



Financial Report - 31 March 2019



Financial Report - 31 March 2019

Contents

Financial Statements

1. Income Statement	3
2. Balance Sheet	4
3. Statement of Cash Flows	5

Detailed Analysis

1. Income Statement Variance Analysis	6
2. Statement of Capital Works	9
3. Financial Year Projects	10
4. Treasury	11
5. Rates Analysis	12
6. Grant Activity	13
7. Defined Benefit Superannuation Update	14

Financial Report - 31 March 2019

Income Statement

For the financial year to date 31 March 2019

	YTD Budget	YTD Actuals & Comm	YTD Variance Fav / (Unfav)		Annual Budget (MYBR)	YTD Actuals & Comm
	\$	\$	\$	%	\$	\$
Income						
Rates	55,591,269	55,607,984	16,715	0.03	55,981,975	55,607,984
Waste management charge	8,385,889	8,398,455	12,566	0.15	8,385,889	8,398,455
Government grants-recurrent	3,402,203	3,461,996	59,793	1.76	4,935,329	3,461,996
Government grants-non-recurrent	5,317,594	10,793,371	5,475,777	102.97	11,188,047	10,793,371
User charges	5,170,632	5,230,757	60,125	1.16	12,159,961	5,230,757
Statutory fees and fines	926,340	877,129	(49,211)	(5.31)	1,233,718	877,129
Reimbursements	83,725	123,895	40,170	47.98	84,225	123,895
Interest income	954,891	971,971	17,080	1.79	1,358,800	971,971
Capital contributions	426,040	315,057	(110,983)	(26.05)	1,976,211	315,057
Other revenue-recurrent	576,056	696,600	120,544	20.93	653,647	696,600
Other revenue-non-recurrent	2,000	27,691	25,691	1,284.55	2,000	27,691
Contributions	103,385	515,286	411,901	398.41	326,485	515,286
Total income	80,940,024	87,020,192	6,080,168	7.51	98,286,287	87,020,192
Expenses						
Employee benefits	25,123,218	24,768,511	354,707	1.41	34,880,022	24,768,511
External contracts	10,550,845	11,100,828	(549,983)	(5.21)	17,375,438	11,100,828
Materials and related costs	10,348,756	10,508,921	(160,165)	(1.55)	13,936,159	10,508,921
Other expenditure	8,079,740	7,886,418	193,322	2.39	10,702,935	7,886,418
Interest expenditure	502,283	504,209	(1,926)	(0.38)	764,487	504,209
Financial year projects allocation	1,503,737	1,510,743	(7,006)	(0.47)	2,513,148	1,510,743
Total expenses	56,108,579	56,279,630	(171,051)	(0.30)	80,172,189	56,279,630
Earnings before Depreciation	24,831,445	30,740,562	5,909,117	23.80	18,114,098	30,740,562
Depreciation	8,336,250	8,336,250	-	-	11,015,000	8,336,250
Net Surplus	16,495,195	22,404,312	5,909,117	35.82	7,099,098	22,404,312

Financial Report - 31 March 2019

Balance Sheet

For the financial year to date 31 March 2019

	31-Mar-19	30-Jun-18
	\$	\$
ASSETS		
Current assets		
Cash assets	49,280,619	47,669,083
Receivables	25,250,540	8,580,365
Accrued income	73,943	2,677,361
Prepayments	106,025	1,700,305
Land held for resale	5,157,900	5,157,900
Inventories	15,218	22,459
Total current assets	79,884,245	65,807,473
Non-current assets		
Investments in associates	1,601,509	1,601,509
Property, infrastructure, plant & equipment		
At cost	1,118,041,830	1,119,893,375
Accumulated depreciation	(230,444,262)	(222,108,012)
Work in progress	41,665,735	24,066,484
Total non-current assets	930,864,812	923,453,355
TOTAL ASSETS	1,010,749,057	989,260,828
LIABILITIES		
Current liabilities		
Creditors	2,642,772	2,663,967
Trust funds	1,773,201	1,649,272
Prepaid income	-	64,670
Accrued expenses	569,274	6,039,974
Commitments	5,220,979	-
Provisions	6,576,614	6,803,683
Borrowings	1,643,250	2,120,607
Total current liabilities	18,426,090	19,342,174
Non-current liabilities		
Provisions	7,707,355	7,707,355
Borrowings	10,614,896	10,614,896
Total non-current liabilities	18,322,251	18,322,251
TOTAL LIABILITIES	36,748,342	37,664,426
NET ASSETS	974,000,715	951,596,403
Presented by:		
Accumulated surplus	388,336,936	371,785,413
YTD surplus/(deficit)	22,404,312	16,551,522
Asset revaluation reserve	524,632,149	524,632,149
Other reserves	38,627,318	38,627,318
TOTAL EQUITY	974,000,715	951,596,403

