



# Financial Report - 30 September 2017



# Financial Report - 30 September 2017

## Contents

1. Income Statement .....	3
2. Balance Sheet .....	4
3. Statement of Cash Flows .....	5
Executive Summary	
1. Operating Performance .....	6
2. Capital Works Projects .....	9
3. New Initiatives .....	12
4. Loans and Investments .....	13
5. Rates Outstanding .....	14
6. Grant Activity .....	15
7. Defined Benefit Superannuation Update .....	16

# Financial Report - 30 September 2017

## Income Statement

For the financial year to date 30 September 2017

	YTD Budget	YTD Actuals & Comm	YTD Variance	Variance	Annual Budget
	\$	\$	\$	%	\$
<b>Income</b>					
Rates and municipal charges	53,646,275	53,682,228	35,953	0.07	54,455,775
Waste management charges	8,277,423	8,308,857	31,434	0.38	8,277,423
Government grants-recurrent	1,282,793	1,394,397	111,604	8.70	6,093,723
Government grants-non-recurrent	78,200	293,301	215,101	275.07	5,617,419
User charges	1,666,082	1,755,548	89,466	5.37	11,500,127
Statutory fees and fines	291,029	360,098	69,069	23.73	1,177,817
Reimbursements	-	769	769	100.00	59,286
Interest income	117,000	122,852	5,852	5.00	970,000
Capital contributions	-	-	-	-	1,451,033
Other revenue-recurrent	112,708	126,148	13,440	11.92	463,758
Other revenue-non-recurrent	-	54,835	54,835	100.00	-
Contributions	82,600	270,500	187,900	227.48	345,357
<b>Total income</b>	<b>65,554,110</b>	<b>66,369,533</b>	<b>815,423</b>	<b>1.24</b>	<b>90,411,718</b>
<b>Expenses</b>					
Employee benefits	7,552,794	7,287,716	265,078	3.51	32,732,784
External contracts	5,328,534	5,537,495	(208,961)	(3.92)	14,763,810
Materials and related costs	4,365,599	4,631,542	(265,943)	(6.09)	11,535,735
Other expenditure	5,237,342	5,350,909	(113,567)	(2.17)	10,610,156
Interest expenditure	131,000	131,922	(922)	(0.70)	820,000
Capital works recharge	(65,667)	(63,598)	(2,069)	(3.15)	(440,000)
New initiatives allocation	321,092	449,147	(128,055)	(39.88)	3,001,979
<b>Total expenses</b>	<b>22,870,694</b>	<b>23,325,133</b>	<b>(454,439)</b>	<b>(1.99)</b>	<b>73,024,464</b>
<b>Earnings before Depreciation</b>	<b>42,683,416</b>	<b>43,044,400</b>	<b>360,984</b>	<b>0.85</b>	<b>17,387,254</b>
Depreciation	2,603,750	2,603,750	-	-	10,095,000
<b>Net Surplus</b>	<b>40,079,666</b>	<b>40,440,650</b>	<b>360,984</b>	<b>0.90</b>	<b>7,292,254</b>

# Financial Report - 30 September 2017

## Balance Sheet

For the financial year to date 30 September 2017

	30-Sep-17	30-Jun-17
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash assets	38,396,718	44,209,764
Receivables	64,195,205	8,873,795
Accrued income	19,355	165,567
Prepayments	501	1,605,809
Land held for resale	3,000,000	3,000,000
Inventories	16,666	23,401
GST control	2,696	-
<b>Total current assets</b>	<b>105,631,139</b>	<b>57,878,335</b>
<b>Non-current assets</b>		
Investments in associates	1,561,890	1,561,890
Property, infrastructure, plant & equipment		
At cost	934,893,027	935,187,269
Accumulated depreciation	(204,283,061)	(201,679,311)
Work in progress 16-17	19,737,044	19,737,044
Work in progress 17-18	4,104,082	-
<b>Total non-current assets</b>	<b>756,012,982</b>	<b>754,806,892</b>
<b>TOTAL ASSETS</b>	<b>861,644,121</b>	<b>812,685,228</b>
<b>LIABILITIES</b>		
<b>Current liabilities</b>		
Creditors	6,870,027	2,043,107
Trust funds	1,289,963	1,509,624
Prepaid income	-	26,878
Accrued expenses	521,484	3,340,250
Commitments	7,756,375	-
Provisions	6,201,604	7,025,147
Borrowings	2,026,700	2,202,905
<b>Total current liabilities</b>	<b>24,666,153</b>	<b>16,147,910</b>
<b>Non-current liabilities</b>		
Provisions	9,207,496	9,207,496
Borrowings	11,256,968	11,256,968
<b>Total non-current liabilities</b>	<b>20,464,464</b>	<b>20,464,464</b>
<b>TOTAL LIABILITIES</b>	<b>45,130,617</b>	<b>36,612,374</b>
<b>NET ASSETS</b>	<b>816,513,504</b>	<b>776,072,853</b>
<b>Presented by:</b>		
Accumulated surplus	373,041,092	373,041,091
YTD surplus/(deficit)	40,440,650	-
Asset revaluation reserve	365,669,217	365,669,217
Other reserves	37,362,545	37,362,545
<b>TOTAL EQUITY</b>	<b>816,513,504</b>	<b>776,072,853</b>

