measure (calculated over 12 months)

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

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.

Comment: 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.

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)

Appendix A SURF COAST SHIRE

Income Statement

For the 9 months ended 31 March 2016

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Budget \$'000</i> | <i>March YTD Variance \$'000</i> | <i>Adopted Budget \$'000</i> | <i>Amended Budget \$'000</i> | <i>Full Year Variance \$'000</i> |
|--|--|--|--|--------------------------------------|--------------------------------------|--|
| Revenues from ordinary activities | | | | | | |
| Rates and charges | 45,620 | 45,547 | 73 | 46,033 | 46,033 | - |
| Operating grants | 4,317 | 5,447 | (1,130) | 7,124 | 7,230 | 106 |
| Capital grants | 1,837 | 1,657 | 180 | 3,321 | 4,357 | 1,036 |
| Contributions | 2,447 | 2,457 | (10) | 3,268 | 3,350 | 82 |
| Interest | 768 | 578 | 190 | 773 | 773 | - |
| User charges | 4,621 | 4,768 | (147) | 6,157 | 6,157 | - |
| Statutory fees | 586 | 585 | 1 | 673 | 673 | - |
| Total revenues | 60,196 | 61,039 | (842) | 67,350 | 68,574 | 1,224 |
| Expenses from ordinary activities | | | | | | |
| Employee benefits | 18,654 | 19,443 | 789 | 26,320 | 26,363 | 43 |
| Materials and services | 14,099 | 16,294 | 2,195 | 22,794 | 23,965 | 1,171 |
| Bad and doubtful debts | 92 | 52 | (40) | 69 | 69 | - |
| Finance costs | 831 | 835 | 4 | 1,124 | 1,124 | - |
| Depreciation | 8,319 | 8,031 | (288) | 10,708 | 10,708 | - |
| Asset write offs | 2 | - | (2) | 1,779 | 1,779 | - |
| Total expenses | 41,997 | 44,654 | 2,657 | 62,794 | 64,008 | 1,214 |
| Net gain (loss) on disposal of property infrastructure, plant and equipment | 30 | (119) | 149 | (119) | (119) | - |
| Granted assets | 360 | - | 360 | 3,220 | 3,220 | - |
| Net surplus/(deficit) | 18,590 | 16,266 | 2,324 | 7,657 | 7,666 | 9 |
| Other Comprehensive Income | | | | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | | | | |
| Net asset revaluation increment | - | - | - | 9,391 | 9,391 | - |
| | 18,590 | 16,266 | 2,324 | 17,048 | 17,057 | 9 |

SURF COAST SHIRE

Balance Sheet

As at 31 March 2016

| | March YTD Actual \$'000 | March Amended YTD Budget \$'000 | March YTD Variance \$'000 | Adopted Budget \$'000 | Amended Budget \$'000 | Full Year Variance \$'000 |
|--|----------------------------------|--|------------------------------------|-----------------------------|-----------------------------|---------------------------------|
| Current assets | | | | | | |
| Cash & cash equivalents | 12,310 | 9,230 | 3,080 | 8,350 | 9,839 | 1,489 |
| Trade and other receivables | 14,288 | 14,432 | (144) | 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 | - | - | - | - |
| Total current assets | 46,184 | 43,248 | 2,936 | 24,625 | 27,198 | 2,573 |
| Non current assets | | | | | | |
| Trade and other receivables | 48 | 102 | (54) | 504 | 263 | (241) |
| Financial Assets | 1,500 | 1,500 | - | 1,500 | 1,500 | - |
| Property plant & equipment, infrastructure | 389,073 | 391,194 | (2,121) | 410,950 | 405,617 | (5,333) |
| Investment in library | 580 | 580 | - | 589 | 580 | (9) |
| Total non current assets | 391,201 | 393,376 | (2,175) | 413,543 | 407,959 | (5,584) |
| Total assets | 437,385 | 436,624 | 761 | 438,168 | 435,157 | (3,011) |
| Current liabilities | | | | | | |
| Trade and other payables | 4,396 | 4,633 | 237 | 4,796 | 3,985 | (811) |
| Provisions | 6,295 | 6,295 | - | 6,237 | 6,300 | 63 |
| Interest bearing liabilities | 154 | 154 | - | 628 | 629 | 1 |
| Trust funds and deposits | 89 | 1,323 | 1,234 | 1,199 | 1,323 | 124 |
| Total current liabilities | 10,934 | 12,406 | 1,471 | 12,860 | 12,237 | (623) |
| Non current liabilities | | | | | | |
| Provisions | 13,730 | 13,820 | 90 | 11,878 | 12,359 | 481 |
| Interest bearing liabilities | 15,565 | 15,565 | - | 14,888 | 14,937 | 49 |
| Total non current liabilities | 29,295 | 29,385 | 90 | 26,766 | 27,296 | 530 |
| Total liabilities | 40,229 | 41,791 | 1,561 | 39,626 | 39,532 | (94) |
| Net assets | 397,156 | 394,833 | 2,323 | 398,542 | 395,624 | (2,918) |
| Equity | | | | | | |
| Accumulated surplus | 200,960 | 191,966 | 8,994 | 184,369 | 184,112 | (257) |
| Assets revaluation reserve | 178,078 | 178,078 | - | 196,836 | 187,469 | (9,367) |
| Other reserves | 18,118 | 24,788 | (6,670) | 17,337 | 24,043 | 6,706 |
| Total equity | 397,156 | 394,832 | 2,324 | 398,542 | 395,624 | (2,918) |