Financial Report - 31 March 2019

Statement of Cash Flows

For the financial year to date 31 March 2019

	31-Mar-19 YTD	30-Jun-18 *
Inflows from operating activities		
Rates	49,939,682	63,583,000
Statutory fees & fines	877,129	1,558,000
User charges	5,230,757	6,722,000
Grants	14,255,367	11,852,000
Contributions	830,343	2,861,000
Reimbursements	123,895	778,000
Interest	971,971	955,000
Other receipts	724,291	5,280,000
Total inflows from operating activities	72,953,435	93,589,000
Outflows from operating activities		
Payments to suppliers	(24,341,119)	(31,314,000)
Payments to employees	(24,995,580)	(32,406,000)
Borrowing costs	(504,209)	(812,000)
Trust	-	(12,000)
Other payments	(5,275,929)	(7,048,000)
Total outflows from operating activities	(55,116,837)	(71,592,000)
Movement in operating activities	17,836,598	21,997,000
Inflows from investing activities		
Proceeds from sale of assets	-	5,472,000
Proceeds from investments	-	5,300,000
Outflows from investing activities		
Payments for property, infrastructure, P&E	(15,747,708)	(22,285,000)
Payments for investments	-	(1,000,000)
Movement in investing activities	(15,747,708)	(12,513,000)
Outflows from financing activities		
Repayment of borrowings	(477,357)	(724,000)
Movement in financing activities	(477,357)	(724,000)
TOTAL CASH MOVEMENT FOR PERIOD	1,611,533	8,760,000
Opening bank balance	47,669,086	38,910,000
Net increase/(decrease) in cash and cash equivalents	1,611,533	8,760,000
CLOSING BANK BALANCE	49,280,619	47,670,000

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

Financial Report - 31 March 2019

1. Income Statement Variance Analysis

a. Operating Income year to date

	YTD Budget	YTD Actuals & Comm	YTD Variance Fav / (Unfav)		Annual Budget (MYBR)	YTD Actuals & Comm
	\$	\$	\$	%	\$	\$
Income						
Rates	55,591,269	55,607,984	16,715	0.03	55,981,975	55,607,984
Waste management charge	8,385,889	8,398,455	12,566	0.15	8,385,889	8,398,455
Government grants-recurrent	3,402,203	3,461,996	59,793	1.76	4,935,329	3,461,996
Government grants-non-recurrent	5,317,594	10,793,371	5,475,777	102.97	11,188,047	10,793,371
User charges	5,170,632	5,230,757	60,125	1.16	12,159,961	5,230,757
Statutory fees and fines	926,340	877,129	(49,211)	(5.31)	1,233,718	877,129
Reimbursements	83,725	123,895	40,170	47.98	84,225	123,895
Interest income	954,891	971,971	17,080	1.79	1,358,800	971,971
Capital contributions	426,040	315,057	(110,983)	(26.05)	1,976,211	315,057
Other revenue-recurrent	576,056	696,600	120,544	20.93	653,647	696,600
Other revenue-non-recurrent	2,000	27,691	25,691	1,284.55	2,000	27,691
Contributions	103,385	515,286	411,901	398.41	326,485	515,286
Total Operating Income	80,940,024	87,020,192	6,080,168	7.51	98,286,287	87,020,192

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

Recurrent Government Grants \$59,793.

