



Appendix 2a

15.2 2020-21 Quarterly Financial Report as at 31 December 2020

Quarterly Financial Report 31 December 2020

Ordinary Meeting of Council

Wednesday 17 February 2021 at 7:00pm

Via Videoconference (Zoom)

Quarterly Financial Report 31 December 2020

Presented to 17 February 2021
Ordinary Council Meeting



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

| Contents | Page |
|--|-------------|
| Introduction | 3 |
| Executive summary | 3 |
| 1. Statement of Income and Expenditure (Cash Results) | 4 |
| 1.1 Income (receipts) | 4 |
| 1.2 Expenses (payments) | 5 |
| 1.3 Transfers from / (to) reserves | 6 |
| 2. Financial statements | 7 |
| 2.1 Comprehensive Income Statement | 7 |
| 2.2 Balance Sheet | 9 |
| 2.3 Statement of Changes in Equity | 13 |
| 2.4 Statement of Cash Flows | 14 |
| 2.5 Statement of Capital Works | 15 |
| 3. Local Government Performance Reporting Framework (LGPRF) | 16 |
| 3.1 Performance of Council against the Council Plan | 16 |
| 3.2 Governance and Management Checklist | 20 |
| 3.3 Prescribed indicators, measures and results of service performance | 20 |

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The adopted budget can become outdated during the financial year, as new information comes to light.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 adopted budget, year-to-date actual results, forecast year-end 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 \$256,000** for the year, a **decrease of \$73,000** on the budgeted cash deficit of \$329,000. This net decrease mainly reflects projected savings from recurring operating expenses, savings from capital projects completed during the period, and additional income from the sale of motor vehicles, after the following additional budget allocations;

- Hesse Street south road upgrade project, \$94,000;
- Queenscliffe Cultural Hub, \$50,000;
- roundabout upgrade work on Hesse Street, \$38,000; and
- early settlement of the existing loan in full, \$10,000.

Further, \$170,000 of net savings have been used to fund the remaining work of the Hesse Street south upgrade project instead of borrowing as indicated in the budget.

Due to the shift in the timing, \$901,000 capital project work and \$239,000 operating project work have been carried over from 2019-20 via reserve transfers with a nil impact on the cash result. The **forecast accumulated cash surplus for 2020-21 is \$196,000 at June 2021.**

Since Council settled the existing loan in full, for the first time after twelve years, Council has a **debt free balance sheet.**

The inclusion of new road projects totaling to \$1,159,000 (100% grant funded) is the most significant change incorporated into the quarterly financial report as at 31 December 2020.

Headline changes in year-end forecast, from the 2020-21 budget, 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 \$196,000** against the budget breakeven accumulated cash surplus.