# Financial Report - 30 September 2017

## Statement of Cash Flows

For the financial year to date 30 September 2017

	30-Sep-17 YTD	30-Jun-17 *
<b>Inflows from operating activities</b>		
Rates	6,813,192	63,005,000
Statutory fees & fines	360,098	1,506,000
User charges	1,755,548	9,797,000
Grants	1,687,698	14,693,000
Contributions	270,500	2,789,000
Reimbursements	769	152,000
Interest	122,852	1,403,000
Other receipts	180,983	5,452,000
<b>Total inflows from operating activities</b>	<b>11,191,640</b>	<b>98,797,000</b>
<b>Outflows from operating activities</b>		
Payments to suppliers	(6,575,718)	(30,256,000)
Payments to employees	(8,111,258)	(30,849,000)
Borrowing costs	(131,922)	(885,000)
Trust	(219,661)	(239,000)
New initiatives allocation	(449,147)	(794,000)
Other payments	(5,350,909)	(8,401,000)
<b>Total outflows from operating activities</b>	<b>(20,838,615)</b>	<b>(71,424,000)</b>
<b>Movement in operating activities</b>	<b>(9,646,975)</b>	<b>27,373,000</b>
<b>Inflows from investing activities</b>		
Proceeds from sale of assets	-	1,607,000
Proceeds from investments	-	7,000,000
<b>Outflows from investing activities</b>		
Payments for property, infrastructure, P&E	4,010,135	(24,147,000)
Payments for investments	-	(6,300,000)
<b>Movement in investing activities</b>	<b>4,010,135</b>	<b>(21,840,000)</b>
<b>Inflows from financing activities</b>		
Proceeds from borrowings	-	-
<b>Outflows from financing activities</b>		
Repayment of borrowings	(176,206)	(843,000)
<b>Movement in financing activities</b>	<b>(176,206)</b>	<b>(843,000)</b>
<b>TOTAL CASH MOVEMENT FOR PERIOD</b>	<b>(5,813,046)</b>	<b>4,690,000</b>
<b>Opening bank balance</b>	44,209,764	39,520,000
Net increase/(decrease) in cash and cash equivalents	(5,813,046)	4,690,000
<b>CLOSING BANK BALANCE</b>	<b>38,396,718</b>	<b>44,210,000</b>

\*Comparative reflective of annual report which has been rounded to the nearest thousand

# Financial Report - 30 September 2017

## 1. Operating Performance

### a. Operating Revenue year to date

	YTD Budget	YTD Actuals & Comm	YTD Variance	YTD Variance	Traffic Light	Annual Budget
	\$	\$	\$	%		\$
<b>Revenues</b>						
Rates and municipal charges	53,646,275	53,682,228	35,953	0.07	●	54,455,775
Waste management charges	8,277,423	8,308,857	31,434	0.38	●	8,277,423
Government grants-recurrent	1,282,793	1,394,397	111,604	8.70	●	6,093,723
Government grants-non-recurrent	78,200	293,301	215,101	275.07	●	5,617,419
User charges	1,666,082	1,755,548	89,466	5.37	●	11,500,127
Statutory fees and fines	291,029	360,098	69,069	23.73	●	1,177,817
Reimbursements	-	769	769	100.00	●	59,286
Interest income	117,000	122,852	5,852	5.00	●	970,000
Capital contributions	-	-	-	-	●	1,451,033
Other revenue-recurrent	112,708	126,148	13,440	11.92	●	463,758
Other revenue-non-recurrent	-	54,835	54,835	100.00	●	-
Contributions	82,600	270,500	187,900	227.48	●	345,357
<b>Total Operating Revenue</b>	<b>65,554,110</b>	<b>66,369,533</b>	<b>815,423</b>	<b>1.24</b>		<b>90,411,718</b>

