



Appendix 5

15.2 2020-21 Quarterly Financial Report as at 31 March 2021

Quarterly Financial Report 31 March 2021

Ordinary Meeting of Council

Wednesday 28 April 2021 at 7:00pm

Queenscliff Town Hall

Quarterly Financial Report 31 March 2021



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Introduction

Section 97 of the *Local Government Act 2020* requires a financial report to be presented to Council after the end of each quarter of the financial year, comparing expenses and revenue against the budget. The financial report needs to contain explanations for any material variations as well.

The adopted budget can become outdated during the financial year, as new information comes to light. As a result, Council focuses on its quarterly review of the projected year-end forecast outcome.

This quarterly financial report presents the quarter 2 and the quarter 3 forecast year-end results, year-to-date actual results and variance explanations for each of the key financial statements.

Council has adopted a materiality threshold of 10% or a dollar variance of +/- \$100,000. Explanations have not been provided for variations below the materiality threshold, unless the variance is considered to be material because of its nature.

Gihan Kohobange
Manager, Financial Services

Executive summary

The forecast cash result is a **deficit of \$148,000** for the year, a **decrease of \$108,000** on the quarter 2 forecasted cash deficit of \$256,000. This net decrease mainly reflects the receipt of a 2021-22 grant of \$117,000 in advance from Better Boating Victoria (BBV), this is the last payment under the current agreement with BBV for the abolition of boat ramp parking fees.

The forecast **accumulated cash surplus** for 2020-21 is **\$304,000** at June 2021.

The final settlement in relation to the **sale of Murray Road land** is expected to be finalised before the end of the current financial year. **\$3,500,000**, proceeds from the sale, has been set aside in a reserve account until a potential project/s is identified in the future in line with Council policy "CP044, Sale, Exchange or Transfer of Council Land".

Since Council settled the existing loan in full in this financial year, Council has a **debt free balance sheet**.

Headline changes in year-end forecast, from the quarter 2 forecast, are included throughout this report with an explanation provided for all material variances.

1. Statement of Income and Expenditure (Cash Results)

The Statement of Income and Expenditure includes conversion of the comprehensive result (included in the Comprehensive Income Statement given under section 2.1) into a cash result (by excluding non-cash items, such as depreciation expense, and including cash items, such as transfers to/from cash reserves and capital expenditure) in order to ascertain unrestricted surplus funds available from the annual rates budget.

The forecast **accumulated cash result** at June is a **surplus of \$304,000** against the surplus of \$196,000 forecasted in the quarter 2.

Statement of Income & Expenditure (Available Cash) Forecast at the quarter ended 31 March 2021	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Income						
Rates and charges	7,649	7,641	7,639	(8)	(0.1%)	
Statutory fees and fines	125	124	113	(1)	(0.6%)	
User fees	1,770	1,768	1,442	(2)	(0.1%)	
Grants - operating	1,316	1,484	1,326	167	12.7%	1
Grants - capital	5,116	4,926	2,430	(190)	(3.7%)	2
Contributions - monetary - capital	52	52	52	0	0.0%	
Other income	216	216	174	0	0.0%	
Proceeds from asset sales	110	3,596	0	3,486	3169.1%	3
Total cash received	16,354	19,807	13,176	3,453	21.1%	
Expenses						
Employee costs	4,457	4,457	3,350	0	0.0%	
Materials and services	6,026	5,982	3,571	(44)	(0.7%)	4
Bad and doubtful debts	3	3	0	0	0.0%	
Other expenses	382	399	233	17	4.5%	5
Loan redemption	29	29	29	0	0.0%	
Capital expenditure - Asset Renewal	1,044	1,070	298	27	2.5%	6
Capital expenditure - New and Upgrade	6,656	6,275	1,270	(381)	(5.7%)	6
Total cash paid	18,596	18,215	8,752	(381)	(2.1%)	
Cash surplus / (deficit) from operations	(2,242)	1,592	4,424	3,835	(171.0%)	
Transfer from reserves	3,250	3,236	0	(14)	(0.4%)	7
Transfer to reserves (<i>for future year spending</i>)	(1,264)	(4,977)	0	(3,712)	293.6%	7
Adjusted cash surplus / (deficit) for the year	(256)	(148)	4,424	108	(42.3%)	
Accumulated cash surplus b/fwd from prior year	452	452	452	0	0.0%	
Accumulated cash surplus	196	304	4,876	108	55.5%	

Notes to the Statement of Income and Expenditure

1.1 Income (receipts)

1. Grants - operating: Increase of \$167,000 is due to;

- \$117,000 timing, receipt of 2021-22 BBV grant in advance
- \$38,000 new grant, project manager - boat ramp upgrade
- \$12,000 additional grant, beach cleaning - Seaweed removal (based on 2019-20 actual)

2. Grants - capital: Reduction of \$190,000 is due to;
 - \$159,000 adjustment, Commonwealth Road Safety Program 2021 (adjusted from \$1,159,000 to \$1,000,000 for project design worked carried out by the DOT)
 - \$31,000 timing, change in timing of grant of Local Roads and Community Infrastructure program
3. Proceeds from asset sales: Net increase of \$3,486,000 is due to;
 - \$3,500,000 new, proceeds from the sale of Murray Road land
 - (\$14,000) timing, change in the timing of sale of motor vehicles