- New funding received from:
 - Foundation for Rural and Regional Renewal for 'Tech, Tea and Tales' program \$20,000.
- Additional funding received from:
 - Department of Health and Human Services for community transport \$27,415.
 - Department of Education and Training for Eltham playhouse \$18,234.

The balance of (\$5,856) consists of various minor differences.

Non-Recurrent Government Grants \$5,475,777.

- New funding received from:
 - Department of Environment, Land, Water and Planning for:
 - Diamond Creek regional playspace \$2,500,000
 - Greensborough hockey pavilion \$2,000,000
 - Eltham Lower Park back oval lights \$148,500
 - Department of Health and Human Services for:
 - Eltham tennis resurface and lights \$162,000.
 - Hurstbridge football/cricket change rooms upgrade \$135,000.
 - Eltham rugby terracing \$54,000
 - Department of Premier and Cabinet for Diamond Creek trail upgrade between Marngrook Oval and Alendale Road \$163,636
 - Australian Sports Commission for Yarrambat War Memorial Park lighting \$136,000.
 - Transport Accident Commission for local links footpaths \$70,000.

The balance of \$106,641 consists of various minor differences.

User Charges \$60,125.

- Increased subdivision activity has resulted in higher than anticipated supervision fee income \$46,294.

The balance of \$13,831 consists of various minor differences.

Statutory Fees and Fines (\$49,211).

- Parking infringement income has been lower than anticipated (\$44,209).

The balance of (\$5,002) consists of various minor differences.

Financial Report - 31 March 2019

a. Operating Income year to date

Significant variance commentary (continued):

Reimbursements \$40,170.

- Reimbursement received from Department of Treasury to compensate for the transition of centralisation of valuation services \$40,856.

The balance of (\$686) consists of various minor differences.

Capital Contributions (\$110,983).

- Contributions for upgrade works at Research Park pavilion not yet received (\$145,000).
- Contributions received from Lions Club of Diamond Valley for static fitness equipment at the Diamond Creek regional playspace \$31,750.

The balance of \$2,267 consists of various minor differences.

Other Revenue - Recurrent \$120,544.

- Workcover salary refunds received from Worksafe (offset by WorkCover salary expense) \$129,903.

The balance of (\$9,359) consists of various minor differences.

Other Revenue - Non-Recurrent \$25,691.

- Contributions received for Open Farm Day event \$10,000.
- Proceeds from sale of Strathewen 2009 bushfire temporary accommodation \$10,909.

The balance of \$4,782 consists of various minor differences.

Contributions \$411,901.

- Higher than anticipated developer contributions received for Open Space \$406,900.

The balance of \$5,001 consists of various minor differences.

Financial Report - 31 March 2019

b. Operating Expenditure year to date

	YTD Budget	YTD Actuals & Comm	YTD Variance Fav / (Unfav)		Annual Budget (MYBR)	YTD Actuals & Comm
	\$	\$	\$	%	\$	\$
Expenditure						
Employee benefits	25,123,218	24,768,511	354,707	1.41	34,880,022	24,768,511
External contracts	10,550,845	11,100,828	(549,983)	(5.21)	17,375,438	11,100,828
Materials and related costs	10,348,756	10,508,921	(160,165)	(1.55)	13,936,159	10,508,921
Other expenditure	8,079,740	7,886,418	193,322	2.39	10,702,935	7,886,418
Interest expenditure	502,283	504,209	(1,926)	(0.38)	764,487	504,209
Financial year projects allocation	1,503,737	1,510,743	(7,006)	(0.47)	2,513,148	1,510,743
Total operating expenditure	56,108,579	56,279,630	(171,051)	(0.30)	80,172,189	56,279,630

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

Employee Benefits \$354,707.

- There have been a number of positions across the organisation where there has been a delay in recruitment.

External Contracts (\$549,983).

- Temporary / agency staff have been engaged to backfill vacant positions (\$407,612).
- Consultants engaged for provision of specialised services across the organisation (\$290,606). This includes, but is not limited to, facility and strategic reviews, and customer requested tree inspections.
- Waste audit undertaken earlier than anticipated in order to identify and address contamination issues (\$33,020).
- Demand for Home and Community Care (HACC) services has reduced as clients transition to the National Disability Insurance Scheme (NDIS) \$198,421.