● YTD tolerance -5% to 5%    ● YTD tolerance 5 to 10% (+/-)    ● YTD tolerance greater than 10% (+/-)

#### Significant variance commentary (Over \$50,000 or >5%):

##### Recurrent Government Grants \$111,604.

- New funding received from:
  - Department of Health and Human Services \$34,342 for building inclusive communities.
- Additional funding received from:
  - VicRoads \$74,977 for school crossing supervision.

The balance of \$2,285 consists of various minor differences.

##### Non-Recurrent Government Grants \$215,101.

- New funding received from:
  - VicRoads \$95,000 for L2P learner driver mentor program,
  - Strathewen Landcare Group \$52,531 for landcare network facilitator, and
  - Department of Environment, Land, Water and Planning \$50,928 for peri-urban weed management partnership.

The balance of \$16,642 consists of various minor differences.

##### User Charges \$89,466

- Transport and Development supervision fee income due to increased subdivision activity \$57,467.
- Recycling and Recovery Centre recycling fee income is higher than anticipated due to increases in both market prices and customer numbers \$27,079.

The balance of \$4,920 consists of various minor differences.

##### Statutory Fees and Fines \$69,069

- Planning application fee income higher than anticipated due to increase in, and revised application of, State legislated fees \$96,407.
- Parking infringement fee income has decreased following introduction of permit parking in Eltham (\$15,989).
- Reversal of Court ordered Building Services prosecution income recognised in 2016-17 as costs have been paid directly to the Court (\$10,096).

The balance of (\$1,253) consists of various minor differences.

##### Other Income - Non-recurrent \$54,835

- Additional Council election non-voter fine income received from Victorian Electoral Commission \$41,802.

The balance of \$13,033 consists of various minor differences.

##### Contributions \$187,900.

- Higher than anticipated developer contributions received for open space in DPO1 \$70,000 and DPO2 \$117,900 areas within the Shire. These contributions will be transferred to the relevant reserves for future allocation within the appropriate DPO area at the end of the financial year.

# Financial Report - 30 September 2017

## b. Operating Expenditure year to date

	YTD Budget	YTD Actuals & Comm	YTD Variance	YTD Variance	Traffic Light	Annual Budget
	\$	\$	\$	%		\$
<b>Expenditure</b>						
Employee benefits	7,552,794	7,287,716	265,078	3.51	●	32,732,784
External contracts	5,328,534	5,537,495	(208,961)	(3.92)	●	14,763,810
Materials and related costs	4,365,599	4,631,542	(265,943)	(6.09)	●	11,535,735
Other expenditure	5,237,342	5,350,909	(113,567)	(2.17)	●	10,610,156
Interest expenditure	131,000	131,922	(922)	(0.70)	●	820,000
Capital works recharge	(65,667)	(63,598)	(2,069)	(3.15)	●	(440,000)
New initiatives allocation	321,092	449,147	(128,055)	(39.88)	●	3,001,979
<b>Total operating expenditure</b>	<b>22,870,694</b>	<b>23,325,133</b>	<b>(454,439)</b>	<b>(1.99)</b>		<b>73,024,464</b>

● YTD tolerance -5% to 5%    ● YTD tolerance 5 to 10% (+/-)    ● YTD tolerance greater than 10% (+/-)

### Significant variance commentary (Over \$50,000 or >5%):

#### Employee Benefits \$265,078.

- Implementation of the organisational structure review has resulted in a large number of year to date variances in employee costs which will be addressed at the Mid-Year Budget Review.