| Statement of Income & Expenditure (Available Cash) for the quarter ended | 2019-20 Actual | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|---|-------------------|-------------------|----------------------|---------------|---|----------------|--------------|
| | | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % | Notes |
| Income | | | | | | | |
| Rates and charges | 7,449 | 7,639 | 7,649 | 7,633 | 10 | 0.1% | |
| Statutory fees and fines | 104 | 105 | 99 | 57 | (6) | (5.7%) | |
| User fees | 1,699 | 1,794 | 1,796 | 780 | 2 | 0.1% | |
| Grants - operating | 1,665 | 880 | 1,316 | 1,059 | 436 | 49.6% | 1 |
| Grants - capital | 1,097 | 4,225 | 5,116 | 3,603 | 891 | 21.1% | 2 |
| Contributions - monetary - capital | 19 | 52 | 52 | 0 | 0 | 0.0% | |
| Other income | 284 | 242 | 216 | 121 | (27) | (10.9%) | 3 |
| Proceeds from asset sales | 11 | 50 | 110 | 0 | 60 | 120.0% | 4 |
| Borrowings | 0 | 569 | 0 | 0 | (569) | (100.0%) | 5 |
| Total cash received | 12,334 | 15,556 | 16,354 | 13,254 | 798 | 5.1% | |
| Expenses | | | | | | | |
| Employee costs | 4,353 | 4,458 | 4,457 | 2,136 | (1) | (0.0%) | 6 |
| Materials and services | 4,905 | 5,802 | 6,026 | 2,349 | 224 | 3.9% | 7 |
| Bad and doubtful debts | 5 | 3 | 3 | 0 | 0 | 0.0% | |
| Borrowing costs | 1 | 5 | 0 | 0 | (4) | (97.9%) | 8 |
| Other expenses | 609 | 335 | 382 | 109 | 48 | 14.3% | 9 |
| Loan redemption | 18 | 32 | 29 | 29 | (3) | (9.5%) | |
| Capital expenditure - Asset Renewal | 638 | 1,056 | 1,044 | 307 | (12) | (1.1%) | 10 |
| Capital expenditure - New and Upgrade | 1,418 | 6,245 | 6,656 | 1,030 | 411 | 6.6% | 10 |
| Total cash paid | 11,946 | 17,934 | 18,596 | 5,960 | 663 | 3.7% | |
| Cash surplus / (deficit) from operations | 388 | (2,378) | (2,242) | 7,293 | 136 | (5.7%) | |
| Transfer from reserves | 1,479 | 2,519 | 3,250 | 0 | 731 | 29.0% | 11 |
| Transfer to reserves <i>(for future year spending)</i> | (1,890) | (470) | (1,264) | 0 | (794) | 169.0% | 11 |
| Adjusted cash surplus / (deficit) for the year | (22) | (329) | (256) | 7,293 | 73 | (22.1%) | |
| Accumulated cash surplus b/fwd from prior year | 474 | 329 | 452 | 452 | 123 | 37.3% | |
| Accumulated cash surplus | 452 | 0 | 196 | 7,745 | 196 | | |

Notes to the Statement of Income and Expenditure

1.1 Income (receipts)

1. Grants - operating: Net increase of \$436,000 is mainly due to:

- \$250,000 new grant, Outdoor Seating and Entertainment, Department of Jobs, Precincts and Regions
- \$100,000 new grant, repair work to Point Lonsdale seawall, DELWP
- \$59,000 new grant, Community Activation and Social Isolation, DHHS
- \$35,000 new grant, Kindergarten Infrastructure and Building Blocks, DET

- \$20,000 new grant, Covid Safe Australia Day
- \$15,000 new grant, Pedestrian Safety, TAC
- \$14,000 new grant, This Girl Can campaign, VicHealth
- \$10,000 new grant, develop a Kerbside Transition Plan, DELWP
- (\$75,000) FOGO roll out is being delayed until 2021-22 FY
- (\$15,000) Walk to School, not expected to receive a grant for this FY

2. Grants - capital: Net increase of \$891,000 is due to;

- \$1,160,000 new grant, Commonwealth Road safety Projects, DT
- \$103,000 new grant, Local Roads and Community Infrastructure Program, DT
- \$100,000 new grant, Rural Councils ICT Infrastructure Program form LGV
- \$15,000 new grant, Pedestrian Safety, TAC
- \$10,000 grant Lawrence Road Shared Path Connection, budget error correction
- (\$315,000) Q Sports & Rec Precinct Development project, grant to receive in 2021-22 FY due to further phasing of the project
- (\$181,000) Fixing Local Roads Stage 2 grant received in advance in 2019-20

3. Other income: Decrease in lease income of \$17,000 due to the extension of the lease rental waiver for additional 3 months and projected loss of interest income of \$13,000 due to very low-interest rates environment.

4. Proceeds from asset sales: Mainly due to the planned sale of an additional vehicle.

5. Borrowings: Due to not going ahead with the planned borrowings as detailed below;

- \$170,000 for Hesse Street South project, general income/savings will be used instead of borrowed funds
- \$152,000 for Simpson Street stormwater asset improvement and \$146,000 for King Street storm water asset improvement projects. These projects were completed in the previous FY using funds from unallocated cash reserve (general reserve). The objective of the planned borrowing was to replenish the reserve which now has a sufficient balance
- \$100,000 for Point Lonsdale Lighthouse Reserve development project to be borrowed in the next FY due to further phasing of the project

1.2 Expenses (payments)

6. Employee costs: Savings of \$90,000 due to temporary vacancies have been off-set by additional resources required in the Tourist Park (\$58,000) and Environmental Health (\$25,000) program areas.