1.2 Expenses (payments)

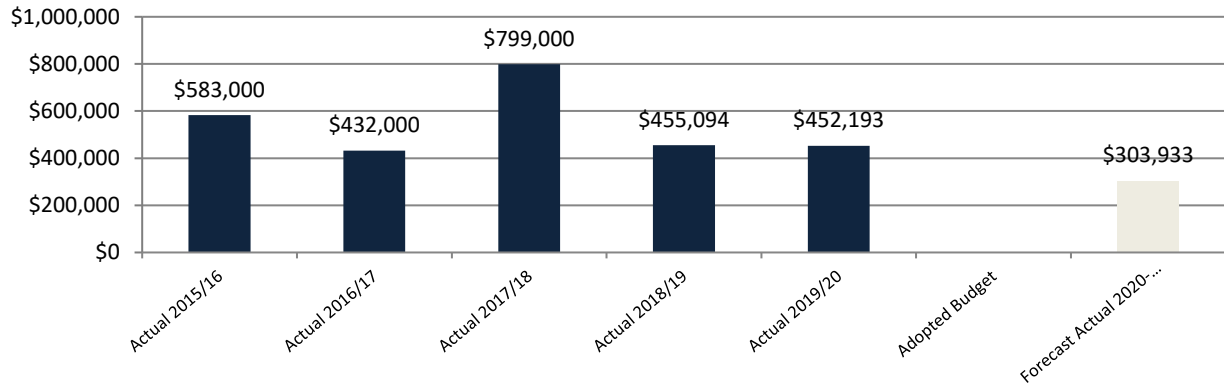
4. Materials and services: Net decrease of \$44,000 is mainly due to;
 - \$100,000 timing, review of the Queenscliffe planning scheme, carried over to 2021-22
 - \$38,000 new, project manager - boat ramp upgrade (100% grant funded)
 - (\$25,000) classification change, classification of development of marine coastal management plan to operating projects from capital projects (carried over \$156,000 to 2021-22)
5. Other expenses: Increase of \$17,000 is due to COVID-19 business support provided during the quarter using the community hardship fund.
6. Capital expenditure: Net decrease of \$354,000 is due to;
 - \$181,000 classification change, classification of development of marine coastal management plan to operating projects from capital projects (carried over \$156,000 to 2021-22)
 - \$159,000 adjustment, Commonwealth Road Safety Program 2021 (adjusted from \$1,159,000 to \$1,000,000 for project design worked carried out by the DOT)
 - \$14,000 timing, change in timing of the replacement of motor vehicles

1.3 Transfers from / (to) reserves

7. Transfers (from) / to reserves: Net movement of \$3,726,000 is due due;
 - \$3,500,000 new trf to, proceeds from sale of Murray Road land to a carry forward capital expenditure reserve
 - \$156,000 timing, development of marine coastal management plan, carried over to 20221-22
 - \$100,000 timing, review of the Queenscliffe planning scheme, carried over to 2021-22
 - \$24,000 adjustments, net transfer to waste management reserves based on forecasted YE balances
 - (\$31,000) timing, change in timing of grant of Local Roads and Community Infrastructure program
 - (\$23,000) new trf from, transfer from COVID Community Hardship Fund (support provided to businesses)

A key principle applied in preparation of Council’s annual budget is the achievement of a break-even cash result (zero). Cash surpluses achieved in one year are typically allocated in the next year’s budget.

Accumulated Cash Result



2. Financial statements

This section includes quarterly reporting against the five key financial statements in accordance with both the *Local Government Act 2020* and the Local Government Model Financial Report.

2.1 Comprehensive Income Statement

The forecast operating result (surplus or deficit) for the year is a **surplus of \$4,869,000**, an increase of \$787,000 compared with the quarter 2 forecast. The increase is mainly due to the net gain from the sale of Murray Road land.

Comprehensive Income Statement Forecast at the quarter ended 31 March 2021	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Income						
Rates and charges	7,649	7,641	7,639	(8)	(0.1%)	
Statutory fees and fines	125	124	113	(1)	(0.6%)	
User fees	1,770	1,768	1,442	(2)	(0.1%)	
Grants - operating	1,316	1,484	1,326	167	12.7%	
Grants - capital	5,116	4,926	2,430	(190)	(3.7%)	
Contributions - monetary - capital	52	52	52	0	0.0%	
Other income	216	216	174	0	0.0%	
Net gain on disposal of property, infrastructure, plant and equipment	32	825	0	793	2461.3%	1
Total income	16,276	17,036	13,176	760	4.7%	
Expenses						
Employee costs	4,457	4,457	3,350	0	0.0%	
Materials and services	6,026	5,982	3,571	(44)	(0.7%)	
Depreciation	1,326	1,326	0	0	0.0%	
Bad and doubtful debts	3	3	0	0	0.0%	
Other expenses	382	399	233	17	4.5%	
Total expenses	12,194	12,167	7,155	(27)	(0.2%)	
Surplus / (deficit) for the year	4,082	4,869	6,021	787	19.3%	
Other comprehensive income						
Items that will not be reclassified to surplus or deficit in future periods						
Net asset revaluation increment / (decrement)	0	0	0	0	0.0%	
Total comprehensive result	4,082	4,869	6,021	787	19.3%	

Notes to the Comprehensive Income Statement

Explanations for key variances are provided under the Statement of Income and Expenditure except for;

1. Net gain on disposal of property, infrastructure, plant and equipment – An \$808,000 accounting profit is estimated from the sale of Murray Road land and a \$17,000 accounting profit is estimated from the sale of motor vehicles

Underlying result

An indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its objectives, the underlying result is calculated by adjusting the operating surplus/(deficit) for the year by deducting non-recurrent capital funding. The forecast underlying result for **the year is a deficit of \$109,000** a reduction of \$977,000 against the quarter 2 forecast mainly due to the net gain on the sale of Murray Road land and early receipt of grant money from BBV.