SURF COAST SHIRE

Cash Flow Statement

For the 9 months ended 31 March 2016

| | <i>March YTD Actual \$'000</i> | <i>March Amended YTD Forecast \$'000</i> | <i>March YTD Variance \$'000</i> | <i>Adopted Budget \$'000</i> | <i>Amended Forecast \$'000</i> | <i>Full Year Variance \$'000</i> |
|---|--|--|--|--------------------------------------|--|--|
| Cash flow from operating activities | | | | | | |
| Receipts from customers | 43,512 | 43,403 | 109 | 56,037 | 56,474 | 437 |
| Payments to suppliers | (12,912) | (14,831) | 1,920 | (24,270) | (24,485) | (215) |
| Payments to employees | (18,744) | (19,443) | 699 | (26,264) | (26,363) | (99) |
| | 11,856 | 9,129 | 2,728 | 5,503 | 5,626 | 123 |
| Interest received | 768 | 578 | 190 | 773 | 773 | - |
| Government receipts | 6,209 | 7,153 | (944) | 10,445 | 10,790 | 345 |
| Net cash inflow/ (outflow) from operating activities | 18,833 | 16,860 | 1,973 | 16,721 | 17,189 | 468 |
| Cash Flows from investing activities | | | | | | |
| Payments for property, plant, equipment & | (9,850) | (12,855) | 3,005 | (14,998) | (18,621) | (3,623) |
| Proceeds from sale of property, plant & equipment | 171 | 838 | (667) | 877 | 877 | - |
| Cash Flows from investing activities | 50 | 50 | - | - | 6,500 | 6,500 |
| Net cash inflow/ (outflow) from investing activities | (9,629) | (11,967) | 2,338 | (14,121) | (11,244) | 2,877 |
| Cash flows from financing activities | | | | | | |
| Deposits received/refunded | (1,234) | - | (1,234) | - | - | - |
| Debt servicing | (831) | (835) | 4 | (1,124) | (1,124) | - |
| Proceeds from interest bearing loans and borrowings | - | - | - | - | - | - |
| Repayment of interest bearing loans and borrowings | (430) | (430) | - | (584) | (584) | - |
| Net cash inflow/ (outflow) from financing activities | (2,495) | (1,265) | (1,230) | (1,708) | (1,708) | - |
| Net increase (decrease) in cash held | 6,708 | 3,628 | 3,080 | 892 | 4,237 | 3,345 |
| Cash at the beginning of the period | 5,602 | 5,602 | - | 7,457 | 5,602 | (1,855) |
| Cash at the end of the period | 12,310 | 9,230 | 3,080 | 8,350 | 9,839 | 1,489 |

