



Appendix 6

18.2 2021–22 Quarterly Financial Report as at 31 March 2022

Quarterly Financial Report 31 March 2022

Ordinary Meeting of Council

Wednesday 27 April 2022 at 7:00pm

Queenscliff Town Hall

Quarterly Financial Report 31 March 2022



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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The adopted budget can become outdated during the financial year, as new information comes to light.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.

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 and Corporate Services

Executive summary

This quarterly financial report presents the quarter three (3) forecast year-end results, year-to-date actual results and variance explanations for headline changes between the quarter 2 and quarter 3 year-end forecast.

The **forecast accumulated cash surplus for the financial year 2021-22 is \$813,000**. Which is a \$579,000 increase from the quarter two forecast

Early receipt (received in the 2021-22 financial year) of the Financial Assistance Grant (FAG), 2022-23 allocation in full and a part of the 2023-24 allocation, has contributed to the increase in the forecasted cash surplus for the year.

Forecasted year-end result meets all financial sustainability indicators specified in the Council Plan 2021-2025 except the adjusted underlying result, as summarised below.

Financial sustainability indicators – Council Plan

Policy Statement	Measure	Target	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22
Sustainable operating result				
Consistent operating results.	Our adjusted underlying result: The difference between recurrent income and recurrent expenses.	> \$0	-\$186	-\$177
Working capital				
Ensure Council maintains sufficient working capital to meet its obligations as they fall due.	Current assets vs current liabilities: The value of our current assets divided by our current liabilities.	> 1.0	3.25	3.89
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Level of unrestricted cash reserve against current liabilities: Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity).	> 100%	303.8%	366%
Borrowings				
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings against rate revenue: Our total borrowings as a percentage of our rate revenue.	< 15%	0%	0%
Commitment for asset renewals				
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses against depreciation: The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on a three years rolling average).	> 100%	331.5%	288%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital.	Council's contribution to asset renewal and upgrade: Council's contribution to asset renewal and upgrade expenses as a percentage of Own Source Revenue.	> 10%	28%	21%

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 forecasted accumulated cash result at year-end is a surplus of **\$813,000** against the previous quarter forecast of \$234,000.

Statement of Income & Expenditure (Available Cash) Forecast at the quarter ended	Yearend Forecast	Yearend Forecast	Actual YTD	Variance from Q2 forecast		
	- Dec 2021	- Mar 2022		\$'000	%	Notes
	\$'000	\$'000	\$'000	\$'000		
Cash inflows						
Recurrent income						
Rates	6,791	6,791	6,976	0	0.0%	
Waste management charges	1,161	1,161	977	0	0.0%	
Statutory fees and fines	129	129	143	0	0.0%	
User fees	1,909	1,909	1,690	0	0.0%	
Grants - operating	945	1,533	835	588	62.2%	1
Other income	217	217	163	0	0.0%	
Total recurrent income	11,152	11,739	10,784	588	5.3%	
Non recurrent income						
Grants - capital	8,478	7,195	7,815	(1,283)	(15.1%)	2
Grants - operating	741	741	621	0	0.0%	
Contributions - monetary - capital	35	0	0	(35)	(100.0%)	3
Proceeds from asset sales	3,548	3,529	34	(19)	(0.5%)	4
Borrowings	0	0	0	0	0.0%	
Total cash received	23,954	23,205	19,253	(749)	(3.1%)	
Cash outflows						
Operating expenses						
Employee costs	4,658	4,658	3,244	0	0.0%	
Materials and services	6,043	6,043	3,527	0	0.0%	
- Materials and services - waste management	1,268	1,268	1,117	0	0.0%	
- Materials and services - non recurrent	777	777	425	0	0.0%	
- Materials and services - recurrent	3,998	3,998	1,985	0	0.0%	
Bad and doubtful debts	3	3	0	0	0.0%	
Other expenses	363	363	172	0	0.0%	
Total operating expenses	11,068	11,068	6,943	0	0.0%	
Capital expenditure						
Capital expenditure - Asset Renewal	2,464	2,236	761	(228)	(9.3%)	5
Capital expenditure - New and Upgrade	9,097	7,253	4,123	(1,845)	(20.3%)	5
Total Capital expenses	11,561	9,489	4,884	(2,073)	(17.9%)	
Total cash paid	22,629	20,556	11,827	(2,073)	(9.2%)	