Underlying Result Forecast at the quarter ended	2019-20 Actual	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
					31 March 2021	\$'000	%
Total income	12,363	16,276	17,036	13,176	760	4.7%	
Total expenses	11,815	12,194	12,167	7,155	(27)	(0.2%)	
Surplus / (deficit) for the year	548	4,082	4,869	6,021	787	19.3%	
Less: Grants - capital (non-recurrent)	(906)	(5,116)	(4,926)	(2,430)	190	(3.7%)	
Less: Contributions - monetary - capital	(19)	(52)	(52)	(52)	0	0.0%	
Less: Non-monetary asset contributions	0	0	0	0	0	0.0%	
Adjusted underlying surplus / (deficit)	(377)	(1,086)	(109)	3,539	977	(90.0%)	

In most instances, the reported underlying result is impacted by the timing of operating grants and non-recurrent operating projects included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed over the medium to long term rather than the underlying result of a particular year.

After adjusting for the timing of operating grants, non-recurrent operating projects, and one-off gains from the sale of assets, etc., a \$302,000 underlying deficit is projected for 2020-21 mainly due to loss of income from tourist parks and other fees and charges due to COVID. Income losses from other fees and charges represent income Council decided to forgo as a part of the COVID community support scheme.

2.2 Balance Sheet

The value of the **net assets** of Council is forecasted to be at **\$146 million as at 30 June 2021**. **Cash and investments** (including other financial assets) are at **\$9.9 million** of which \$5.8 million is allocated for specific future purposes.

Balance Sheet Forecast at the quarter ended	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
				31 March 2021	\$'000	%
Assets						
Current assets						
Cash and cash equivalents	5,119	8,916	6,739	3,797	74.2%	1
Other financial assets	1,000	1,000	3,306	0	0.0%	
Trade and other receivables	330	330	1,953	0	0.0%	
Non-current assets classified as held for sale	2,075	0	2,075	(2,075)	(100.0%)	1
Inventories	4	4	4	0	0.0%	
Other assets	225	225	14	0	0.0%	
Total current assets	8,753	10,475	14,091	1,722	19.7%	
Non-current assets						
Investments in associates	240	240	240	0	0.0%	
Property, infrastructure, plant and equipment	139,047	138,074	134,321	(973)	(0.7%)	1
Total non-current assets	139,287	138,314	134,561	(973)	(0.7%)	
Total assets	148,040	148,789	148,652	749	0.5%	
Liabilities						
Current liabilities						
Trade and other payables	1,411	1,373	104	(38)	(2.7%)	
Trust funds and deposits	16	16	13	0	0.0%	
Provisions	952	952	929	0	0.0%	
Interest-bearing loans and borrowings	0	0	0	0	0.0%	
Other liabilities	80	80	93	0	0.0%	
Total current liabilities	2,460	2,421	1,139	(38)	(1.6%)	
Non-current liabilities						
Provisions	106	106	103	0	0.0%	
Interest-bearing loans and borrowings	0	0	0	0	0.0%	
Total non-current liabilities	106	106	103	0	0.0%	
Total liabilities	2,566	2,527	1,241	(38)	(1.5%)	
Net assets	145,475	146,262	147,414	787	0.5%	
Equity						
Accumulated surplus	98,067	95,128	98,020	(2,939)	(3.0%)	
Revaluation Reserve	43,498	43,498	43,498	0	0.0%	
Other reserves	3,910	7,637	5,897	3,726	95.3%	
Total equity	145,475	146,262	147,415	787	0.5%	

Notes to the Balance Sheet

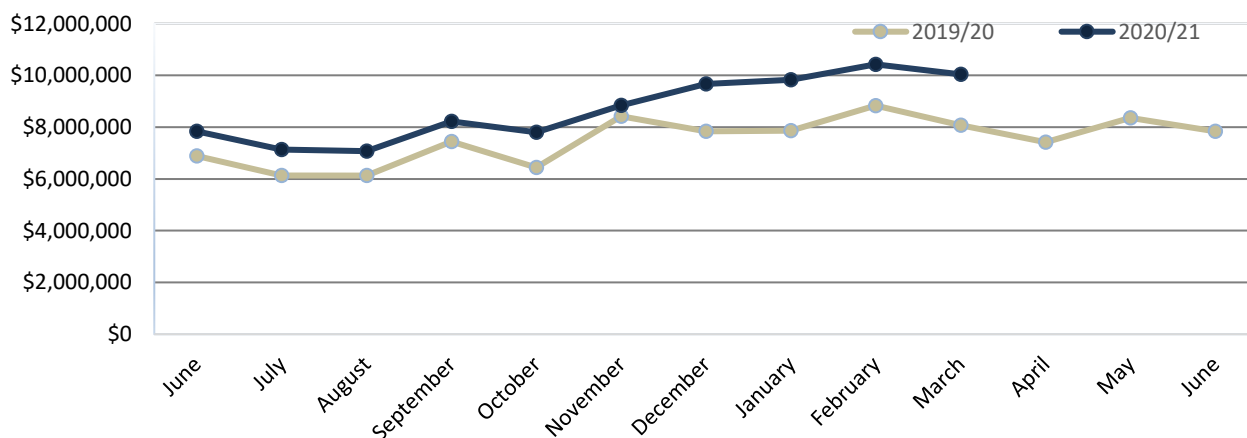
1. *Mainly due to the impact of the sale of Murray Road land (a part of the land value was included in Property, infrastructure, plant and equipment)*