Appendix B Contracts Register

| Description | Contractor | Start Date | End Date | Contract Value \$'000 | Variations \$'000 | Contract Total \$'000 |
|--|-----------------------------------|------------|------------|-----------------------|-------------------|-----------------------|
| Receive & process kerbside comingled recycling | Skm Recycling | 01/07/2010 | 30/06/2020 | 1,100 | - | 1,100 |
| Gherang Gravel Pits | Local Mix Quarries Pty Ltd | 01/05/2011 | 30/04/2021 | 144 | - | 144 |
| Managed Print Services Contract | Viatek Western Victoria Pty Ltd | 01/10/2011 | 01/10/2016 | 1,000 | - | 1,000 |
| Kerbside Collection Contract | Cleanaway Australia | 18/11/2012 | 17/11/2019 | 9,977 | - | 9,977 |
| Provision of Building Maintenance Services | Torquay Building Service | 01/07/2012 | 30/06/2016 | | Schedule of rates | |
| Provision of Building Maintenance Services | Torquay Plumbing Service | 01/07/2012 | 30/06/2016 | | Schedule of rates | |
| Provision of Building Maintenance Services | Nmj Electrical Pty Ltd | 01/07/2012 | 30/06/2016 | | Schedule of rates | |
| Transfer Stations - Green Waste, Recycled timber Plast and Concrete grinding | Jw & Hl O'Connor Pty Ltd | 01/11/2012 | 31/10/2017 | 131 | - | 131 |
| General Valuations | Opteon Property Group | 01/10/2012 | 30/09/2016 | 691 | - | 691 |
| Provision of Asset Management Information System | Civica Pty Limited | 21/09/2012 | 30/06/2016 | 278 | - | 278 |
| Provision of Internal Audit Services | Grant Thornton Australia Ltd | 01/04/2013 | 31/03/2016 | 80 | - | 80 |
| Supply of Bins & Bulk Haulage of Waste | Suez Recycling & Recovery Pty Ltd | 01/02/2014 | 31/01/2021 | 1,504 | - | 1,504 |
| Operation and Management of Anglesea Landfill | Armistead Earthmoving | 01/03/2014 | 28/02/2021 | 2,940 | - | 2,940 |
| Operation and Management of Anglesea Transfer Station | Armistead Earthmoving | 01/07/2014 | 30/06/2021 | 1,671 | - | 1,671 |
| Maintenance of Air Conditioning & Kitchen Equipment | D & E Air Conditioning Pty Ltd | 19/07/2013 | 18/07/2016 | 50 | 32 | 82 |
| Electricity Supply to Public Lighting Victoria | AGL | 01/08/2011 | 31/07/2016 | 304 | 301 | 605 |
| Anglesea Waste Transfer Station Upgrade Stage 2 | Ace Infrastructure Pty Ltd | 02/03/2015 | 26/06/2016 | 706 | - | 706 |
| Provision of Banking Services | Commonwealth Bank Of Australia | 01/07/2014 | 30/06/2017 | 209 | - | 209 |
| Supply & Delivery of Kerbside Mobile Waste Bins | Trident Plastics (Sa) Pty Ltd | 01/07/2014 | 30/06/2021 | 469 | - | 469 |
| Construction of Concrete Footpath and/or kerb | Cj Walters Concreting | 01/07/2014 | 30/06/2016 | | Schedule of rates | |
| Construction of Concrete Footpath and/or kerb | Geelong Kerbing Pty Ltd | 01/07/2014 | 30/06/2016 | | Schedule of rates | |
| Design of Banyul Warri Fields Youth, Recreation & Playzone | Playce Pty Ltd | 17/11/2014 | 01/04/2016 | 98 | - | 98 |
| Provision of Tree Maintenance Services | Wood Professional Tree Service | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Tree Maintenance Services | A1 Tree Services | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Tree Maintenance Services | Tree Watch Arborist | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Tree Maintenance Services | Snakes & Ladders Tree Service | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Tree Maintenance Services | Bellarine Tree Service | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Wet Plant Hire (Bobcat) | Tim Powell Landscapes | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Wet Plant Hire (Excavator) | Torquay Excavations | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Wet Plant Hire (Water Cart) | Pataash And Civil (Group) Pty Ltd | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Provision of Wet Plant Hire (Material Cartage) | Pataash And Civil (Group) Pty Ltd | 01/11/2014 | 31/10/2016 | | Schedule of rates | |
| Supply of Crushed Rock Material - Crushed Rock | Geelong Quarries Pty Ltd | 01/11/2014 | 30/09/2016 | | Schedule of rates | |
| Supply of Crushed Rock Material - Recycled Matrl | Regional Recycle Pty Ltd | 01/11/2014 | 30/09/2016 | | Schedule of rates | |