#### External Contracts (\$208,961).

- Recruitment costs predominantly arising from the revised organisational structure (\$96,332).
- Temporary / agency staff have been engaged to backfill vacant positions in:
  - Land Use Planning (\$51,224),
  - Corporate Affairs (\$41,800),
  - Business and Strategy Management (\$36,960),
  - Ranger Services (\$35,343),
  - Organisational Development (\$24,614), and
  - Road Materials (\$22,058).
- Implementation costs associated with system updates in Finance for accounts payable and payroll (\$40,517).
- Immunisation costs higher than expected due to inclusion of additional meningococcal vaccinations into the secondary school program (\$27,553).
- Yarrambat Park golf course management contract costs higher than budget (\$20,000).
- Operations Centre administration position now being undertaken by a trainee (\$18,212).
- External consultants engaged for development of a strategic planning framework (\$18,080), provision of strategic assessments in Leisure Facilities (\$15,500) and for VicTrack land audit project (\$14,545).
- Issue of green waste vouchers has resulted in greater volumes of organic material being received at the Recycling and Recovery Centre and consequently to increased disposal costs (\$12,380).
- Home and Community Care (HACC) service invoicing has been delayed whilst new service provider works to meet reporting and invoicing requirements \$299,957.

The remaining balance of (\$33,800) consists of minor timing variances.

# Financial Report - 30 September 2017

## b. Operating Expenditure year to date

### Significant variance commentary (continued):

#### Materials & Related Costs (\$265,943).

- Linemarking works in accordance with the road management plan exceeds adopted budget (\$52,206).
- Arboriculture maintenance contractors engaged to reduce large backlog in line with Council plan (\$49,459).
- Operational requirements have necessitated Network / Desktop server and security equipment purchases (\$35,566).
- Corporate Systems software maintenance costs are higher than anticipated (\$29,393).
- GIS software maintenance commitments have been raised earlier than budget profiling (\$20,825).
- Victorian Local Governance Association 2017-18 membership now cancelled and awaiting refund (\$19,312).
- Building Maintenance water (public) exceeds budget due to receipt of adjusted bill from Yarra Valley Water for previously estimated water usage at Eltham Town Square (\$18,833).
- Fleet hire recovery has reduced in line with reduction in private use motor vehicle fleet (\$17,891).
- Additional Engineering Construction major patching has been required due to wet weather (\$13,522).
- Information Services software licence fees incurred (\$12,784).
- Unbudgeted legal fees have been incurred in Services and Planning Management (\$11,488).
- Lower than expected diesel expenditure attributable to the continued low price of diesel fuel \$59,288.
- Timing difference between budget profile and receipt of supplier invoices for street lighting \$56,944.

The remaining balance of (\$100,896) consists of a number of minor timing variances (122 accounts had either favourable or unfavourable variances between \$1,000 and \$10,000).

#### Other Expenditure (\$113,567).

- Higher than anticipated domestic garbage volumes have resulted in correspondingly higher tipping fee expenditure (\$65,435).
- Nillumbik Tourism Association grants for Open Artists Studios and Open Cellars paid earlier than anticipated (\$30,000).
- Diamond Creek Business Development emergency funding provided for marketing and promotional activities (\$20,000).

The remaining balance of \$1,868 consists of various minor variances.

#### New Initiatives Allocation (\$128,055).


Refer to New Initiatives table on page 12.



# Financial Report - 30 September 2017

## Statement of Capital Works

For the financial year to date 30 September 2017

Asset Class	YTD Budget	YTD Actuals & Comm	YTD Variance	Variance	Traffic Light	Annual Budget
	\$	\$	\$	%		\$
Bridges	121,000	189,583	(68,583)	(56.68)		1,115,234
Children's playground equipment	25,450	1,145	24,305	95.50		219,000
Commercial centres/major streetscapes	8,480	15,591	(7,111)	(83.86)		221,059
Disability access works	3,050	4,547	(1,497)	(49.07)		120,000
Drainage	346,755	365,353	(18,598)	(5.36)		751,509
Footpaths	167,500	278,382	(110,882)	(66.20)		790,000
Landfill closure/regional park	1,767,865	1,773,857	(5,992)	(0.34)		2,663,028
Major leisure centres & community halls	12,592,412	13,485,624	(893,212)	(7.09)		14,061,568
Other	25,000	99,245	(74,245)	(296.98)		410,377
Other council buildings	420,259	660,987	(240,728)	(57.28)		3,106,086
Plant & vehicle replacement	470,000	527,112	(57,112)	(12.15)		1,871,155
Public open space	195,678	200,870	(5,192)	(2.65)		4,446,460
Recreation trails	50,000	59,641	(9,641)	(19.28)		3,172,137
Roads	547,000	774,677	(227,677)	(41.62)		3,100,329
Sportsfields & pavilions	528,340	557,714	(29,374)	(5.56)		6,863,425
Traffic works	193,000	216,658	(23,658)	(12.26)		1,062,020
<b>Total</b>	<b>17,461,789</b>	<b>19,210,985</b>	<b>(1,749,196)</b>	<b>(10.02)</b>		<b>43,973,387</b>
Renewal	995,085	1,317,893	(322,808)	(32.44)		7,127,393
New	137,616	241,157	(103,541)	(75.24)		4,251,134
Upgrade	15,923,088	17,005,235	(1,082,147)	(6.80)		23,760,856
Expansion	406,000	646,700	(240,700)	(59.29)		8,834,004
<b>Total</b>	<b>17,461,789</b>	<b>19,210,985</b>	<b>(1,749,196)</b>	<b>(10.02)</b>		<b>43,973,387</b>

