

Explanation for Material Movements

Comprehensive Income Statement

For the Year Ended 30 June 2024

	Note As per AFR*	Actual		Change		Explanation for material movements
		2024 \$'000	2023 \$'000	\$'000	%	
Income / Revenue						
Rates and charges	3.1	8,508	8,109	398	4.9%	
Statutory fees and fines		127	172	(45)	-26.0%	The decrease is mainly due to a lower number of planning applications compared to the previous fiscal year.
User fees	3.2	2,084	2,070	14	0.7%	
Grants - operating	3.3	1,767	1,370	397	28.9%	In the 2023-24 financial year, there was a significant increase in non-recurring operating grants, primarily due to grant funding for asbestos removal work. A total of \$810,000 in grant income was recognised for this project, compared to zero in 2022-23. However, this increase was partially offset by the timing of the Financial Assistance Grant (FAG), with only \$28,000 of the 2023-24 FAG received during the year, compared to \$469,000 in 2022-23.
Grants - capital	3.3	224	2,232	(2,009)	-90.0%	Several key grant-funded projects planned for 2023-24 have been delayed. In contrast, many grant-funded capital projects were either completed or advanced during the 2022-23 financial year, leading to a higher level of capital grant income in 2022-23.
Net gain on disposal of property, infrastructure, plant and equipment		99	109	(11)	-9.7%	
Share of net profits of associates and joint ventures - pending		21	-			
Other income	3.4	819	492	327	66.4%	The increase is primarily driven by a \$294,000 rise in income from interest and a \$24,000 increase in notional income from volunteer contributions.
Total income / revenue		13,648	14,555	(907)	-6.2%	

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Expenses						
Employee costs	4.1	5,281	5,037	245	4.9%	For the 2023-24 financial year, employee costs are \$125,000 below the adopted budget (as reinstated in the quarterly financial report, 30 September 2023, and presented at the November 2023 Council meeting). This favorable variance occurred despite an increase of \$48,000 in the WorkCover premium compared to the previous year. The 2022-23 employee costs were understated due to staff vacancies, which led to a subsequent increase of 4.9% from this reduced base in the 2023-24 year's costs.
Materials and services	4.2	6,445	5,240	1,205	23.0%	<p>One-off Projects:</p> <p>- The 2023-24 financial year saw an \$840,000 increase in one-off project costs, driven primarily by a significant asbestos removal project costing \$792,000.</p> <p>Operational Cost Increases:</p> <p>- <u>Consultant Costs:</u> Increased by \$135,000, primarily due to \$87,000 for external Municipal Building Surveyor (MBS) services. This was necessitated by the abrupt end of a contract with Surf Coast Shire Council due to staff unavailability. Additionally, there was a \$60,000 increase in costs for engaging caretakers to manage Council caravan parks during the summer period, instead of using casual and part-time employees.</p> <p>- <u>ICT Expenses:</u> A \$127,000 increase, driven by the introduction of new systems, including \$84,000 for parallel operation of legacy systems awaiting decommissioning.</p> <p>- <u>Building Maintenance:</u> Increased by \$51,000, largely due to \$38,000 spent on relocating air conditioning units in the QHub building, along with heightened maintenance demand for older public buildings and water mains.</p> <p>- <u>Insurance Premiums:</u> Rose by \$38,000, mainly due to higher premiums for public liability and staff income protection.</p> <p>- <u>Utility Costs:</u> Increased by \$33,000, with \$19,000 attributed to electric vehicle charging stations, offset by user fee recovery..</p>
Depreciation	4.3	1,269	1,244	25	2.0%	
Allowance for impairment losses		6	-			
Other expenses	4.4	1,248	1,409	(161)	-11.5%	The change is primarily due to the difference in the total value of expenditures reclassified as operating, as they did not meet capitalisation criteria: \$548,000 in the 2023-24 financial year compared to \$773,000 in 2022-23.
Total expenses		14,249	12,930	1,319	10.2%	

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Surplus/(deficit) for the year		(601)	1,625	(2,226)	-137.0%	
Other comprehensive income						
Net asset revaluation gain / (loss)	6.1	124	(2,397)	2,520	-105.2%	Different class of assets revaluation in each year.
Total other comprehensive income		124	(2,397)	2,520	-105.2%	
Total comprehensive result		(477)	(772)	296	-38.3%	

*ARF - Annual Financial Report