Statement of Income & Expenditure (Available Cash) Forecast at the quarter ended	Yearend Forecast - Dec 2021	Yearend Forecast - Mar 2022	Actual YTD	Variance from Q2 forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Cash surplus / (deficit) from operations	1,325	2,649	7,426	1,324	100.0%	
Transfer from reserves	1,854	1,409	0	(446)	(24.0%)	6
Transfer to reserves (<i>for future year spending</i>)	(3,596)	(3,895)	0	(299)	8.3%	7
Adjusted cash surplus / (deficit) for the year	(417)	163	7,426	579	(139.0%)	
Accumulated cash surplus b/fwd from prior year	651	651	651	0	0.0%	
Accumulated cash surplus	234	813	8,076	579	247.4%	

Notes to the Statement of Income and Expenditure

1.1 Income (Cash inflows)

- Grants - operating: Increase of \$588,000 is due to the receipt of future years' FAG in advance in the 2021-22 financial year.
- Grants - capital: Decrease of \$1,283,000 is due to;
 - \$928,000, timing of the Queenscliffe Cultural Hub construction project. The project is now expected to be completed during the Q1 of the 2022-23 financial year,
 - \$315,000, Queenscliff Sports and Recreation Precinct development which is expected to be completed during the Q2 of the 2022-23 financial year, and
 - \$40,000, projected grant support for the Hesse Street link to the upgraded boatramp, which is now on hold.
- Contributions - monetary - capital: Community contribution from the Queenscliffe Historical Museum for the Queenscliffe Cultural Hub construction project is now expected to be received during the Q1 of the 2022-23 financial year.
- Proceeds from asset sales: Due to the change in the timing of replacement of motor vehicles.

1.2 Expenses (Cash outflows)

- Capital expenditure: Decrease of \$2,073,000 is mainly due to the change in timings of the following capital projects;
 - \$962,000, Queenscliffe Cultural Hub construction project,
 - \$761,000, Queenscliff Sports and Recreation Precinct development,
 - \$185,000, Royal Park oval facility upgrade – scope and design,
 - \$74,000, motor vehicle replacement,
 - \$50,000, Hesse Street link to the upgraded boatramp, which is now on hold,
 - \$40,000, Weeroona Parade toilet renewal – design work.

1.3 Transfers from / (to) reserves

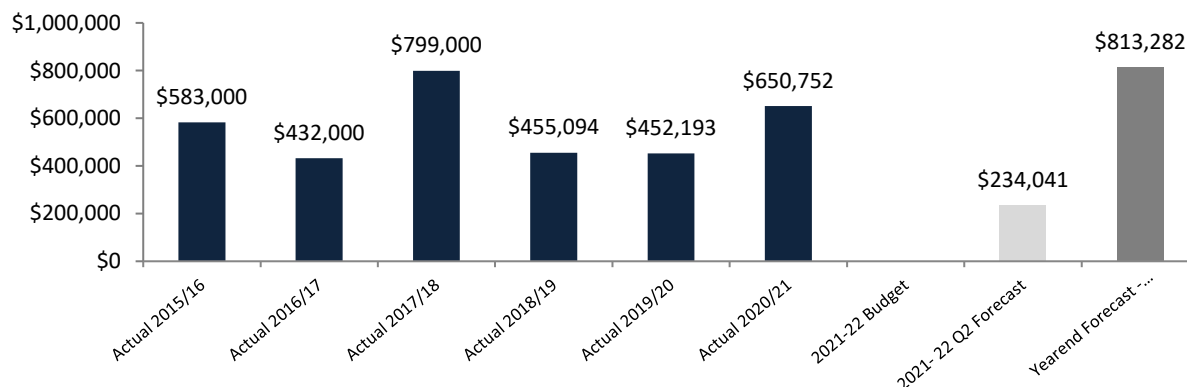
- Transfers from reserves: Decrease of \$446,000 is due to the change in the timing of the Queenscliff Sports and Recreation Precinct development project.

7. Transfer to reserves: Movement of \$299,000 consists of the following due to the change in the timing of the respective projects.

Activity / project	Reserve type	Q2 YE forecast	Q3 YE forecast	Change
Royal Park oval facility upgrade – scope and design	c/f capital projects	-	185,000	185,000
Weeroona Parade toilet renewal – design work	c/f capital projects	-	40,000	40,000
Asset renewal M/V	Asset renewal	-	74,000	74,000
Total		-	299,000	299,000

Reasons for above movements are captured in comments provided for variances in capital expenditure items. Movement in asset renewal reserve represents asset renewal work carried over to future years.

Accumulated Cash Result



Cash result is always immune to any accounting adjustment.

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. Figures reported on the financial statements are impacted with one-off accounting adjustments.