7. Materials and services: Net increase of \$224,000 is mainly due to;

- \$444,000 new operating projects associated with new operating grants confirmed/received
- \$239,000 operating projects carried forward from 2019-20
- \$30,000 increase in waste management expenses due to the increase in green waste disposal volume
- (\$319,000) net savings in recurring operating expenses. e.g. (\$90,000) assets and reserve maintenance, (\$80,000) operating expenses of tourist parks, (\$71,000) foreshore and open space maintenance, (\$36,000) community engagement projects, (\$35,000) advertising and communication expenses, partially net-off by \$61,000 increase in cost

associated with consultants and \$23,000 additional public convenience cleaning expenses to comply with COVID 19 mitigation requirements

- *(\$163,000) operating projects carried over to future financial years, cancelled or scope reduction. e.g. (\$120,000) FOGO roll out is now being delayed until 2021-22 FY*

8. **Borrowing costs:** *Reduction of \$1,000 is due the early settlement of the existing loan in full.*

9. **Other expenses:** *Increase of \$48,000 is mainly due to \$59,000 new grant funded project (Community Activation and Social Isolation) net of savings of (\$15,000) in internal audit related expenses due to the change in the frequency of internal reviews.*

10. **Capital expenditure:** *Net increase of \$399,000 is due to;*

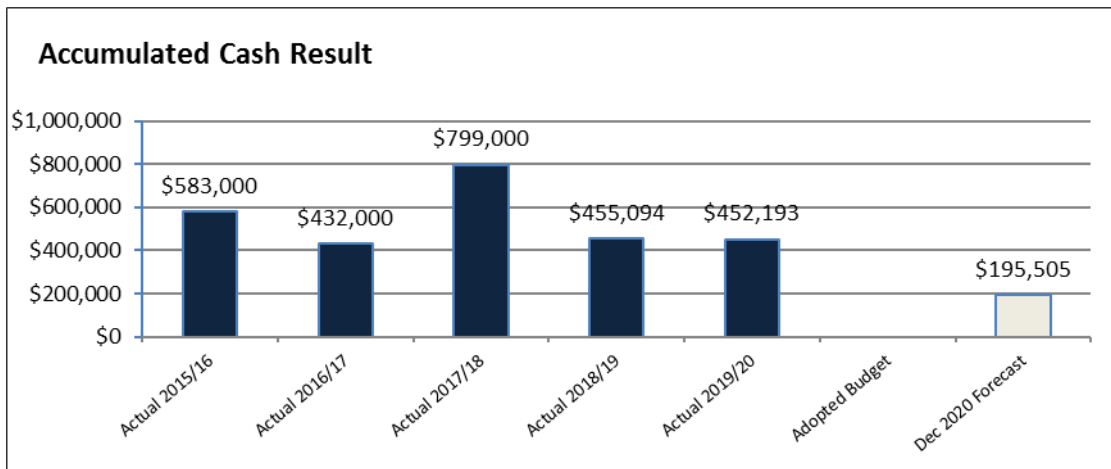
- *\$1,159,000 new road projects (100% grant funded) identified under Commonwealth Road Safety funding program (funds under this grant program need to be spent before 30 June 2021)*
- *\$901,000 capital projects carried forward from 2019-20*
- *\$100,000 ICT infrastructure upgrade (100% grant funded)*
- *\$94,000 additional BoQ contribution for Hesse Street South project. This is to cover the cost overrun resulted from replacing an old asbestos water main, adjustments made to two sewer pits, and additional work in relation to power connection works for three properties with the undergrounding of the power service*
- *\$50,000 new road projects identified (100% grant funded) under Local Roads and Community Infrastructure program (State)*
- *\$38,000 a new road project to enhance the pedestrian safety, Gellibrand Street (50% grant funded)*
- *\$50,000 additional BoQ contribution for QHub in relation to upgrade work to the library roof which may be required depending on its condition*
- *\$38,000 roundabout upgrade work on Hesse Street. The project commenced and is pending feedback from Powercor in relation to light pole replacement. To be completed in 2021-22 FY.*
- *\$10,000 additional BoQ contribution for soak pit upgrade work at Cygnet Court*
- *(\$1,994,000) capital work carried over to future financial years, mainly due to phasing of Qhub project (\$552,000), Q Sports & Rec Precinct Development project (\$606,000) and Point Lonsdale lighthouse Reserve Development project (\$524,000)*
- *(\$38,000) net savings from capital projects completed during the period*