| Description | Contractor | Start Date | End Date | Contract Value \$'000 | Variations \$'000 | Contract Total \$'000 |
|--|--|------------|------------|-----------------------|-------------------|-----------------------|
| Provision of External Plant Dry Hire Original contract expired 31/10/15 | Sherrin Rentals Pty Ltd | 01/11/2014 | 30/11/2016 | 70 | - | 70 |
| Waste Management Environmental Services | Landserv Pty Ltd | 01/11/2014 | 31/10/2017 | 211 | - | 211 |
| Provision of grass slashing services 2014-16 - Roadside Slashing Program | Ararat Auto & Ag Services / Ararat Automotive Services | 04/11/2014 | 31/03/2016 | 205 | - | 205 |
| Provision of grass slashing services 2014-16 - Block Slashing | Aus Eco Solutions | 04/11/2014 | 31/03/2016 | | Schedule of rates | |
| Provision of grass slashing services 2014-16 - Block Slashing | Surf Coast Grass Slashing | 04/11/2014 | 31/03/2016 | | Schedule of rates | |
| Provision of grass slashing services 2014-16 - Block Slashing | Small Farm Contracting | 04/11/2014 | 31/03/2016 | | Schedule of rates | |
| Provision of grass slashing services 2014-16 - Block Slashing | Coastal & Country Property Solutions | 04/11/2014 | 31/03/2016 | | Schedule of rates | |
| Provision of grass slashing services 2014-16 - Block Slashing | Torquay Slashing & Mowing | 04/11/2014 | 31/03/2016 | | Schedule of rates | |
| Cleaning of Council Buildings | Tjs Services | 01/07/2015 | 30/06/2018 | 1,220 | - | 1,220 |
| Supply of Gravel Pavement Material For Resheeting | Local-Mix Quarries Pty Ltd | 01/02/2015 | 31/01/2017 | 613 | - | 613 |
| Design, Supply, Installation of Guardrail | Premier Willows Pty Ltd | 01/04/2015 | 31/03/2017 | | Schedule of rates | |
| Clearance of Public Bins & Street Cleaning | Corio Waste Management Pty Ltd | 01/10/2015 | 31/08/2017 | 1,318 | - | 1,318 |
| Torquay Surfworld and VIC Refurbishment | Bowden Corporation Pty Ltd | 09/06/2015 | 12/08/2016 | 100 | 29 | 129 |
| Spring Creek Reserve Play Space | Keystone Civil Pty Ltd | 31/08/2015 | 19/12/2016 | 38 | - | 38 |
| Anglesea Kindergarten | Searle Bros Ballarat Pty Ltd | 11/08/2015 | 22/01/2017 | 479 | 66 | 544 |
| Provision of Line Marking Services | Southern Highway Services Pty Ltd | 01/06/2015 | 31/05/2017 | | Schedule of rates | |
| Provision of Line Marking Services (Secondary Contractor) | Roadside Services & Solutions | 01/06/2015 | 31/05/2017 | | Schedule of rates | |
| Resealing of Local Roads | Fulton Hogan Industries Pty Ltd | 16/11/2015 | 30/06/2016 | 373 | - | 373 |
| Jan Juc Creek Day Lighting - Stage 1 | Aquatech (Aust) Pty Ltd | 01/10/2015 | 31/05/2016 | 341 | - | 341 |
| Torquay Precinct Pathways | Prestige Concrete Services | 01/10/2015 | 31/05/2016 | 341 | - | 341 |
| Provision of Road Asphaltting Services | Greenhall Asphalt Pty Ltd | 10/09/2015 | 30/08/2017 | | Schedule of rates | |
| Provision of Security Services | Barwon Security Pty Ltd | 15/11/2015 | 14/11/2018 | 74 | - | 74 |
| Great Ocean Road Pedestrian Bridge | Open Space Infrastructure Australia | 19/10/2015 | 30/06/2016 | 143 | 1 | 144 |
| Banyul Warri Skate Bowl Construction | Precision Skate Parks P/L | 01/02/2016 | 31/03/2017 | 290 | - | 290 |
| Banyul Warri Fields Palyground Construction | Naturform Pty Ltd | 02/11/2015 | 02/04/2016 | 990 | - | 990 |
| Provision of Traffic Management Services & CCP Maintenance | Makesafe Traffic Management | 01/10/2015 | 30/09/2017 | 488 | - | 488 |
| Provision of Cylinder Mowing Services & CCP Maintenance | Turf Care And Hire Pty Ltd | 23/10/2015 | 30/09/2017 | 90 | - | 90 |
| Provision of Drain Cleaning Services | Bartlett'S Environmental | 01/11/2015 | 31/10/2017 | 170 | - | 170 |
| Grenville Oval - Stage 2 Earthworks and Drainage | Joslyn Group Pty Ltd | 17/12/2015 | 31/03/2016 | 431 | - | 431 |
| Retaining Wall Replacement - Alleyne Ave | Tim Powell Landscapes | 05/02/2016 | 31/08/2016 | 27 | - | 27 |
| Bridge Renewal Works 2015-2016 Rock Beaching | Downryte Excavations | 07/12/2015 | 31/05/2016 | 68 | - | 68 |
| Provision of Road Signage and Installation Schedule of Rates | Roadside Services & Solutions | 17/12/2015 | 17/12/2017 | | Schedule of rates | |
| Provision of Road Signage and Installation Schedule of Rates - guide posts | Roadside Products Pty Ltd | 17/12/2015 | 17/12/2017 | | Schedule of rates | |
| Grenville Oval Stage 3 - Oval Construction | Turf Care And Hire Pty Ltd | 17/12/2015 | 30/04/2016 | 563 | - | 563 |
| Construction Lorne Drainage Work Package 2015-16 RFQ open 24/12/15 cl | Virgona Earthmoving P/L | 02/03/2016 | 30/04/2016 | 93 | - | 93 |
| Provision of Stationary, Cut Paper, Procurement Australia Contract | Officemax | 01/11/2014 | 31/10/2017 | | Schedule of rates | |
| Playground equipment at Jan Juc Creek Reserve | Adventure Playgrounds P/L | 23/05/2016 | 27/05/2016 | 51 | - | 51 |