Cash & Cash Equivalents and Other Financial Assets

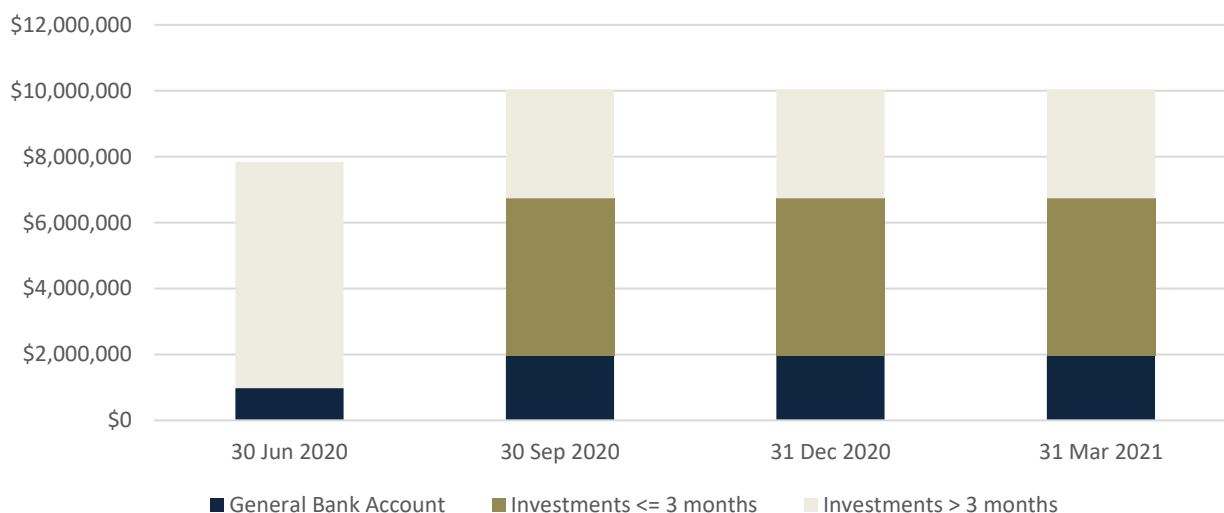
Council's cash and cash equivalents includes short term investments with maturities of less than 90 days, with other financial assets (investments with maturities between 3-12 months).

Total financial assets (including cash and cash equivalents) at 31 March 2021 is \$10.0 million.

Cash balance - prior year comparison



Cash and investments



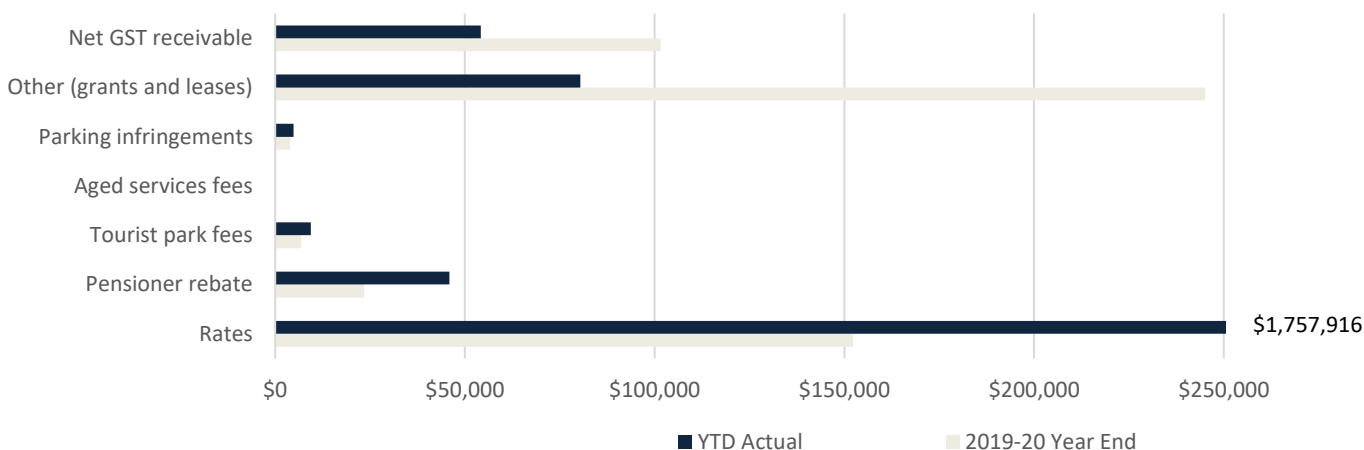
Trade and other receivables

Trade and other receivables stands at **\$1,952,686 at 31 March 2021** of which 8.9% is due for more than 60 days.

Rates are required to be paid by instalments in September, November, February and May each year. All rates are deemed collectible, with no provision for doubtful debts.