1.3 Transfers from / (to) reserves

11. **Transfers (from) / to reserves:** *Net decrease of \$63,000 is mainly due;*

- *\$1,622,000 capital work carried over to future financial years where grant funding and/or Council contribution received / allocated (until the end of the current FY)*
- *\$71,000 operating projects funded via reserves in the 2020-21 budget, carried over to future years*
- *(\$901,000) capital projects carried over from the 2019-20 FY*
- *(\$298,000) zero borrowings to replenish unallocated cash reserve (general reserve)*
- *(\$239,000) operating projects carried over from the 2019-20 FY*
- *(\$181,000) grant budgeted for 2020-21 received in advance in 2019-20 (transferred via reserves)*

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.



2. Financial statements

This section includes quarterly reporting against the five key financial statements in accordance with both the *Local Government Act 1989* 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 \$4,082,000**, an increase of \$1,081,000 compared with the budget. The increase is mainly due to the increase in income from capital grant and the projected savings from recurring operating expenses net off the impact of operating projects carried over from 2019-20.

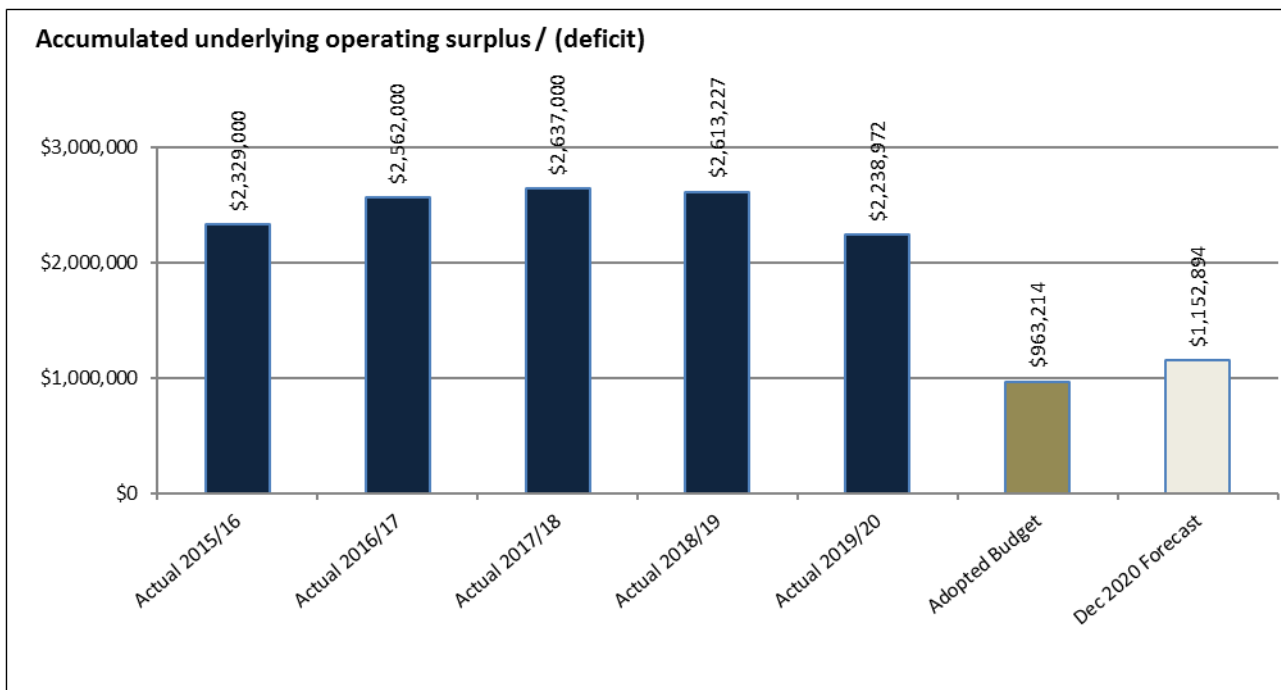
| Comprehensive Income Statement for the quarter ended | 2019-20 Actual | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|--|-------------------|-------------------|----------------------|---------------|---|--------------|-------|
| | | | | | | | |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % | Notes |
| Income | | | | | | | |
| Rates and charges | 7,449 | 7,639 | 7,649 | 7,633 | 10 | 0.1% | |
| Statutory fees and fines | 104 | 105 | 99 | 57 | (6) | (5.7%) | |
| User fees | 1,699 | 1,794 | 1,796 | 780 | 2 | 0.1% | |
| Grants - operating | 1,665 | 880 | 1,316 | 1,059 | 436 | 49.6% | |
| Grants - capital | 1,097 | 4,225 | 5,116 | 3,603 | 891 | 21.1% | |
| Contributions - monetary - capital | 19 | 52 | 52 | 0 | 0 | 0.0% | |
| Other income | 284 | 242 | 216 | 121 | (27) | (10.9%) | |
| Net gain on disposal of assets | 7 | 0 | 32 | 0 | 32 | 0.0% | |
| Share of net losses of an associate (library) | 33 | 0 | 0 | 0 | 0 | 0.0% | |