### Significant Variance Commentary (Over \$50,000):

#### Bridges (\$68,583)

- Bridge Rehabilitation (\$53,750) - Additional rehabilitation and guardrail works have been required, to be funded from the Department of Infrastructure and Regional Development's Roads To Recovery program.

#### Footpaths (\$110,882)

- Footpath Construction Program (\$92,512) - Favourable weather conditions and contractor availability have allowed works to be programmed earlier than expected.

#### Major leisure centres & community halls (\$893,212)

- Eltham Leisure Centre Aquatic Redevelopment (\$855,002) - Approved variation as per Council report OCM.084/17 at Ordinary Council Meeting on 1 August 2017.

#### Other (\$74,245)

- Emergency Repairs (\$44,810) - Additional reinstatement works have been required after light poles at Challenger Street Tennis Club were found to be unsafe.
- Fire Fighting Water Storage Tanks (\$26,740) - Water storage tank constructed in Olives Lane, St Andrews, as well as fire access track works being undertaken at Temple Ridge, for which additional funding is to be received from the Country Fire Authority

#### Other Council Buildings (\$240,728)

- Other Council Buildings Upgrade (\$66,630) - Urgent septic system upgrade required at St Andrews Hall and earlier than anticipated internal alteration works at the Civic Centre.
- Other Council Buildings Renewal (\$53,619) - Replacement of decking at Eltham Bowling Club undertaken earlier than scheduled.
- Eltham Community Reception Centre Upgrade (\$99,367) - Significant costs and project delays resulted following discovery of termite and water damage to the existing building. In addition, the project scope was amended to include full replacement of carpet throughout the building and additional landscaping works to enable better utilisation of the centre.

# Financial Report - 30 September 2017

## Capital Works

### Significant Variance Commentary (continued):

#### Plant and Vehicle Replacement (\$57,112)

- Vehicle Replacement (\$57,989) - Purchase of vehicles has occurred ahead of schedule however, with the reduction in total vehicle numbers, annual expenditure is expected to be below budget.

#### Roads (\$227,677)

- Pavement Maintenance Shire Wide (\$59,164) - Works have been delayed due to contractor availability.
- Civic Drive Precinct Infrastructure Works (\$162,015) - Additional works due to poor soil conditions and service relocations.

# Financial Report - 30 September 2017

Eltham Leisure Centre Redevelopment - Total project cost to date  
For the period 2015 - 2018

	Project To Date Actuals	YTD Commitments	Project to Date Actuals & Comm	Total Project Budget	Unspent Budget*
	\$	\$	\$	\$	\$
<b>Expenditure</b>	9,179,095	11,097,158	20,276,253	20,388,750	112,497

\* There is currently an under spend in budget given the project is not yet complete.

## Project Variance Commentary:

The awarded contract includes an amount set aside for unforeseen costs, referred to as a construction contingency. Unforeseen costs are typically high at the commencement of the project due to site conditions identified after demolition of existing structures.

At this stage \$697,231 has been approved as a variation, which is largely attributable to:

- Additional asbestos removal;
- Diversion of the sewer main;
- Electrical submain diversion;
- Termite damage to the columns at the interface with the existing building; and
- Updated civil and stormwater plans to match existing conditions.