2.1 Comprehensive Income Statement

The forecast operating result (surplus or deficit) for the year is a surplus of \$8,047,000, a decrease of \$730,000 compared with the Q2 forecast. The net decrease is mainly due to the decrease in income from the capital grant as detailed in section 1.1.

Comprehensive Income Statement Forecast at the quarter ended	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22	Actual YTD	Variance from Q2 forecast	
	\$'000	\$'000	\$'000	\$'000	%
Income					
Rates and charges	7,952	7,952	7,953	0	0.0%
Statutory fees and fines	129	129	156	0	0.0%
User fees	1,909	1,909	1,698	0	0.0%
Grants - operating	1,686	2,274	1,455	588	34.9%
Grants - capital	8,478	7,195	7,815	(1,283)	(15.1%)
Contributions - monetary - capital	35	0	0	(35)	(100.0%)
Other income	217	217	159	0	0.0%
Net gain on disposal of PPE and infrastructure	812	812	34	0	0.0%
Total income	21,217	20,487	19,269	(730)	(3.4%)
Expenses					
Employee costs	4,658	4,658	3,397	0	0.0%
Materials and services	6,043	6,043	3,753	0	0.0%
Depreciation	1,373	1,373	0	0	0.0%
Bad and doubtful debts	3	3	0	0	0.0%
Other expenses	363	363	193	0	0.0%
Total expenses	12,440	12,440	7,342	0	0.0%
Surplus / (deficit) for the year	8,777	8,047	11,927	(730)	(8.3%)
Other comprehensive income					
Net asset revaluation increment / (decrement)	0	0	0		
Total comprehensive result	8,777	8,047	11,927	(730)	(8.3%)

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.

Council **forecasts an underlying surplus of \$852,000 (6.0%) (LGPRF based)** for the 2021-22 financial year which is driven by the net increase in operating income (essentially due to the receipt of FAG in advance) and decrease in operating expenses (due to temporary staff vacancies and cancelled events due to COVID restriction).

As evident in 2021-22, in most instances, the reported underlying result is impacted by the timing of recurrent operating grants (especially FAG), non-recurrent operating grants and non-recurrent operating expenses included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed excluding the impact of non-recurrent operating income and expense items, and adjusted for the timing of recurrent operating grants where applicable as defined in the Council Plan of the Borough.

The forecasted adjusted underlying result (Council Plan based) for the year 2021-22 is a deficit of \$177,000 (-1.8%). The forecasted reduction in recurring operating income (income from tourist parks, interest income, lease income, and environmental health fees), resulted in a negative adjusted underlying result for the year.

Underlying Result Forecast at the quarter ended	Yearend Forecast - Dec 21 \$'000	Yearend Forecast - Mar 22 \$'000	Variance from Q2 forecast	
			\$'000	%
Based on the LGPRF measure				
Total income	21,217	20,487	(730)	(3.4%)
Total expenses	12,440	12,440	0	0.0%
Surplus / (deficit) for the year	8,777	8,047	(730)	(8.3%)
Less: Grants - capital (non-recurrent)	(8,478)	(7,195)	1,283	(15.1%)
Less: Contributions - monetary - capital	(35)	0	35	(100.0%)
Adjusted underlying surplus / (deficit)	264	852	588	222.6%
Adjusted Underlying Result - %	2%	6%		
Based on the Council Plan measure				
Total income	18,540	17,231	(1,309)	(7.1%)
Total expenses	10,213	10,213	0	0.0%
Surplus / (deficit) for the year	8,327	7,018	(1,309)	(15.7%)
Less: Grants - capital (non-recurrent)	(8,478)	(7,195)	1,283	(15.1%)
Less: Contributions - monetary - capital	(35)	0	35	(100.0%)
Adjusted underlying surplus / (deficit)	(186)	(177)	9	(4.7%)
Adjusted Underlying Result - %	-1.9%	-1.8%		

2.2 Balance Sheet

The value of the **net assets** of Council is forecasted to be at **\$120 million** as at 30 June 2022. **Cash and investments** (including other financial assets) are forecasted to be at **\$10.4 million**.