The remaining balance of (\$17,166) consists of several minor variances.

Materials & Related Costs (\$160,165).

- Contractors engaged for a large number of unplanned building maintenance works at council facilities across the shire (\$100,887).
- Following community consultation, significant unbudgeted works were undertaken to prepare sites for Black Saturday memorial events (\$72,992).

The remaining balance of \$13,714 consists of a number of minor timing variances.

Other Expenditure \$193,322.

- Tipping fees and landfill disposal invoices received slightly later than anticipated \$97,327.

The remaining balance of \$95,995 consists of a large number of minor variances.

Financial Report - 31 March 2019

2. Statement of Capital Works

For the financial year to date 31 March 2019

Asset Class	YTD	YTD	YTD		Annual Budget (MYBR)	YTD Actuals & Comm
	Budget	Actuals & Comm	Variance Fav / (Unfav)	%		
	\$	\$	\$	%	\$	\$
Bridges	35,000	52,025	(17,025)	(48.64)	100,000	52,025
Children's playground equipment	1,699,363	1,705,428	(6,065)	(0.36)	1,699,363	1,705,428
Commercial centres/major streetscapes	97,104	101,800	(4,696)	(4.84)	128,045	101,800
Council Office & Equipment	-	-	-	-	-	-
Disability access works	119,551	103,076	16,475	13.78	186,071	103,076
Drainage	653,485	622,621	30,864	4.72	798,449	622,621
Footpaths	502,000	495,697	6,303	1.26	703,819	495,697
Landfill closure/regional park	1,338,358	1,356,528	(18,170)	(1.36)	3,231,110	1,356,528
Major leisure centres & community halls	5,001,008	5,272,684	(271,676)	(5.43)	7,354,162	5,272,684
Other council buildings	1,274,630	1,172,560	102,070	8.01	2,149,075	1,172,560
Plant & vehicle replacement	348,868	303,782	45,086	12.92	1,343,689	303,782
Public open space	1,580,678	1,592,162	(11,484)	(0.73)	2,418,494	1,592,162
Recreation trails	936,000	927,307	8,693	0.93	4,508,731	927,307
Roads	1,867,205	1,830,015	37,190	1.99	4,633,219	1,830,015
Special charge schemes	323,669	7,804	315,865	97.59	361,750	7,804
Sportsfields & pavilions	13,260,464	13,310,814	(50,350)	(0.38)	16,455,804	13,310,814
Traffic works	929,953	1,010,073	(80,120)	(8.62)	2,291,245	1,010,073
Various/miscellaneous capital	61,321	51,172	10,149	16.55	329,461	51,172
Total	30,028,657	29,915,547	113,110	0.38	48,692,487	29,915,547
Renewal	3,686,380	3,401,115	285,265	7.74	6,081,329	3,401,115
New	3,633,422	3,536,967	96,455	2.65	7,684,648	3,536,967
Upgrade	16,343,380	16,274,101	69,279	0.42	25,067,923	16,274,101
Expansion	6,365,475	6,703,363	(337,888)	(5.31)	9,858,587	6,703,363
Total	30,028,657	29,915,547	113,110	0.38	48,692,487	29,915,547

Commentary:

At the end of March, the capital expenditure total spend is tracking close to budget with a 0.38 percent variance. The overall financial position of the capital works portfolio spend will continue to be closely monitored.