# Financial Report - 30 September 2017

## 3. New Initiatives Expenditure

Department Unit	YTD Budget	YTD Actuals & Comm	YTD Variance	YTD Variance	Traffic Light	Annual Budget
	\$	\$	\$	%		\$
<b>Business and Strategy</b>						
Business, Tourism and Marketing	8,815	61,383	(52,568)	(596.35)	●	361,252
Connected Communities	-	27,557	(27,557)	(100.00)	●	80,000
Integrated Strategy	49,700	71,112	(21,412)	(43.08)	●	506,000
	<b>58,515</b>	<b>160,052</b>	<b>(101,537)</b>			<b>947,252</b>
<b>Services and Planning</b>						
Business Support	-	-	-	-	●	10,000
Community Programs	-	-	-	-	●	40,000
Community Safety	14,814	14,814	-	-	●	25,000
	<b>14,814</b>	<b>14,814</b>	<b>-</b>			<b>75,000</b>
<b>Sustainability and Place</b>						
Assets and Property	-	-	-	-	●	115,360
Environment	134,005	152,781	(18,776)	(14.01)	●	1,085,230
Infrastructure	-	8,528	(8,528)	(100.00)	●	-
	<b>134,005</b>	<b>161,310</b>	<b>(27,305)</b>			<b>1,200,590</b>
<b>Corporate</b>						
Chief Executive Officer	-	3,125	(3,125)	(100.00)	●	345,000
Governance	111,508	109,846	1,662	1.49	●	297,137
People, Culture and Innovation	2,250	-	2,250	100.00	●	137,000
	<b>113,758</b>	<b>112,971</b>	<b>787</b>			<b>779,137</b>
<b>Total</b>	<b>321,092</b>	<b>449,147</b>	<b>(128,055)</b>	<b>(39.88)</b>		<b>3,001,979</b>

● YTD tolerance -5% to 5%    ● YTD tolerance 5 to 10% (+/-)    ● YTD tolerance greater than 10% (+/-)

### Year to date variances greater than \$20,000 by department and unit:

#### Business, Tourism and Marketing (\$52,568).

- Unbudgeted Eltham Community Reception Centre opening event costs (\$24,568).  
The remaining balance of (\$28,000) consists of several minor timing variances

#### Connected Communities (\$27,557).

- L2P learner driver mentor program expenditure is offset by new grant funding received from VicRoads (\$27,338).

#### Integrated Strategy (\$21,412).

- Following adoption by Council of the Lifetime Play Strategy Planning Framework (Ordinary Council Meeting 27 June 2017 OCM.068/17) an audit of playspaces has been undertaken to enable development of an implementation plan (\$21,000).

# Financial Report - 30 September 2017

## 4. Loans and Investments

### a. Loans

Financial Institution	Start date	Term (years)	End date	Principal	Interest Rate	Current Balance
				\$	%	\$
NAB	27/06/2008	10	27/06/2018	920,000	8.04	93,717
CBA	30/06/2015	3	30/09/2018	1,480,000	2.42	1,480,000
NAB	25/06/2010	10	25/06/2020	923,000	7.79	735,197
LGFV	27/06/2014	7	12/11/2021	2,392,000	4.65	2,392,000
ANZ	29/06/2012	10	29/06/2022	1,000,000	5.52	543,334
CBA	28/06/2013	10	28/06/2023	400,000	5.86	257,885
NAB	28/06/2007	20	28/06/2027	2,200,000	6.96	1,411,809
NAB	27/06/2008	20	27/06/2028	3,647,000	7.87	2,613,047
NAB	10/06/2011	20	10/06/2031	2,120,000	7.91	1,767,775
ANZ	29/06/2012	20	29/06/2032	2,373,000	5.88	1,988,903
<b>Total</b>						<b>13,283,667</b>

### b. Investment activities

Council carries out investment activities according to Section 143 of the Victorian Local Government Act 1989.

All Council funds are invested with Authorised Deposit Taking Institutions (ADI's), in either cash, at call or term deposits.

The following tables provide our investment portfolio by maturity and rating type.