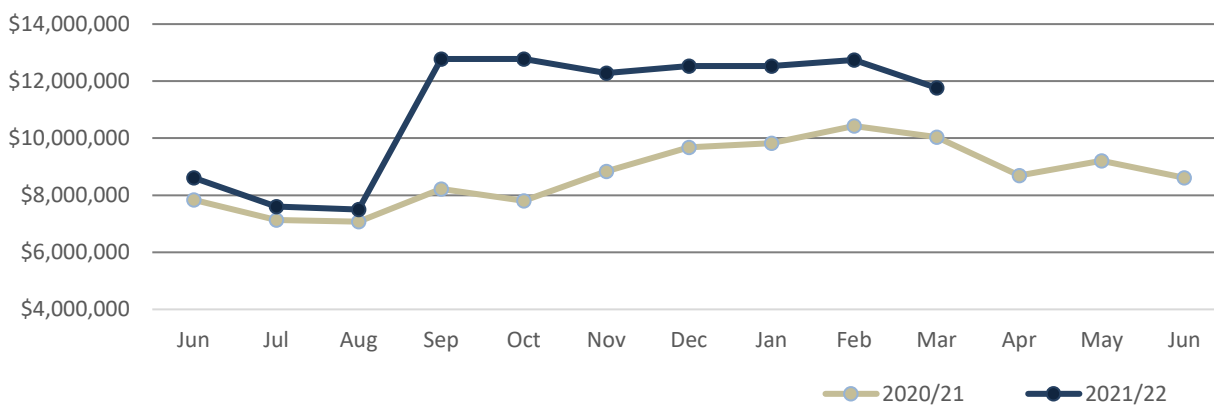
Balance Sheet Forecast at the quarter ended	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22	Actual YTD	Variance from Q2 forecast	
	\$'000	\$'000	\$'000	\$'000	%
Assets					
Current assets					
Cash and cash equivalents	8,264	9,380	3,704	1,117	11.9%
Other financial assets	1,000	1,000	8,066	0	0.0%
Trade and other receivables	255	255	2,409	0	0.0%
Non-current assets classified as held for sale	0	0	2,075	0	0.0%
Inventories	5	5	5	0	0.0%
Other assets	225	225	5	0	0.0%
Total current assets	9,749	10,865	16,264	1,117	10.3%
Non-current assets					
Investments in associates	165	165	165	0	0.0%
Property, infrastructure, plant and equipment	143,244	141,190	138,222	(2,054)	(1.5%)
Total non-current assets	143,409	141,355	138,387	(2,054)	(1.5%)
Total assets	153,158	152,220	154,651	229	0.1%
Liabilities					
Current liabilities					
Trade and other payables	1,797	1,589	152	(207)	(13.0%)
Trust funds and deposits	47	47	47	0	0.0%
Provisions	1,077	1,077	927	0	0.0%
Interest-bearing loans and borrowings	0	0	0	0	0.0%
Unearned income	80	80	236	0	0.0%
Total current liabilities	3,000	2,793	1,363	(207)	(7.4%)
Non-current liabilities					
Provisions	106	106	86	0	0.0%
Interest-bearing loans and borrowings	0	0	0	0	0.0%
Total non-current liabilities	106	106	86	0	0.0%
Total liabilities	3,106	2,899	1,449	(207)	(7.1%)
Net assets	150,051	149,321	153,202	(730)	(0.5%)
Equity					
Accumulated surplus	100,149	98,674	105,040	(1,475)	(1.5%)
Revaluation Reserve	43,498	43,498	43,498	0	0.0%
Other reserves	6,404	7,149	4,663	745	10.4%
Total equity	150,051	149,321	153,201	(730)	(0.5%)

Cash & Cash Equivalents and Other Financial Assets

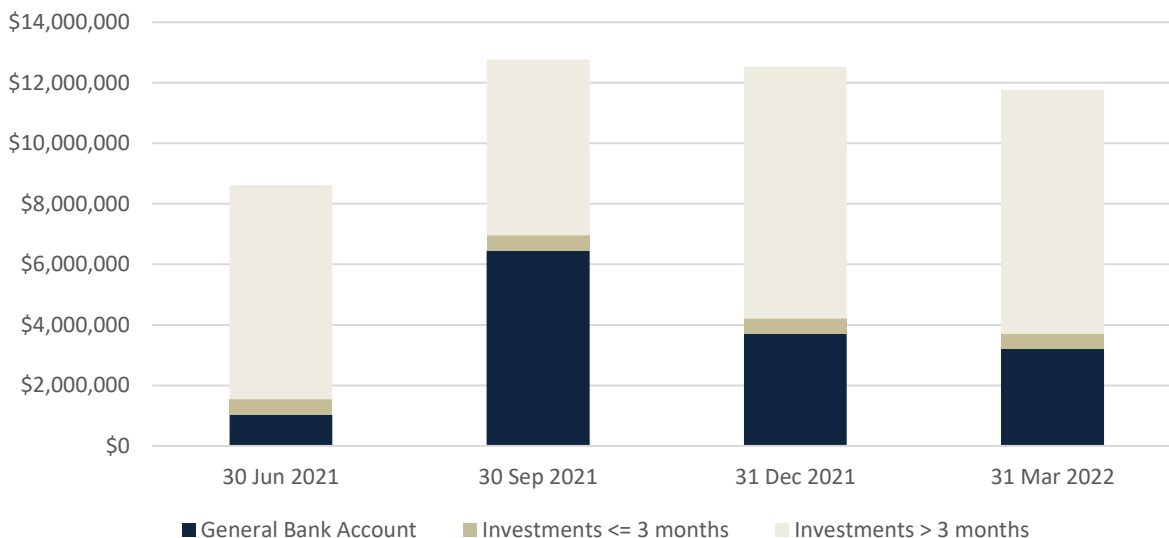
Council's cash and cash equivalents includes short term investments with maturities of less than 90 days, with other financial assets (investments with maturities between 3-12 months).