| Total income | 12,363 | 14,929 | 16,276 | 13,254 | 1,347 | 9.0% | |
| Expenses | | | | | | | |
| Employee costs | 4,350 | 4,458 | 4,457 | 2,136 | (1) | (0.0%) | |
| Materials and services | 4,907 | 5,802 | 6,026 | 2,349 | 224 | 3.9% | |
| Bad and doubtful debts | 5 | 3 | 3 | 0 | 0 | 0.0% | |
| Depreciation | 1,331 | 1,326 | 1,326 | 0 | 0 | 0.0% | |
| Borrowing costs | 1 | 5 | 0 | 0 | (4) | (97.9%) | |
| Other expenses | 1,218 | 335 | 382 | 109 | 48 | 14.3% | |
| Total expenses | 11,813 | 11,927 | 12,194 | 4,595 | 267 | 2.2% | |
| Surplus / (deficit) for the year | 551 | 3,002 | 4,082 | 8,659 | 1,081 | 36.0% | |
| Other comprehensive income | | | | | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | | | | | |
| Net asset revaluation increment / (decrement) | 932 | 0 | 0 | 0 | 0 | 0.0% | |
| Total comprehensive result | 1,484 | 3,002 | 4,082 | 8,659 | 1,081 | 36.0% | |

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 \$1,086,000** a reduction of \$190,000 against the budget mainly due to the impact of operating projects carried over from 2019-20 is being partially offset by the projected savings from recurring operating expenses.

| Underlying Result for the quarter ended | 2019-20 Actual | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|--|-------------------|-------------------|----------------------|---------------|---|----------------|-------|
| | | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % | Notes |
| Total income | 12,363 | 14,929 | 16,276 | 13,254 | 1,347 | 9.0% | |
| Total expenses | 11,813 | 11,927 | 12,194 | 4,595 | 267 | 2.2% | |
| Surplus / (deficit) for the year | 551 | 3,002 | 4,082 | 8,659 | 1,081 | 36.0% | |
| Less: Grants - capital (non-recurrent) | (906) | (4,225) | (5,116) | (3,603) | (891) | 21.1% | |
| Less: Contributions - monetary - capital | (19) | (52) | (52) | 0 | 0 | 0.0% | |
| Less: Non-monetary asset contributions | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Adjusted underlying surplus / (deficit) | (375) | (1,276) | (1,086) | 5,056 | 190 | (14.9%) | |

One of the key objectives in Council's Strategic Resource Plan is the achievement of a breakeven underlying operating result cumulatively which is forecasted to be **\$1,153,000** at June 2021.