Financial Institution	Green Investment	S & P Rating	Investment Type	Principal \$	Maturity Date	Term (days)	Interest Rate %
ANZ *		A1+	11:00am	190	N/A	N/A	
BankWest		A1+	11:00am	3,519,809	N/A	N/A	1.60
BankWest		A1+	Term Deposit	3,500,000	9/10/2017	62	2.25
IMB	Yes	A2	Term Deposit	2,500,000	13/10/2017	29	1.75
Suncorp	Yes	A1	Term Deposit	3,500,000	31/10/2017	92	2.35
BankWest		A1+	Term Deposit	1,200,000	6/11/2017	62	2.25
NAB		A1+	Term Deposit	2,500,000	7/11/2017	90	2.44
ME Bank	Yes	A2	Term Deposit	3,500,000	27/11/2017	91	2.50
ME Bank	Yes	A2	Term Deposit	2,000,000	4/12/2017	91	2.50
Suncorp	Yes	A1	Term Deposit	5,300,000	26/02/2018	245	2.60
Bendigo/Adelaide	Yes	A2	Term Deposit	1,000,000	20/04/2018	365	2.60
<b>Total</b>				<b>28,519,999</b>	<b>Weighted average</b>		<b>2.28</b>

\* Nominal amount held with ANZ to enable future investments if required.

Financial Institution Rating	Investment \$	Portfolio %
A1+	10,719,999	37.59%
A1	8,800,000	30.86%
A2	9,000,000	31.56%
A3		
<b>Total</b>	<b>28,519,999</b>	<b>100%</b>

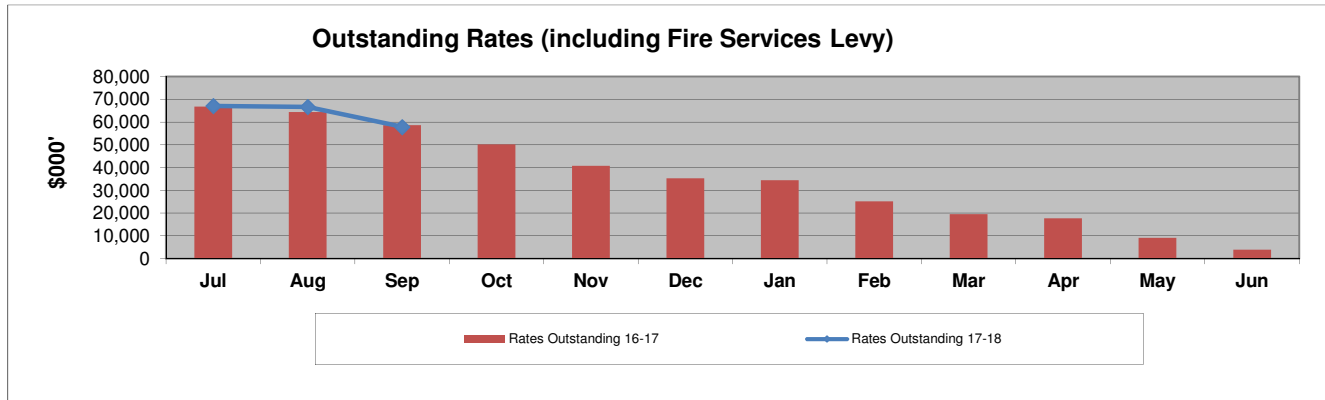
Council's current average rate of return on investments for the 2017-18 financial year is 2.28 percent and is compliant with Council's Investment policy.

The portion of investment portfolio currently invested with green institutions is 62.41 percent.