Total financial assets (including cash and cash equivalents) at **31 March 2022** is **\$11.8 million**. A significant part of the total financial assets represents grants received in advance for the Queenscliffe Boat ramp upgrade and Queenscliffe Cultural Hub projects.

Cash balance - prior year comparison



Cash and investments



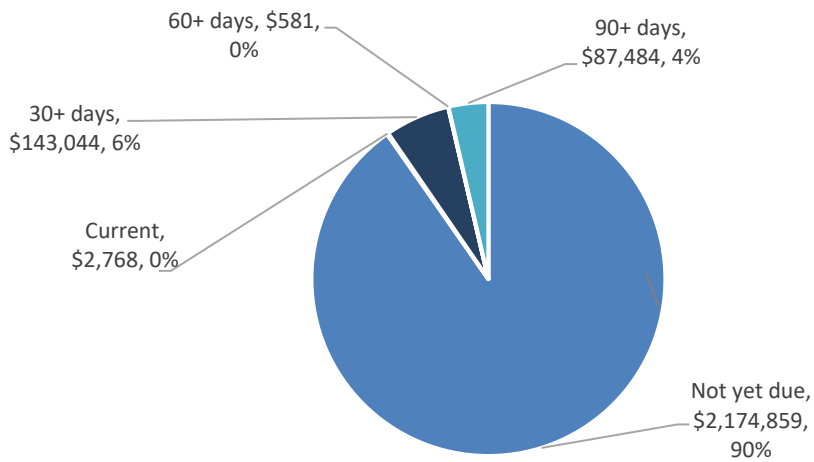
Trade and other receivables

Trade and other receivables stands at **\$2.4 million at 31 March 2022** of which more than 90% is represented by outstanding rates & charges and sundry debtors not yet due.

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.

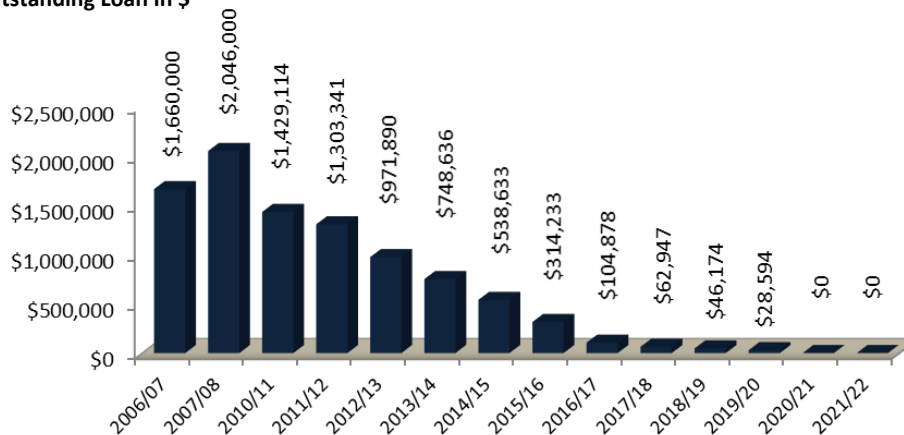
Trade and other receivables ageing analysis



Interest-bearing loans and borrowings

Council has a **debt free balance sheet**. Council had been in a phase of debt reduction since 2008-09, as illustrated in the chart below.