2.2 Balance Sheet

The value of **net assets** of Council is forecasted to be at **\$145 million** as at **30 June 2021**. **Cash and investments** (including other financial assets) is at **\$6.1 million**.

| Balance Sheet for the quarter ended | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|--|-------------------|----------------------|----------------|---|----------------|-------|
| | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | | | |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 3,462 | 5,116 | 6,369 | 1,654 | 47.8% | 1 |
| Other financial assets | 1,000 | 1,000 | 3,306 | 0 | 0.0% | |
| Trade and other receivables | 280 | 330 | 5,279 | 50 | 17.9% | |
| Non-current assets classified as held for sale | 2,075 | 2,075 | 2,075 | 0 | 0.0% | |
| Inventories | 6 | 4 | 4 | (2) | (27.5%) | |
| Other assets | 225 | 225 | 8 | 0 | 0.0% | |
| Total current assets | 7,048 | 8,750 | 17,041 | 1,702 | 24.2% | |
| Non-current assets | | | | | | |
| Investments in associates | 207 | 240 | 240 | 33 | 15.9% | |
| Property, infrastructure, plant and equipment | 139,460 | 139,050 | 134,090 | (410) | (0.3%) | |
| Total non-current assets | 139,667 | 139,290 | 134,330 | (378) | (0.3%) | |
| Total assets | 146,715 | 148,040 | 151,371 | 1,325 | 0.9% | |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 1,357 | 1,411 | 67 | 53 | 3.9% | |
| Trust funds and deposits | 100 | 16 | 12 | (84) | (83.7%) | |
| Provisions | 1,081 | 952 | 929 | (129) | (11.9%) | |
| Interest-bearing loans and borrowings | 59 | 0 | 0 | (59) | (100.0%) | |
| Other liabilities | 80 | 80 | 211 | 0 | 0.0% | |
| Total current liabilities | 2,677 | 2,460 | 1,220 | (218) | (8.1%) | |
| Non-current liabilities | | | | | | |
| Provisions | 23 | 106 | 103 | 83 | 358.9% | |
| Interest-bearing loans and borrowings | 506 | 0 | 0 | (506) | (100.0%) | |
| Total non-current liabilities | 529 | 106 | 103 | (423) | (80.0%) | |
| Total liabilities | 3,207 | 2,566 | 1,323 | (641) | (20.0%) | |
| Net assets | 143,509 | 145,475 | 150,051 | 1,966 | 1.4% | |
| Equity | | | | | | |
| Accumulated surplus | 98,605 | 98,067 | 100,657 | (538) | (0.5%) | |
| Revaluation Reserve | 42,566 | 43,498 | 43,498 | 932 | 2.2% | |
| Reserves | 2,339 | 3,910 | 5,897 | 1,572 | 67.2% | |
| Total equity | 143,509 | 145,475 | 150,052 | 1,966 | 1.4% | 2 |