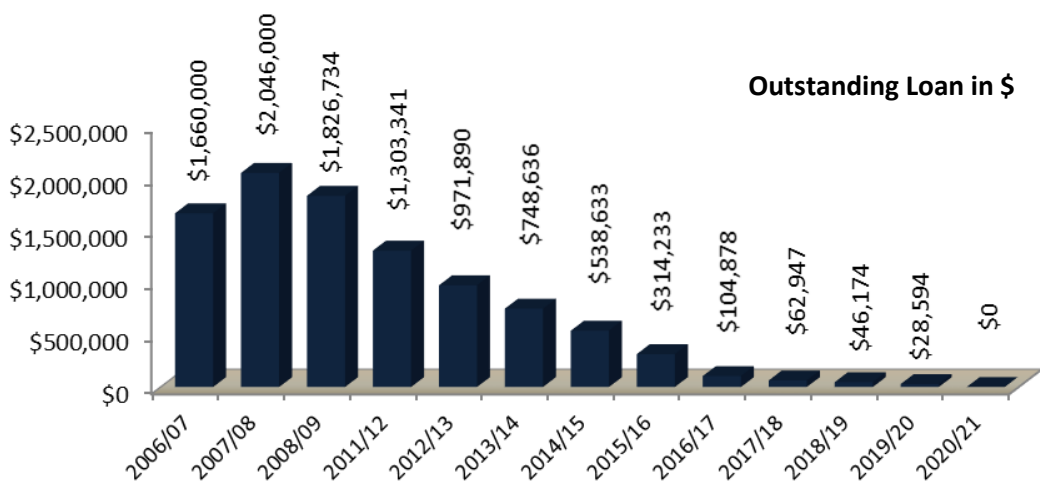
Sundry debtors, including unpaid infringements, government grants, property leases, aged services and tourist park fees, are followed up by finance in conjunction with the relevant program area.

Trade and other receivables



Interest-bearing loans and borrowings

Council settled in full the existing loan and has zero debt on its balance sheet currently. Council has been in a phase of debt reduction since 2008-09, as illustrated in the chart below.



Borrowings	2019-20 Actual	Adopted Budget	Forecast Actual 2020-21 (Mar 21)	YTD Actual
	\$	\$	\$	\$
Total amount borrowed as at 30 June of the prior year	46,174	28,358	28,594	28,594
Total amount to be borrowed	0	568,520	0	0
Total amount projected to be redeemed	(17,580)	(31,583)	(28,594)	(28,594)
Total amount proposed to be borrowed as at 30 June	28,594	565,295	0	0

Notes to the Interest-bearing loans and borrowings

Council will not undertake any new borrowing during the current financial year.

2.3 Statement of Changes in Equity

Other reserves held by Council include annual asset renewal, carry forwards, waste management, defined benefits superannuation fund liability and unallocated cash surpluses from previous years. Funds are generally transferred out of reserves following the completion of carry forward projects and/or by Council resolution to allocate funds to projects.

Statement of Changes in Equity for the quarter ended	2019-20 Actual	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
					\$'000	%	Notes
31 March 2021	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
Accumulated Surplus							
Opening Balance 1st July	91,858	91,998	91,998	91,998	0	0.0%	
Adjustment on change in accounting policy							
Surplus / (deficit) for the year	551	4,082	4,869	6,022	787	19.3%	
Transfer to other reserves	(1,890)	(1,264)	(4,977)	0	(3,712)	293.6%	
Transfer from other reserves	1,479	3,250	3,236	0	(14)	(0.4%)	
Closing Balance 30th June - Accumulated Surplus	91,998	98,067	95,128	98,020	(2,939)	-3.0%	
Revaluation Reserve							
Opening Balance 1st July	42,566	43,498	43,498	43,498	0	0.0%	
Net asset revaluation increment/(decrement)	932	0	0	0	0	0.0%	
Closing Balance 30th June - Revaluation Reserve	43,498	43,498	43,498	43,498	0	0.0%	
Other Reserves							
Opening Balance 1st July	5,486	5,897	5,897	5,897	0	0.0%	
Transfer to other reserves	1,890	1,264	4,977	0	3,712	293.6%	
Transfer from other reserves	(1,479)	(3,250)	(3,236)	0	14	(0.4%)	
Closing Balance 30th June - Other Reserves	5,897	3,910	7,637	5,897	3,726	95.3%	
Total Equity							
Opening Balance 1st July	139,910	141,393	141,393	141,393	0	0.0%	
Surplus / (deficit) for the year	551	4,082	4,869	6,022	787	19.3%	
Net asset revaluation increment/(decrement)	932	0	0	0	0	0.0%	
Closing Balance 30th June - Total Equity	141,393	145,475	146,262	147,415	787	0.5%	1

Notes to the Statement of Changes in Equity

1. Net movement is mainly due to the accounting profit from the sale of Murray Road land and early receipt of BBV grant

2.4 Statement of Cash Flows

The projected value of cash and cash equivalents is \$8,916,000 at June 2021.