Outstanding Loan in \$



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 Forecast at the quarter ended	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22	Actual YTD	Variance from Q2 forecast	
	\$'000	\$'000	\$'000	\$'000	%
Accumulated Surplus					
Opening Balance 1st July	93,114	93,114	93,114	0	0.0%
Adjustment on change in accounting policy					
Surplus / (deficit) for the year	8,777	8,047	11,927	(730)	(8.3%)
Transfer to other reserves	(3,596)	(3,895)	0	(299)	8.3%
Transfer from other reserves	1,854	1,409	0	(446)	(24.0%)
Closing Balance 30th June - Accumulated Surplus	100,149	98,674	105,040	(1,475)	(1.5%)
Revaluation Reserve					
Opening Balance 1st July	43,498	43,498	43,498	0	0.0%
Net asset revaluation increment/(decrement)	0	0	0	0	0.0%
Closing Balance 30th June - Revaluation Reserve	43,498	43,498	43,498	0	0.0%
Other Reserves					
Opening Balance 1st July	4,663	4,663	4,663	0	0.0%
Transfer to other reserves	3,596	3,895	0	299	8.3%
Transfer from other reserves	(1,854)	(1,409)	0	446	(24.0%)
Closing Balance 30th June - Other Reserves	6,404	7,149	4,663	745	11.6%
Total Equity					
Opening Balance 1st July	141,274	141,274	141,274	0	0.0%
Surplus / (deficit) for the year	8,777	8,047	11,927	(730)	(8.3%)
Closing Balance 30th June - Total Equity	150,051	149,321	153,201	(730)	(0.5%)

2.4 Statement of Cash Flows

A cash flow statement summarises the amount of cash and cash equivalents entering and leaving the Council.

Statement of Cash Flows Forecast at the quarter ended	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22	Actual YTD	Variance from Q2 forecast	
	\$'000	\$'000	\$'000	\$'000	%
Cash flows from operating activities					
Receipts					
Rates and charges	7,923	7,923	6,275	0	0.0%
Statutory fees and fines	122	122	141	0	0.0%
User fees	1,904	1,904	1,683	0	0.0%
Grants - Operating	1,541	2,129	756	588	38.1%
Grants - Capital	6,631	5,348	5,968	(1,283)	(19.3%)
Contributions - monetary - capital	35	0	0	(35)	(100.0%)
Interest received	(6)	(6)	30	0	0.0%
Other receipts	388	388	551	0	0.0%
Total receipts	18,539	17,808	15,404	(730)	(3.9%)
Payments					
Employee costs	(4,809)	(4,809)	(3,462)	0	0.0%
Materials and services	(5,730)	(5,730)	(3,643)	0	0.0%
Short-term, low value and variable lease payments	(15)	(15)	(20)	0	0.0%
Other payments	(327)	(327)	(124)	0	0.0%
Total payments	(10,881)	(10,881)	(7,249)	0	0.0%
Net cash provided by operating activities	7,658	6,928	8,155	(730)	(9.5%)
Cash flows from investing activities					
Payments for property, infrastructure, plant and equipment	(10,559)	(8,694)	(5,038)	1,865	(17.7%)
Proceeds from sale of property, infrastructure, plant and equipment	3,548	3,529	34	(19)	(0.5%)
Proceeds from sale of investments	6,075	6,075	(991)	0	0.0%
Net cash provided by / (used in) investing activities	(936)	911	(5,995)	1,847	(197.2%)
Cash flows from financing activities					
Net cash provided by / (used in) financing activities	0	0	0	0	0.0%
Net increase / (decrease) in cash and cash equivalents	6,722	7,838	2,159	1,117	16.6%
Cash and cash equivalents at the beginning of the financial year	1,542	1,542	1,542	0	0.0%
Cash and cash equivalents at the end of the financial year	8,264	9,380	3,701	1,117	13.5%

Notes to the Statement of Cash Flows

The net increase mainly reflects FAG received in advance and the reduction in capital expenditure for the year due to changes in the timing of key capital projects.

2.5 Statement of Capital Works

The Statement of Capital Works presents Council's performance against its capital work program. During the year, \$3.8 million has been invested in capital projects against the forecast of \$4.9 million.