Financial Report - 31 March 2019

3. Financial Year Projects

Department Unit	YTD Budget	YTD Actuals & Comm	YTD Variance Fav / (Unfav)		Annual Budget (MBYR)	YTD Actuals & Comm
	\$	\$	\$	%	\$	\$
Operations and Infrastructure						
Assets and Property	54,317	27,935	26,382	48.57	242,814	27,935
Environment	215,645	263,634	(47,989)	(22.25)	461,762	263,634
Recreation and Leisure	63,841	42,181	21,660	33.93	78,341	42,181
	333,803	333,750	53		782,917	333,750
Community and Planning						
Community Services	119,371	109,299	10,072	9.13	212,650	109,299
Strategic Planning	509,918	473,551	36,367	7.13	704,761	473,551
	629,289	582,850	46,439		917,411	582,850
Corporate						
Finance	-	-	-	-	26,698	-
Human Resources	62,500	54,709	7,791	12.47	79,000	54,709
	62,500	54,709	7,791		105,698	54,709
Governance and Legal						
Governance and Legal	110,278	136,364	(26,086)	(100.00)	162,916	136,364
	110,278	136,364	(26,086)		162,916	136,364
Economic Development and Tourism						
Economic Development and Tourism	367,867	403,071	(35,204)	(9.57)	544,206	403,071
	367,867	403,071	(35,204)		544,206	403,071
Total	1,503,737	1,510,743	(7,006)	(0.47)	2,513,148	1,510,743

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

Assets and Property

- Corporate asset register pre-procurement work initially planned to be conducted by consultants is now being completed internally \$20,000.

Environment

- Peri-urban weed management partnership program expenditure, offset by additional grant funding received from Department of Environment, Land, Water and Planning (\$36,682).

Strategic Planning

- Delay in the engagement of consultants for the Housing Strategy. Work is now expected to commence in April \$21,200.

Governance and Legal

- Emergency Management Officer expenditure incurred will be offset by grant funding to be received from Manningham City Council (\$41,092).

Economic Development and Tourism

- Community bushfire commemoration events expenditure incurred in February, will be offset by grant funding by Department of Environment, Land, Water and Planning (\$30,667).

Financial Report - 31 March 2019

4. Treasury

a. Loans

Financial Institution	Start date	Term (years)	End date	Principal	Interest Rate	Current Balance
				\$	%	\$
NAB	25/06/2010	10	25/06/2020	923,000	7.79	681,063
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	386,675
CBA	30/06/2015	2	30/09/2022	1,480,000	2.65	1,480,000
CBA	28/06/2013	10	28/06/2023	400,000	5.86	198,630
NAB	28/06/2007	20	28/06/2027	2,200,000	6.96	1,248,941
NAB	27/06/2008	20	27/06/2028	3,647,000	7.87	2,362,405
NAB	10/06/2011	20	10/06/2031	2,120,000	7.91	1,653,336
ANZ	29/06/2012	20	29/06/2032	2,373,000	5.88	1,855,098
Total						12,258,148

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	At Call	At Call	
BankWest		A1+	11:00am	4,812,954	At Call	31	1.60
Suncorp	Yes	A1	Term Deposit	2,574,000	8/04/2019	90	2.60
Suncorp	Yes	A1	Term Deposit	1,000,000	27/05/2019	91	2.55
Suncorp	Yes	A1	Term Deposit	5,300,000	27/05/2019	91	2.55
Suncorp	Yes	A1	Term Deposit	1,500,000	28/05/2019	90	2.55
NAB		A1+	Term Deposit	5,000,000	3/04/2019	90	2.68
NAB		A1+	Term Deposit	5,609,000	8/04/2019	90	2.68
BankWest		A1+	Term Deposit	2,500,000	3/05/2019	60	2.50
BankWest		A1+	Term Deposit	4,000,000	3/05/2019	60	2.50
NAB		A1+	Term Deposit	1,500,000	19/06/2019	90	2.46
ME Bank	Yes	A2	Term Deposit	2,500,000	8/04/2019	91	2.75
Bendigo	Yes	A2	Term Deposit	1,000,000	22/07/2019	182	2.65
ME Bank	Yes	A2	Term Deposit	2,500,000	27/05/2019	91	2.70
ME Bank	Yes	A2	Term Deposit	2,000,000	3/06/2019	91	2.65
ME Bank	Yes	A2	Term Deposit	3,500,000	19/06/2019	90	2.65
Total				45,296,144	Weighted average		2.51

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

Financial Institution Rating	Investment \$	Portfolio %
A1+	23,422,144	51.70%
A1	10,374,000	22.91%
A2	11,500,000	25.39%
Total	45,296,144	100%