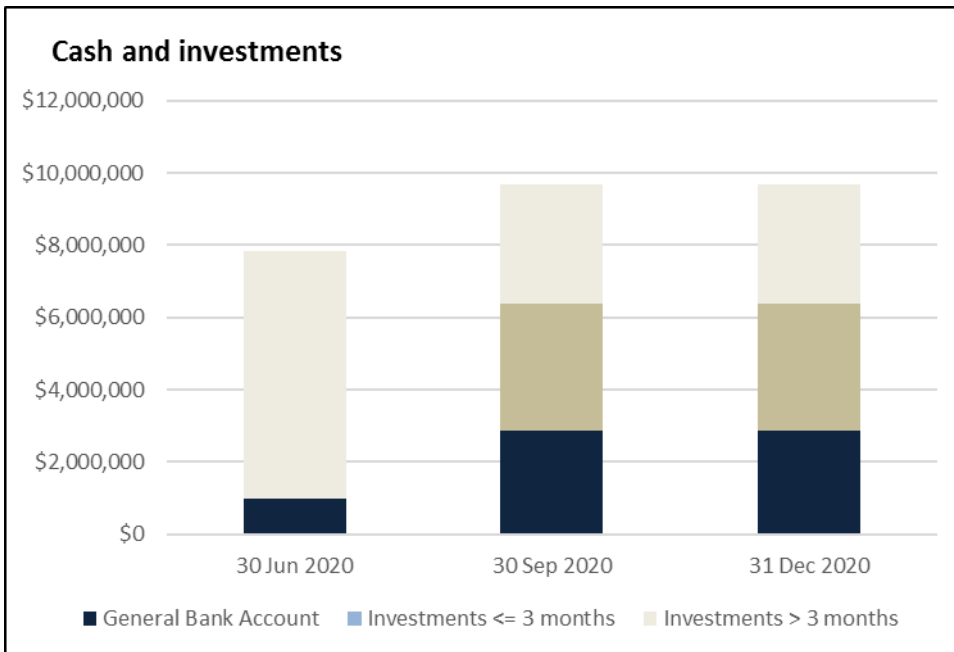
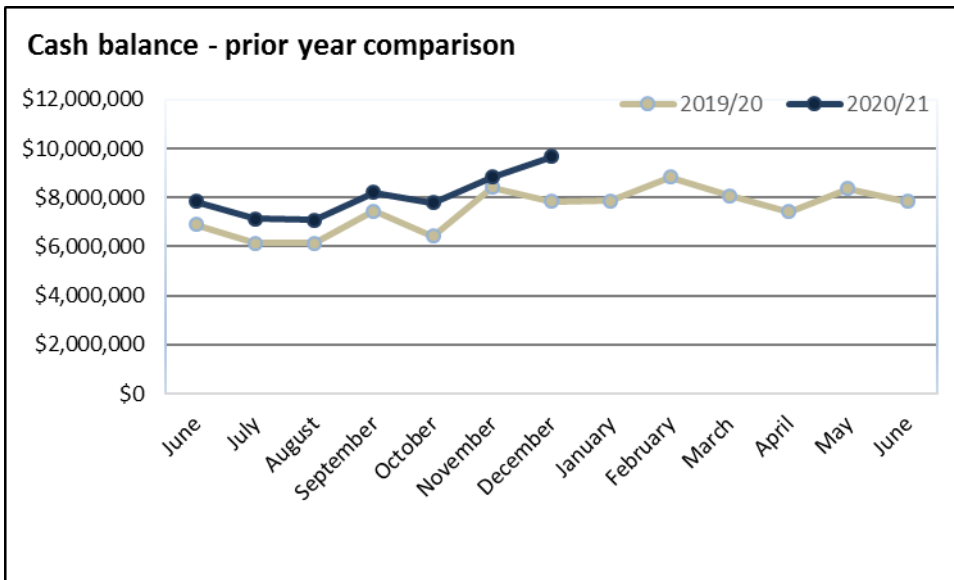
Notes to the Balance Sheet

1. Mainly due to the capital grant to be received in advance for the projects carried over to the 2021-22 financial year
2. Net movement is mainly due to the impact of the increase in the surplus for the year and adjustment of opening balances in line with the 2019-20 year end actual balances

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 December 2020 is \$9.7 million.