Statement of Capital Works Forecast at the quarter ended	Yearend Forecast - Dec 21	Yearend Forecast - Mar 22	Actual YTD	Variance from Q2 forecast	
	\$'000	\$'000	\$'000	\$'000	%
Property					
Land improvements	11	11	13	0	0.0%
Total land	11	11	13	0	0.0%
Buildings	5,651	4,118	2,738	(1,533)	(27.1%)
Building improvements	0	0	0	0	0.0%
Leasehold improvements	0	0	0	0	0.0%
Heritage buildings	0	0	0	0	0.0%
Total buildings	5,651	4,118	2,738	(1,533)	(27.1%)
Total property	5,662	4,129	2,752	(1,533)	(27.1%)
Plant and equipment					
Plant, machinery and equipment	124	50	0	(74)	(59.7%)
Fixtures, fittings and furniture	64	64	2	0	0.0%
Computers and telecommunications	289	289	38	0	0.0%
Total plant and equipment	477	403	40	(74)	(15.5%)
Infrastructure					
Roads	715	692	462	(23)	(3.2%)
Footpaths and cycleways	198	148	54	(50)	(25.2%)
Drainage	172	172	73	0	0.0%
Recreational, leisure and community facilities	909	516	205	(393)	(43.2%)
Parks, open space and streetscapes	356	356	101	0	0.0%
Off street car parks	425	425	169	0	0.0%
Other infrastructure	2,647	2,647	1,028	0	0.0%
Total infrastructure	5,422	4,957	2,093	(465)	(8.6%)
Total capital works expenditure	11,561	9,489	4,884	(2,073)	(17.9%)
Represented by:					
New asset expenditure	2,363	2,047	740	(316)	(13.4%)
Asset renewal expenditure	2,464	2,236	761	(228)	(9.3%)
Asset upgrade expenditure	6,734	5,206	3,383	(1,528)	(22.7%)
Total capital works expenditure	11,561	9,489	4,884	(2,073)	(17.9%)

Notes to the Statement of Capital Works

Reasons for \$2,073,000 decrease are given under section 1.2 (7) of this report.

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 locals and visitors alike; where history, culture and the natural environment meet in ways that delight and surprise; an involved and caring community, Council's decision-making and priorities focus around five portfolios as set out in the Council Plan for years 2021-2025.

Council delivers services and initiatives under 25 major service categories. Each contributes to the achievement of strategic objectives set out under each portfolio.

This section provides a brief description of the services and initiatives funded in the Budget for the 2021-22 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan under each portfolio.

Portfolio	Strategic Objective	Portfolio Holder
Health and wellbeing	To support community wellbeing and encourage an active lifestyle.	Cr Donnie Grigau
Environment	To protect our environment and address climate change issues.	Cr Fleur Hewitt
Local economy	To support a prosperous and diverse local economy.	Cr Ross Ebbels
Heritage, planning and infrastructure	To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure.	Cr Michael Grout
Governance and finance	To provide a financially viable Council that is accountable, transparent and practices good governance.	TBC

Portfolio 1: Health and wellbeing.

To support community wellbeing and encourage an active lifestyle. The key service objectives for each program area are described below.

Service area	Key service objective/s		Yearend	Yearend	Actual	Variance from Q2 forecast		
			Forecast - Dec 21 \$'000	Forecast - Mar 22 \$'000	YTD \$'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	597	597	510	0	0.0%	
		Exp	(738)	(738)	(508)	0	0.0%	
		Surplus/ (deficit)	(141)	(141)	2	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	3	3	0	0.0%	
		Exp	(137)	(137)	(120)	0	0.0%	
		Surplus/ (deficit)	(134)	(134)	(117)	0	0.0%	
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	22	22	16	0	0.0%	
		Exp	(190)	(190)	(132)	0	0.0%	
		Surplus/ (deficit)	(169)	(169)	(117)	0	0.0%	
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	50	0	0.0%	
		Exp	(75)	(75)	(60)	0	0.0%	
		Surplus/ (deficit)	(17)	(17)	(10)	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	0	0	0	0	0.0%	
		Exp	(5)	(5)	(6)	0	0.0%	
		Surplus/ (deficit)	(5)	(5)	(5)	0	0.0%	
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing.	Inc	23	23	25	0	0.0%	
		Exp	(135)	(135)	(80)	0	0.0%	
		Surplus/ (deficit)	(112)	(112)	(55)	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	92	142	43	50	54.2%	1
		Exp	(1,391)	(1,391)	(826)	0	0.0%	
		Surplus/ (deficit)	(1,299)	(1,249)	(782)	50	(3.8%)	
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	67	67	70	0	0.0%	
		Exp	(332)	(332)	(245)	0	0.0%	
		Surplus/ (deficit)	(265)	(265)	(175)	0	0.0%	
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	(32)	(32)	(19)	0	0.0%	
		Surplus/ (deficit)	(32)	(32)	(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	(51)	(51)	0	0	0.0%	
		Surplus/ (deficit)	(51)	(51)	0	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	(237)	(237)	(175)	0	0.0%	
		Surplus/ (deficit)	(237)	(237)	(175)	0	0.0%	
TOTAL	Income		860	910	716	50	5.8%	
	Expenditure		(3,322)	(3,322)	(2,170)	0	0.0%	
	Surplus/ (deficit)		(2,462)	(2,412)	(1,454)	50	(2.0%)	

Notes

1. FAG – Road of future years received in advance.

Portfolio 2: Environment.