# Financial Report - 30 September 2017

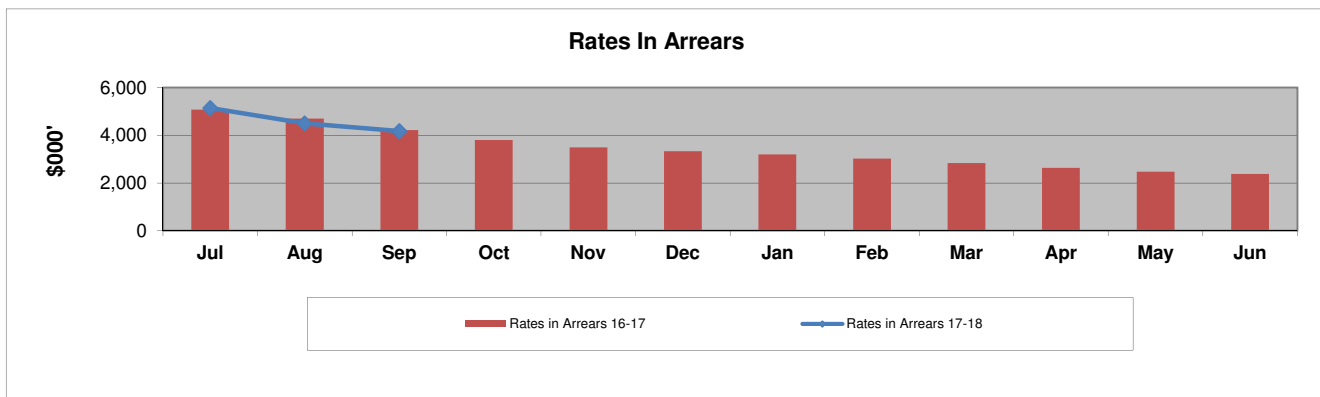
## 5. Rates outstanding

	YTD Actual 30-Sep-16 \$000'	YTD Actual 30-Sep-17 \$000'	Variance \$000'	Variance %
Rates Outstanding	58,565	57,847	718	1.23
Rates in Arrears (prior years)	4,216	4,183	33	0.78



As at 30 September 2017 the year to date actual Fire Service Levy charges outstanding are \$4,675,474; the outstanding rates balance is \$53,171,899.

When Council adopts the budget, rates are levied on ratepayers and the full amount due is treated as income at that point.



## Supplementary Valuations

Between the two-year revaluation cycle, supplementary valuations are conducted to:

- record changes made to properties that affect property value,
- record changes to the rateability status, and
- consider any planning amendments made within the cycle.

Growth in the number of rateable assessments predominantly occurs as a result of developments within the Shire, creating assessments through subdivision of land and/or buildings.

Rateable properties at 1 July 2017	23,297
2017-18 growth	29
Rateable properties at 30 September 2017	<u>23,326</u>

# Financial Report - 30 September 2017

## 6. Grant Activity

The following table provides a summary of grant funding received greater than \$50,000 for Council activities during the period 1 July 2017 to 30 September 2017.

Project Description	2017-18 Actuals YTD \$	Funding Body
<b>Recurrent</b>		
Living & Learning Vocational Education & Training	153,221	Department of Education and Training
Maternal & Child Health Universal Funding	74,486	Department of Education and Training
Grants Commission - General	225,179	Department of Environment, Land, Water and Planning
Grants Commission - Roads	140,446	Department of Environment, Land, Water and Planning
Home & Community Care - Domestic Assistance	92,724	Department of Health (Cwlth)
Home & Community Care - Respite	60,330	Department of Health (Cwlth)
Home & Community Care - Personal Care	68,705	Department of Health (Cwlth)
Aged Care Assessment service funding	59,096	Department of Health and Human Services (Vic)
School Crossing Supervision	225,977	VicRoads
<b>Total Recurrent</b>	<b>1,100,164</b>	
<b>Non-Recurrent</b>		
<b>New Initiatives</b>		
Peri-Urban Weed Management Partnership	50,928	Department of Environment, Land, Water and Planning
Landcare Network Facilitor	52,531	Strathewen Landcare Group
Learner Driver Mentor Program	95,000	VicRoads
<b>Capital Works</b>		
Roads To Recovery - Rural Road Construction	50,000	Department of Infrastructure and Regional Development
<b>Total Non-Recurrent</b>	<b>248,459</b>	

# Financial Report - 30 September 2017

## 7. Defined Benefit Superannuation Update

Council has an obligation to contribute to any funding shortfalls within the Local Authorities Superannuation Fund (LASF) Defined Benefit Plan.

The Australian Prudential Regulation Authority (APRA) standard SPS160 uses the Vested Benefits Index (VBI) as its primary measure of fund solvency. The VBI measures the market value of assets in a defined benefit portfolio against the benefits that members would have been entitled to if they had all resigned on the same day.

The independent Actuary to the fund calculates the VBI at 30 June each year. It is necessary for the VBI to be 100% or greater at 30 June each year.

Vision Super produces interim quarterly VBI estimates based on actual quarterly assets and membership.

The recent history of the LASF VBI is shown below:

### Estimated Vested Benefit Index

Year	30 Sept	31 Dec	31 Mar	30 Jun
	(estimated)	(estimated)	(estimated)	(actual)
	%	%	%	%
2017/18	**	-	-	-
2016/17	103.70	105.40	106.60	103.10
2015/16	104.00	104.40	102.40	102.00
2014/15	102.60	103.10	108.50	105.80

\*\* The 30 September 2017 estimated figure is not yet available from Vision Super.

To enable Council to monitor this risk, reliance is placed on the actuarial reviews conducted on the fund on a periodic basis.