| Description | Contractor | Start Date | End Date | Contract Value \$'000 | Variations \$'000 | Contract Total \$'000 |
|--|---------------------------------------|------------|------------|-----------------------|-------------------|-----------------------|
| Horsehoe Bend Rd/Sth Beach Rd Roundabout Design | Heil Consulting | 18/02/2016 | 30/06/2016 | 25 | - | 25 |
| Rip Curl Pro Bells Beach Bump In/Out Audit | Otium Consulting | 18/02/2016 | 30/06/2016 | 24 | - | 24 |
| Mount Moriac - Contaminated Soils removal | Industrial Environmental Services P/L | 24/03/2016 | 30/04/2016 | 22 | - | 22 |
| Bellbrae Hall Extension | Baa de Harbour Australia | 8/02/2016 | 31/05/2016 | 24 | - | 24 |
| Gras tree Park Nature Reserve Masterplan | Michael Smith & Associates | 22/03/2016 | 30/09/2016 | 20 | - | 20 |
| Catering Services - Council Meetings & Briefings | Offshore Café & Catering | 1/04/2016 | 31/03/2017 | 12 | - | 12 |
| Musical Element - Djilla Tjarrri Playground | Hapi Sound Sculptures P/L | 1/04/2016 | 13/05/2016 | 9 | - | 9 |
| Consultancy Services for Strategic Advocacy | Bastion Sngo | 07/03/2016 | 30/05/2016 | 23 | - | 23 |
| Auditor-Anglesea Landfill Stage 3 Rehabilitation Cap Construction and Cell 3 S | Ghd Pty Ltd | 1/05/2016 | 31/12/2016 | 36 | - | 36 |
| GITA Services - Anglesea Landfill Stage 3 Rehab Cap Construction & Cell 3 S | Ghd Pty Ltd | 1/05/2016 | 31/12/2016 | 42 | - | 42 |
| CQA Services - Anglesea Landfill Stage 3 Rehab Cap Construction & Cell 3 S | Ghd Pty Ltd | 1/05/2016 | 31/12/2016 | 49 | - | 49 |
| Anglesea Tennis Court Resurfacing | Kevin Mcnamara & Sons | 29/03/2016 | 27/05/2016 | 181 | - | 181 |
| Torquay North Children Centre Quantity Surveyor | North Projects | 18/04/2016 | 31/12/2016 | 41 | - | 41 |
| Clinical Supervision Maternal and Child Health | Renee Carter | 24/02/2016 | 21/12/2017 | 6 | - | 6 |
| Torquay Town Centre Access & Carparking Strategy | Ttm Consulting | 1/04/2016 | 24/05/2016 | 31 | - | 31 |
| Australian National Surfing Museum - Visitor Sco | Urban Enterprise P/L | 18/04/2016 | 25/05/2016 | 29 | - | 29 |

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.