Statement of Cash Flows Forecast at the quarter ended 31 March 2021	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Cash flows from operating activities						
Receipts						
Rates and charges	7,593	7,585	5,985	(8)	(0.1%)	
Statutory fees and fines	121	120	112	(1)	(0.7%)	
User fees	1,767	1,765	1,439	(2)	(0.1%)	
Grants - Operating	1,196	1,364	1,563	167	14.0%	1
Grants - Capital	5,144	4,954	2,048	(190)	(3.7%)	2
Contributions - monetary - capital	52	52	52	0	0.0%	
Interest received	24	24	45	0	0.0%	
Other receipts	88	88	133	0	0.0%	
Total receipts	15,986	15,953	11,377	(33)	(0.2%)	
Payments						
Employee costs	(4,580)	(4,580)	(3,398)	0	0.0%	
Materials and services	(5,753)	(5,713)	(3,772)	40	(0.7%)	
Short-term, low value and variable lease payments	(20)	(20)	(10)	0	0.0%	
Other payments	(344)	(359)	(236)	(15)	4.5%	
Total payments	(10,697)	(10,673)	(7,415)	24	(0.2%)	
Net cash provided by operating activities	5,289	5,281	3,962	(8)	(0.2%)	
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(7,092)	(6,773)	(1,730)	319	(4.5%)	
Proceeds from sale of property, infrastructure, plant and equipment	110	3,596	0	3,486	3169.1%	3
Proceeds from sale of investments	5,862	5,862	3,556	0	0.0%	
Net cash provided by / (used in) investing activities	(1,120)	2,685	1,826	3,805	(339.8%)	
Cash flows from financing activities						
Repayment of borrowings	(29)	(29)	(29)	0	0.0%	
Net cash provided by / (used in) financing activities	(29)	(29)	(29)	0	0.0%	
Net increase / (decrease) in cash and cash equivalents	4,140	7,937	5,759	3,797	91.7%	
Cash and cash equivalents at the beginning of the financial year	979	979	979	0	0.0%	
Cash and cash equivalents at the end of the financial year	5,119	8,916	6,739	3,797	74.2%	

Notes to the Statement of Cash Flows

1. Mainly due to the early receipt of BBV grant
2. Due to an adjustment to a capital grant agreement and shift in the timing of a grant payment
3. Sale proceeds from the sale of Murray Road land

2.5 Statement of Capital Works

The forecast total capital work budget for the year 2020-21 is \$7.3 million.

Statement of Capital Works Forecast at the quarter ended 31 March 2021	Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Property						
Buildings	3,542	3,542	563	0	0.0%	
Total buildings	3,542	3,542	563	0	0.0%	
Total property	3,542	3,542	563	0	0.0%	
Plant and equipment						
Plant, machinery and equipment	168	154	23	(14)	(8.1%)	
Fixtures, fittings and furniture	5	5	0	0	0.0%	
Computers and telecommunications	145	145	88	0	0.0%	
Total plant and equipment	317	304	111	(14)	(4.3%)	
Infrastructure						
Roads	2,455	2,296	604	(159)	(6.5%)	1
Footpaths and cycleways	122	122	124	0	0.0%	
Drainage	231	231	100	0	0.0%	
Recreational, leisure and community facilities	406	406	35	0	0.0%	
Parks, open space and streetscapes	441	260	14	(181)	(41.1%)	2
Other infrastructure	185	185	16	0	0.0%	
Total infrastructure	3,841	3,500	893	(341)	(8.9%)	
Total capital works expenditure	7,700	7,346	1,568	(354)	(4.6%)	
Represented by:						
New asset expenditure	855	674	171	(181)	(21.2%)	
Asset renewal expenditure	1,044	1,070	298	27	2.5%	
Asset upgrade expenditure	5,801	5,602	1,099	(199)	(3.4%)	
Asset expansion expenditure				0	0.0%	
Total capital works expenditure	7,700	7,346	1,568	(354)	(4.6%)	

Notes to the Statement of Capital Works

1. \$159,000 adjustment, Commonwealth Road Safety Program 2021 (adjusted from \$1,159,000 to \$1,000,000 for project design worked carried out by the DOT)
2. \$181,000 classification change, classification of development of marine coastal management plan to operating projects from capital projects (carried over \$156,000 to 2021-22)

3. Local Government Performance Reporting Framework (LGPRF)

The Victorian government established the Local Government Performance Reporting Framework (LGPRF) in 2014, to ensure that all councils are measuring and reporting on their performance in a consistent way.

In addition to the performance information required to be disclosed in the performance statement, councils are also required to disclose other performance-related information in the report of operations in the annual report, including:

- a statement that reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan;
- a governance and management checklist; and
- other prescribed indicators and measures of service performance, results achieved and an explanation of material variances.

3.1 Performance of Council against the Council Plan

To ensure the Borough remains a safe haven for the historic, cultural and environmental values that make it a special place with high levels of community wellbeing, Council's decision-making and priorities focus on five Strategic Objectives as set out in the Council Plan for years 2017-2021. Council delivers services and initiatives under 25 major service categories. Each contributes to the achievement of one of the five Strategic Objectives.

The table below lists the five Strategic Objectives as described in the Council Plan 2017-2021, the Portfolio to which they relate and the responsible Councillor for each.

Strategic Objective	Portfolio	Councillor
1. Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture.	Community Wellbeing	Cr Donnie Grigau
2. Play our part in protecting the local, national and globally significant values within our natural environment for future generations.	Environmental Sustainability	Cr Fleur Hewitt
3. Foster a diverse and vibrant local economy.	Local Economy	Cr Ross Ebbels
4. Preserve and enhance the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage.	Planning and Heritage	Cr Michael Grout
5. Maintain a cohesive, well governed, financially sustainable and independent Borough.	Governance and Performance	Cr Susan Salter

This section provides a brief description of the services and initiatives funded in the Budget for the 2020-21 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan.

Strategic Objective 1: Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture.

To achieve our objective of enhancing community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The key service objectives for each program area are described below.

