

| Author    | Query  | Response   |
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| MS        | <p>Fees from Child care programs, Local Laws and Waste Management Services have all decreased this year by noticeable amounts – what are the reasons behind this drop?</p>   | <p><b>Child Care Programs</b> – drop in Family Day Care Levy (\$47k) – as a result in overall drop in use of Family Day Care Services – in line with historical trend over the last 4-5 years. This aligns with an overall drop in salaries for the same service with overall costs of FDC service falling by \$131k.</p> <p><b>Local Laws</b> – As Andrew has indicated, Local Laws the Court Recovery Costs were down / delayed 58k due mostly to IT problems at Fines Victoria who were not issuing the infringements off the back of Infringement Court Orders</p> <p><b>Waste Management</b> – is directly in relation to the recycling sector issue – regarding non-payment of recycling processes, which Council previously got paid for.</p> |
| <u>MS</u> | <p>Note 2.4 Funding from other levels of Government</p> <p>FAG’s have dropped substantially this year – is the result of a prepayment in the previous financial year?</p> <p>Recurrent State Government Capital Grants have reduced to zero – is this the result of particular grant programs finishing?</p> | <p>This is annual federal funding received from the Victorian Grants Commission.</p> <p>The 16/17 balance includes the full 16/17 funding received, as well as 50% of 17/18's funding which was received in advance.</p> <p>The 17/18 balance includes 50% of 17/18's funding that was not paid in advance, as well as 50% of 18/19's funding which was received in advance.</p> <p>Prior year grants relate to Sportsfield Lighting Renewal and Ringwood Lake Playspace – Grants were for specific projects.</p>  |
| <u>MS</u> | <p>Note 2.7 Other Income</p> <p>Rent has dropped 22% since last year – what is the reason for this reduction?</p>  | <p>Majority of variance relates to Croydon Offices rental that we no longer receive. And was decreasing throughout the year, with this rental driving \$30k of the variance.</p>   |
| <u>MS</u> | <p>Note 3.1 Employee Costs</p> <p>Workcover is \$170K less this year than the previous year – why has this cost dropped by this amount?</p>  | <p>This account reflects the value of council's annual workcover premium. The premium council pays in any given period is a function of the amount of salaries council pays staff, the weighted average industry workcover rate that applies to our facilities and our performance rating relative to other entities that hold similar facilities. Our premium in</p>  |

Audit & Risk Advisory Committee – Member Questions and Responses

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|           |   | <p>16/17 rose above normal levels due to a large change in our relative performance rating in that period, which is determined by our claims histories in the preceding 2 - 3 year period.</p> <p>Current year premium levels reflect more typical levels, as our relative performance rating has improved back towards historical averages.</p> |
| <u>MS</u> | <p>Note 3.2 Material and services</p> <p>The cost of employee training has dropped from \$373K in 16/17 to \$158K in 17/18 – what has changed to cause this drop?</p>   | <p>Very good pick up Mike, sometimes when we divide up <i>other expenses</i>, some other actually relates more to individual lines, of which \$287k of other actually relates to staff training, which we can adjust without total change.</p>   |
| <u>MS</u> | <p>Note 3.6 Other Expenses.</p> <p>Assets written off / impaired have increased from \$1853 K in 16/17 to \$4098K in 17/18 – why is this number so much higher?</p>   | <p>Buildings \$500k, Road surfacing \$500k, Footpaths \$1.3M and Other Road Items \$500k.</p>  |
| <u>MS</u> | <p>Note 8.1 Other matters</p> <p>The asset revaluation reserve listing for land has decreased by \$24888K in 17/18 – why has the value of land holdings decreased this year when it increased in the previous year?</p> | <p>16/17 was typically valued higher than prior periods, and value as adjusted to lower level as part of the 17/18 year.</p>   |
| <u>MU</u> | <p>Note 1.1, item 4: Is it usual to receive land contributions (\$1.89m) that you have no knowledge of being likely?</p>  | <p>This can happen, depending on whether there are any developments – hence contributions that we may not be privy to, at the stage of developing the budget -January 2017.</p>  |
| <u>MU</u> | <p>Note 1.1, item 8: Of the \$4.084m are there any major items making up the bulk of the expense?</p>   | <p>Majority of the variance related to assets written-off/impaired.</p>  |
| <u>MU</u> | <p>Note 1.2, item 3: Was the computing intangible a major software purchase?</p>  | <p>Outlook 365</p>   |
| <u>MU</u> | <p>Note 2.3, User Fees: Was the waste management decrease in line with management expectations given the collapsed market?</p>  | <p>As Mike also picked up, it is directly in relation to collapsed processing market and our negotiations with our contracted processor.</p>   |