To protect our environment and address climate change issues. The key service objectives for each program area are described below.

Service area	Key service objective/s		Yearend	Yearend	Actual	Variance	
			Forecast - Dec 21	Forecast - Mar 22	YTD	from Q2 forecast	
			\$'000	\$'000	\$'000	\$'000	%
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	(227)	(227)	(138)	0	0.0%
		Surplus/ (deficit)	(227)	(227)	(138)	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	443	443	430	0	0.0%
		Exp	(468)	(468)	(289)	0	0.0%
		Surplus/ (deficit)	(25)	(25)	142	0	0.0%
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	1,245	1,245	1,175	0	0.0%
		Exp	(1,268)	(1,268)	(754)	0	0.0%
		Surplus/ (deficit)	(24)	(24)	422	0	0.0%
TOTAL	Income		1,688	1,688	1,605	0	0.0%
	Expenditure		(1,964)	(1,964)	(1,180)	0	0.0%
	Surplus/ (deficit)		(276)	(276)	425	0	0.0%

Portfolio 3: Local economy.

To support a prosperous and diverse local economy. The key service objectives for each program area are described below.

Service area	Key service objective/s		Yearend	Yearend	Actual	Variance	
			Forecast - Dec 21	Forecast - Mar 22	YTD	from Q2 forecast	
			\$'000	\$'000	\$'000	\$'000	%
Tourist Parks	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	1,675	1,675	1,543	0	0.0%
		Exp	(955)	(955)	(662)	0	0.0%
		Surplus/ (deficit)	720	720	881	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	79	79	5	0	0.0%
		Exp	(287)	(287)	(159)	0	0.0%
		Surplus/ (deficit)	(208)	(208)	(154)	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	290	290	290	0	0.0%
		Exp	(485)	(485)	(199)	0	0.0%
		Surplus/ (deficit)	(195)	(195)	92	0	0.0%
TOTAL	Income		2,044	2,044	1,838	0	0.0%
	Expenditure		(1,727)	(1,727)	(1,020)	0	0.0%
	Surplus/ (deficit)		317	317	818	0	0.0%

Portfolio 4: Heritage, planning and infrastructure.

To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure. The key service objectives for each program area are described below.

Service area	Key service objective/s		Yearend	Yearend	Actual	Variance	
			Forecast - Dec 21	Forecast - Mar 22	YTD	from Q2 forecast	
			\$'000	\$'000	\$'000	\$'000	%
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	(329)	(329)	(355)	0	0.0%
		Surplus/ (deficit)	(329)	(329)	(355)	0	0.0%
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	106	0	0.0%
		Exp	(462)	(462)	(231)	0	0.0%
		Surplus/ (deficit)	(372)	(372)	(125)	0	0.0%
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	(35)	(35)	(6)	0	0.0%
		Surplus/ (deficit)	(35)	(35)	(6)	0	0.0%
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe.	Inc	24	24	25	0	0.0%
		Exp	(33)	(33)	(28)	0	0.0%
		Surplus/ (deficit)	(9)	(9)	(2)	0	0.0%
TOTAL	Income		114	114	131	0	0.0%
	Expenditure		(859)	(859)	(620)	0	0.0%
	Surplus/ (deficit)		(745)	(745)	(489)	0	0.0%

Portfolio 5: Governance and finance.

To provide a financially viable Council that is accountable, transparent and practices good governance. The key service objectives for each program area are described below.

Service area	Description of services provided		Yearend	Yearend	Actual	Variance from Q2		
			Forecast - Dec 21	Forecast - Mar 22	YTD	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	(208)	(208)	(168)	0	0.0%	
		Surplus/ (deficit)	(208)	(208)	(168)	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	336	874	264	538	159.8%	1
		Exp	(1,237)	(1,237)	(905)	0	0.0%	
		Surplus/ (deficit)	(900)	(362)	(642)	538	-59.7%	
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	(577)	(577)	(403)	0	0.0%	
		Surplus/ (deficit)	(577)	(577)	(403)	0	0.0%	
Financial and Risk Management	The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough.	Inc	7,663	7,663	6,900	0	0.0%	
		Exp	(2,548)	(2,548)	(886)	0	0.0%	
		Surplus/ (deficit)	5,115	5,115	6,014	0	0.0%	
TOTAL	Income		7,999	8,537	7,164	538	6.7%	
	Expenditure		(4,569)	(4,569)	(2,362)	0	0.0%	
	Surplus/ (deficit)		3,430	3,967	4,802	538	15.7%	

Notes

1. FAG- General Purpose of future years received in advance.

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).