Service area	Key service objective/s		Forecast	Forecast	YTD Actual	Variance from Q2 to Q3 Forecast		
			Actual 2020-21 (Dec 20) \$'000	Actual 2020-21 (Mar 21) \$'000	\$'000	\$'000	%	Note
Aged Services	The Aged Services program provides care and assistance to older residents and those requiring respite so that their homes remain their safe haven.	Inc	643	643	629	0	0.0%	
		Exp	(776)	(776)	(574)	0	0.0%	
		Surplus/ (deficit)	(133)	(133)	55	0	0.0%	
Recreation, Arts, Culture and Community	The Recreation, Arts, Culture and Community program promotes community wellbeing by supporting people and communities to be involved, healthy and active.	Inc	3	0	0	(3)	(100.0%)	
		Exp	(136)	(136)	(90)	0	0.0%	
		Surplus/ (deficit)	(133)	(136)	(90)	(3)	2.3%	
Community Events	The Community Events program promotes community wellbeing, celebrates the significance of the Borough and stimulates the local economy through conducting events directly or facilitating, supporting and administering a range of recreation, arts and cultural events planned and implemented by community organisations or commercial businesses.	Inc	27	27	27	(1)	(1.9%)	
		Exp	(194)	(194)	(85)	0	0.0%	
		Surplus/ (deficit)	(167)	(168)	(59)	(1)	0.3%	
Maternal and Child Health (MCH)	The Maternal and Child Health program (MCH) plays a key role in supporting and monitoring the health and wellbeing of local families with children from birth to school age.	Inc	58	58	43	0	0.0%	
		Exp	(74)	(74)	(49)	0	0.0%	
		Surplus/ (deficit)	(16)	(16)	(6)	0	0.0%	
Kindergarten	Kindergarten assists in supporting the wellbeing of pre-school children and providing a safe learning environment to enable children to gain early life skills and knowledge and assist their transition to school.	Inc	35	35	35	0	0.0%	
		Exp	(39)	(39)	(0)	0	0.0%	
		Surplus/ (deficit)	(4)	(4)	35	0	0.0%	
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing.	Inc	25	25	31	0	0.0%	
		Exp	(178)	(178)	(112)	0	0.0%	
		Surplus/ (deficit)	(154)	(154)	(82)	0	0.0%	
Asset Management and Appearance of Public Places	The Asset Management and Appearance of Public Places program ensures the safety and functionality of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings.	Inc	52	52	38	0	0.0%	
		Exp	(1,175)	(1,175)	(695)	0	0.0%	
		Surplus/ (deficit)	(1,122)	(1,122)	(658)	0	0.0%	
Local Laws, Safety and Amenity	The Local Laws, Safety and Amenity program promotes community wellbeing and safety in various settings and through monitoring public behaviour consistent with Council's Local Laws.	Inc	58	57	51	(1)	(1.1%)	
		Exp	(299)	(299)	(218)	0	0.0%	
		Surplus/ (deficit)	(242)	(242)	(167)	(1)	0.3%	
Street Lighting	The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists.	Inc	0	0	0	0	0.0%	
		Exp	(31)	(31)	(19)	0	0.0%	
		Surplus/ (deficit)	(31)	(31)	(19)	0	0.0%	
Powerline Safety	The Powerline Safety program assists in the provision of a safe environment and protection of the Borough's significant vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation.	Inc	0	0	0	0	0.0%	
		Exp	(50)	(50)	(3)	0	0.0%	
		Surplus/ (deficit)	(50)	(50)	(3)	0	0.0%	
Library	The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting.	Inc	0	0	0	0	0.0%	
		Exp	(228)	(228)	(223)	0	0.0%	
		Surplus/ (deficit)	(228)	(228)	(223)	0	0.0%	
TOTAL	Income		901	896	853	(4)	(0.5%)	
	Expenditure		(3,180)	(3,180)	(2,068)	0	0.0%	
	Surplus/ (deficit)		(2,279)	(2,284)	(1,215)	(4)	0.2%	

Strategic Objective 2: Play our part in protecting the local, national and globally significant values within our natural environment for future generations.

To achieve our objective of playing our part in protecting the local, national and globally significant values within our natural environment for future generations, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The key service objectives for each program area are described below.

Service area	Key service objective/s		Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
			\$'000	\$'000	\$'000	\$'000	%	Note
Environmental Sustainability	The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations.	Inc	0	0	0	0	0.0%	
		Exp	(188)	(188)	(110)	0	0.0%	
		Surplus/ (deficit)	(188)	(188)	(110)	0	0.0%	
Coastal Protection	The Coastal Protection program seeks to preserve and enhance the Borough's globally significant, highly-valued coast as an iconic environmental asset for current and future generations.	Inc	342	510	363	167	48.8%	
		Exp	(464)	(502)	(211)	(38)	8.2%	
		Surplus/ (deficit)	(121)	8	152	129	(106.3%)	
Waste Management and Recycling	The Waste Management and Recycling program seeks to promote local action in order to protect the environment for future generations. Note full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy.	Inc	994	999	999	6	0.6%	
		Exp	(1,117)	(1,117)	(714)	0	0.0%	
		Surplus/ (deficit)	(123)	(118)	285	6	(4.6%)	
TOTAL	Income		1,336	1,509	1,362	173	12.9%	
	Expenditure		(1,769)	(1,807)	(1,035)	(38)	2.1%	
	Surplus/ (deficit)		(433)	(298)	327	135	(31.1%)	

Strategic Objective 3: Foster a diverse and vibrant local economy.

To achieve our objective of fostering a diverse and vibrant local economy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The key service objectives for each program area are described below.