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| <u>MU</u>     | Note 3.2, Materials: Same query for the increase in costs for waste - \$10,536m from \$9,784.  | Directly related, similarly we commenced paying for recycling, where we previously were receiving the rebate.  |
| <u>MU</u>     | Note 4.1: I note a significant increase in aged receivables between 181 and 365 days?  | Related to a number of sundry debtors, including SRO (\$45K). Remaining debt outstanding with Polytrade (Recycling Processors) to obtain early 18/19 (\$104k), Building Debtor – removal swimming pool, with complaint costs (\$19k)   |
| <u>MU</u>     | Note 4.7: Home Care - is Maroondah now out of supplying home care? If so, who now supplies?  | Subcontract Calvary Community Care (technically Maroondah is still the provider. some funding would be relinquished some retained - likely extensions to guaranteed funding at least until 2020, but still likely to exit Calvary contract June 2019<br>Going to Council in September. |
| <u>MU</u>     | Note 5; Depreciation schedule - any changes this year?   | Better presented, mainly the addition of Land Under Roads  |
| <u>MU</u>     | Performance Statement - all good. Only small query is workforce turnover jumped a little this year to 9.01% but is forecast stable for next period. Was the 9% expected? | Not too dissimilar to where the organisation had anticipated it moving to, given we have a large number of retiring employees, or in the process of transitioning to retirement  |
| <u>BP</u>     | A general question I was going to ask was your reaction to the simplified format to the accounts – do you feel they better meet your needs?                              | We definitely feel as though the new model accounts better represent the value people get from reading them, being able to trace back to notes as well as helping to simplify them for the general reader. Much better.  |
| <u>BP</u>     | Note 2.1 in the para below the first table – says that the valuation ‘will be’ first applied in 2016 – should be ‘was’ first applied.                                    | Thanks Bruce, we will make the amendment.  |
| <u>BP</u>     | Note 2.4 – small rounding issue $13,719 + 3,488 = 17,207$ . Total above is 17,206  | Thanks for the pick-up.  |
| <u>BP</u>     | Note 4.1© - can tidy up by deleting blank lines.   | Will do, thanks Bruce.   |
| <u>TR</u>     | Income Statement – User Fees   | Improved performances in Leisure Facilities, as well as Karralyka have all contributed to improved overall user fees compared to prior year.   |
| <u>TR</u>     | Income Statement – Net Gain/Loss on disposal   | Mostly driven by the sale of Arlington – was anticipated to sell in 18/19.   |

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| <u>TR</u>     | Income Statement – Employee Costs            | Have increased slightly when compared to prior year, however, actual results for 17/18 still below originally budgeted figure  |
| <u>TR</u>     | Income Statement – Other Expenses            | Mostly, as noted previously, relating to assets/written-off/impaired throughout the year.  |
| <u>TR</u>     | Balance Sheet – Cash & Cash Equivalents      | Represents council’s cash and short term deposits. Balance has increased due to positive operating cash flow. Refer to cash flow statement.  |
| <u>TR</u>     | Balance Sheet – Trade & Other Receivables    | Represents many debtor balances, including rates. Current year balance includes \$1.18m sale of 56 Arlington Road.   |
| <u>TR</u>     | Balance Sheet – Other Assets                 | Majority of balance represents prepayment values.  |
| <u>TR</u>     | Balance Sheet – Investments in Associates    | Value of council’s equity holdings in ERL and NWUG.  |
| <u>TR</u>     | Balance Sheet – Property Plant & Equipment   | Refer to Note 5.1. Current and prior year value includes the recognition of Land Under Roads (LUR) value of \$591m.  |
| <u>TR</u>     | Balance Sheet – Trade & Other Payables       | Reflects accounts payable and sundry creditors with fluctuations occurring because of timing differences and accruals.   |
| <u>TR</u>     | Balance Sheet – Interest Bearing Liabilities | Loan facility used in the funding of Aquanation’s construction. Decrease reflect repayments.   |
| <u>TR</u>     | Cashflow Statement – General                 | Doesn’t say anything too much, other than cash and cash equivalents has increase by \$7.3M during the year.<br>Cashflows from operating should be looked at together for Trust Funds and Deposits. |