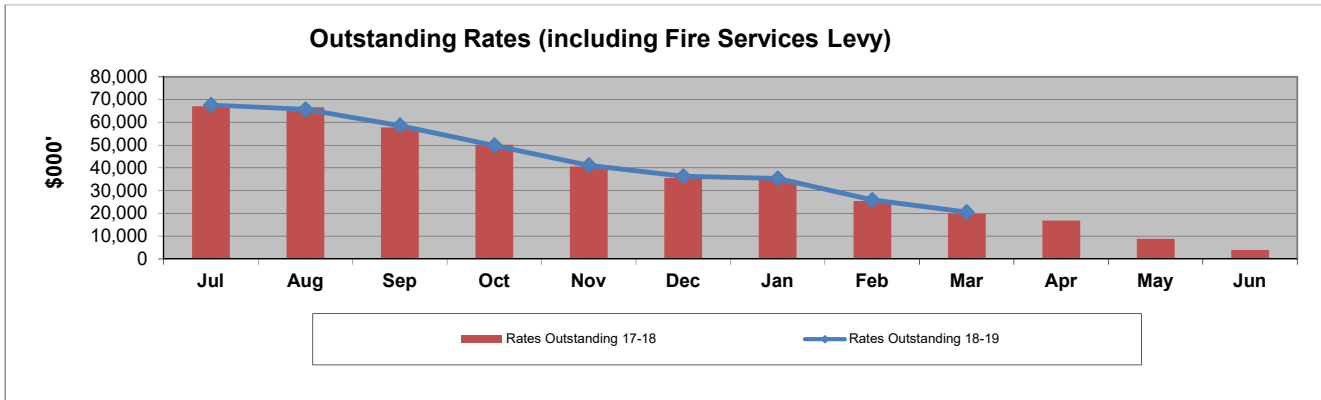
Council's current average rate of return on investments for the 2018-19 financial year is 2.51 percent and is compliant with Council's Investment policy.

The portion of investment portfolio currently invested with green institutions is 48.29 percent.

Financial Report - 31 March 2019

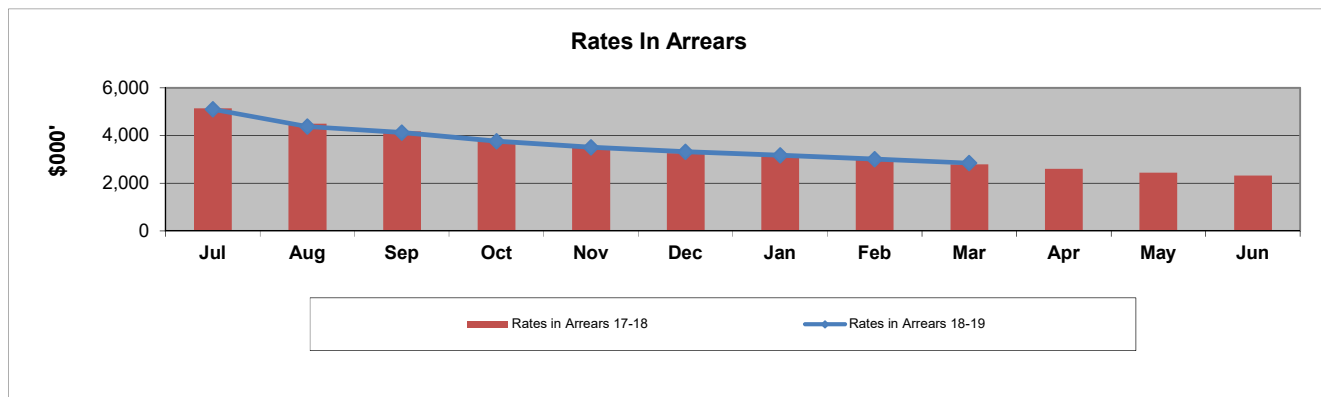
5. Rates Analysis

	YTD Actual 31-Mar-18 \$000'	YTD Actual 31-Mar-19 \$000'	Variance \$000'	Variance %
Rates Outstanding	19,801	20,564	(763)	(3.85)
Rates in Arrears (prior years)	2,801	2,845	(44)	(1.59)



As at 31 March 2019 the year to date actual Fire Service Levy charges outstanding are \$1,482,351; the outstanding rates balance is \$19,081,395

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 2018	23,383
2018-19 growth	244
Rateable properties at 31 March 2018	<u>23,627</u>

Financial Report - 31 March 2019

6. Grant Activity

The following table provides a summary of grant funding, greater than \$50,000, received for Council activities during the period 1 July 2018 to 31 March 2019.