Service area	Key service objective/s		Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
			\$'000	\$'000	\$'000	\$'000	%	Note
Tourist Parks and Boat Ramp Services	The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy.	Inc	1,549	1,549	1,296	0	0.0%	
		Exp	(930)	(930)	(625)	0	0.0%	
		Surplus/ (deficit)	619	619	671	0	0.0%	
Visitor Information Centre	The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses with dissemination of information to build a diverse and vibrant local economy.	Inc	82	82	2	0	0.0%	
		Exp	(234)	(234)	(134)	0	0.0%	
		Surplus/ (deficit)	(153)	(153)	(132)	0	0.0%	
Tourism and Economic Development	The Tourism and Economic Development program seeks to build on the Borough's unique heritage, rich culture and significant natural environment to strengthen the diversity and vibrancy of the local economy.	Inc	250	250	250	0	0.0%	
		Exp	(491)	(508)	(353)	(17)	3.5%	
		Surplus/ (deficit)	(241)	(258)	(103)	(17)	7.1%	
TOTAL	Income		1,880	1,880	1,548	0	0.0%	
	Expenditure		(1,655)	(1,672)	(1,112)	(17)	1.0%	
	Surplus/ (deficit)		225	208	436	(17)	-7.6%	

Strategic Objective 4: Preserve and enhance the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage.

To achieve our objective of preserving and enhancing the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The key service objectives for each program area are described below.

Service area	Key service objective/s		Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
			\$'000	\$'000	\$'000	\$'000	%	Note
Design and Project Management	The Design and Project Management program seeks to achieve excellence of design and delivery of projects which enhance the Borough as a special place.	Inc	0	0	0	0	0.0%	
		Exp	(334)	(372)	(391)	(38)	11.2%	
		Surplus/ (deficit)	(334)	(372)	(391)	(38)	11.2%	
Land Use Planning	The Land Use Planning program ensures that the Borough conserves its unique heritage, that the built environment is enhanced by design excellence, and that local amenity is protected against inappropriate land use and development.	Inc	90	90	88	0	0.0%	
		Exp	(428)	(353)	(234)	75	(17.4%)	
		Surplus/ (deficit)	(338)	(263)	(147)	75	(22.1%)	
Heritage Conservation Advice	The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form.	Inc	0	0	0	0	0.0%	
		Exp	(38)	0	0	38	(100.0%)	
		Surplus/ (deficit)	(38)	0	0	38	(100.0%)	
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe.	Inc	26	26	23	0	0.0%	
		Exp	(32)	(32)	(24)	0	0.0%	
		Surplus/ (deficit)	(7)	(7)	(1)	0	0.0%	
TOTAL	Income		116	116	110	0	0.0%	
	Expenditure		(832)	(758)	(650)	75	(9.0%)	
	Surplus/ (deficit)		(716)	(642)	(539)	75	-10.4%	

Strategic Objective 5: Maintain a cohesive, well governed, financially sustainable and independent Borough.

To achieve our objective of maintaining a cohesive, well governed, financially sustainable and independent Borough, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The key service objectives for each program area are described below.

Service area	Description of services provided		Forecast Actual 2020-21 (Dec 20)	Forecast Actual 2020-21 (Mar 21)	YTD Actual	Variance from Q2 to Q3 Forecast		
			\$'000	\$'000	\$'000	\$'000	%	Note
Council Governance	The Council Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed Borough.	Inc	0	0	0	0	0.0%	
		Exp	(320)	(320)	(140)	0	0.0%	
		Surplus/ (deficit)	(320)	(320)	(140)	0	0.0%	
Organisational Performance and Compliance	The Organisational Performance and Compliance program supports the Chief Executive Officer and Executive Management Team to maintain a cohesive, well-managed and highly performing organisation.	Inc	92	92	73	0	0.0%	
		Exp	(1,384)	(1,384)	(922)	0	0.0%	
		Surplus/ (deficit)	(1,293)	(1,293)	(850)	0	0.0%	
Community Engagement and Customer Service	The Community Engagement and Customer Service program aims to facilitate community involvement in decision-making, and to deliver high quality customer service.	Inc	0	0	0	0	0.0%	
		Exp	(633)	(631)	(410)	2	-0.3%	
		Surplus/ (deficit)	(633)	(631)	(410)	2	-0.3%	
Financial and Risk Management	The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough.	Inc	78	75	85	(2)	-3.0%	
		Exp	(1,094)	(1,089)	(780)	6	-0.5%	
		Surplus/ (deficit)	(1,017)	(1,013)	(695)	3	-0.3%	
TOTAL	Income		169	167	158	(2)	(1.4%)	
	Expenditure		(3,432)	(3,424)	(2,252)	8	(0.2%)	
	Surplus/ (deficit)		(3,262)	(3,257)	(2,094)	5	-0.2%	

3.2 Governance and Management Checklist

The Governance and Management Checklist measures whether a council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making. It includes 24 qualitative measures against which Council is assessed each financial year. An update against the checklist is presented a half yearly basis (with December and June quarterly financial reports).

3.3 Prescribed indicators, measures and results of service performance

The Performance Statement must include the results achieved in relation to prescribed:

- sustainable capacity;
- service performance; and
- financial performance.

Councils must provide an explanation of any material variations in the results between the current year and other years disclosed, to enable the reader to form an understanding of the reason for the variation. An update against the performance measures will be presented a half yearly basis (with December and June quarterly financial reports).