Project Description	2018-19 Actuals YTD \$	Funding Body
Recurrent		
Childcare Eltham	71,132	Department of Education and Training (Cwlth)
Panton Hill Childcare rebates	57,036	Department of Education and Training (Cwlth)
Maternal & Child Health universal funding	257,483	Department of Education and Training (Vic)
Living & Learning Vocational Education & Training	88,739	Department of Education and Training (Vic)
Grow Children Thriving Community	134,214	Department of Education and Training (Vic)
Best Start	88,068	Department of Education and Training (Vic)
Grants Commission - roads	396,010	Department of Environment, Land, Water and Planning
Grants Commission - general purpose	669,508	Department of Environment, Land, Water and Planning
Gender equity advocates	54,000	Department of Environment, Land, Water and Planning
Recycling collection	63,030	Department of Environment, Land, Water and Planning
Home and Community Care contracted services	690,686	Department of Health (Cwlth)
Aged Care Assessment service funding	144,392	Department of Health and Human Services
Metro Access	108,336	Department of Health and Human Services
Diamond Creek Neighbourhood House	53,771	Department of Health and Human Services
Total Recurrent	2,876,405	
Non-Recurrent		
Council Plan / Grant Funded Initiatives		
Nillumbik digital agora	59,380	Creative Victoria
Peri-Urban weed management partnership	59,428	Department of Environment, Land, Water and Planning
Conservation futures	63,143	Department of Environment, Land, Water and Planning
Biodiversity response planning - Sugarloaf link	150,000	Department of Environment, Land, Water and Planning
Blacksmiths' tree bushfire commemoration	55,025	Department of Premier and Cabinet
Landcare network facilitator	53,845	Strathewen Landcare Group
Learner Driver Mentor program	100,000	VicRoads
Capital Works		
Yarrambat War Memorial Park floodlights	136,000	Australian Sports Commission
Diamond Creek regional playground	2,500,000	Department of Environment, Land, Water and Planning
Diamond Valley Sports and Fitness Centre	2,375,000	Department of Environment, Land, Water and Planning
Greensborough Hockey Pavilion	2,000,000	Department of Environment, Land, Water and Planning
Eltham North Playground Rebuild	569,641	Department of Environment, Land, Water and Planning
Eltham Lower Park Back Oval Flood Lights	148,500	Department of Environment, Land, Water and Planning
Community Bank Stadium Solar	57,768	Department of Environment, Land, Water and Planning
New Pavilion - Eltham North Reserve	1,000,000	Department of Health & Human Services
Eltham Central Oval	360,000	Department of Health & Human Services
Eltham Tennis Resurface and Lights	162,000	Department of Health & Human Services
Hurstbridge Football/Cricket Change Room Upgrade	135,000	Department of Health & Human Services
Early Years Facility Improvement	61,350	Department of Health & Human Services
Eltham Rugby Spectator Terracing	54,000	Department of Health & Human Services
Diamond Creek Trail - Marngrook to Allendale Road	163,636	Department of Premier and Cabinet
Eltham Leisure Centre Aquatic Redevelopment	300,000	Sport and Recreation Victoria
Cherry Tree Road trail	70,000	Transport Accident Commission
Total Non-Recurrent	10,633,716	

Financial Report - 31 March 2019

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 (estimated) %	31 Dec (estimated) %	31 Mar (estimated) %	30 Jun (actual) %
2018/19	106.90	101.90	**	-
2017/18	103.80	106.40	106.20	106.00
2016/17	103.70	105.40	106.60	103.10
2015/16	104.00	104.40	102.40	102.00

** The 31 March 2019 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.

The page is deliberately left blank