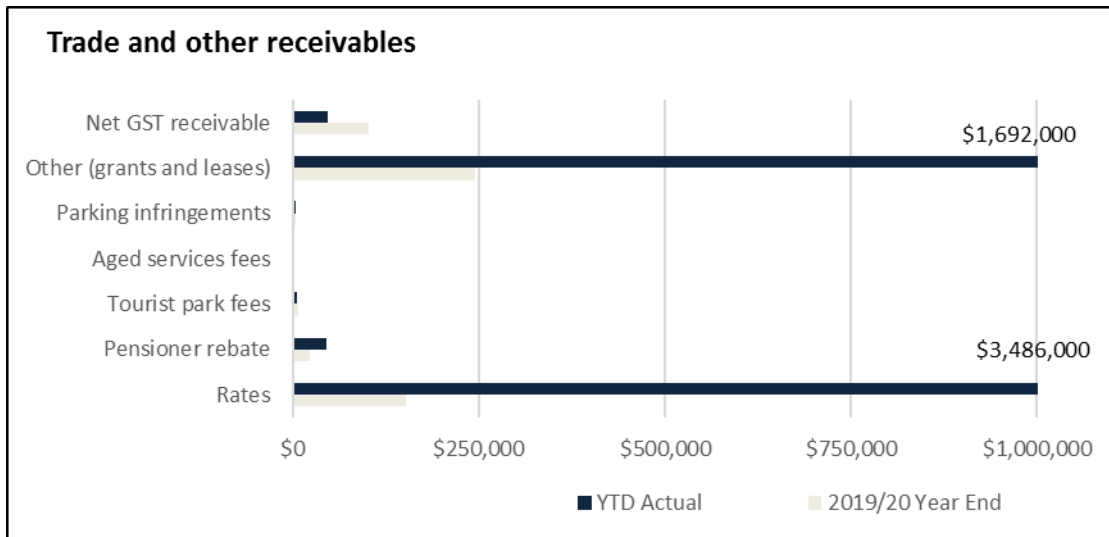


Trade and other receivables

Trade and other receivables stands at **\$5,279,000 at 31 December 2020** of which only 1.4% is due for more than 60 days.

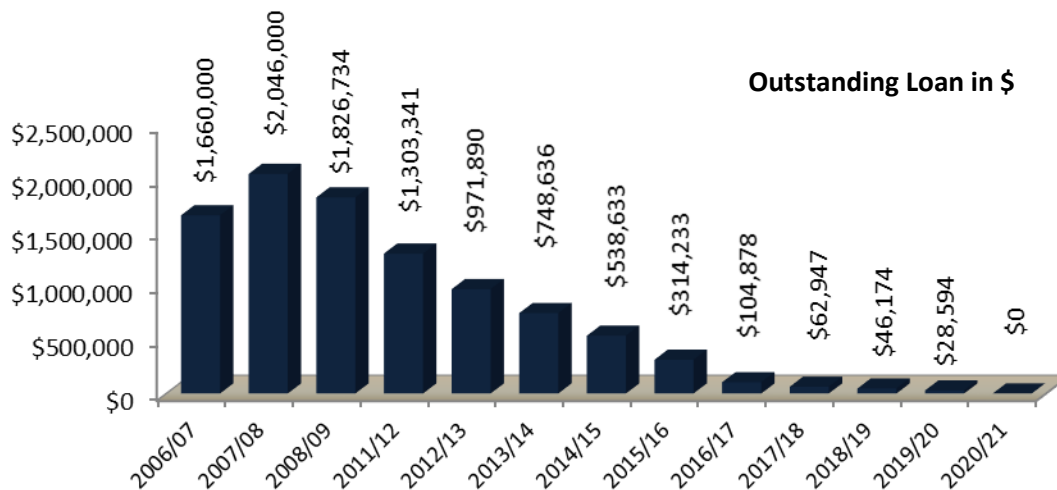
Rates are required to be paid by instalments in September, November, February and May each year. All rates are deemed collectible, with no provision for doubtful debts.

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.



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 \$ | Dec 2020 Forecast \$ | 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

As explained in note 1.1.5 above, Council will not borrow money 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 | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|---|-------------------|-------------------|----------------------|----------------|---|---------------|--------------|
| | | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | % | Notes |
| Accumulated Surplus | | | | | | | |
| Opening Balance 1st July | 91,858 | 93,553 | 91,998 | 91,998 | (1,555) | (1.7%) | |
| Adjustment on change in accounting policy | | | | | | | |
| Surplus / (deficit) for the year | 551 | 3,002 | 4,082 | 8,659 | 1,081 | 36.0% | |
| Transfer to other reserves | (1,890) | (470) | (1,264) | 0 | (794) | 169.0% | |
| Transfer from other reserves | 1,479 | 2,519 | 3,250 | 0 | 731 | 29.0% | |
| Closing Balance 30th June | 91,998 | 98,604 | 98,067 | 100,657 | (537) | (0) | |
| Revaluation Reserve | | | | | | | |
| Opening Balance 1st July | 42,566 | 42,566 | 43,498 | 43,498 | 932 | 2.2% | |
| Net asset revaluation increment/(decrement) | 932 | 0 | 0 | 0 | 0 | 0.0% | |
| Closing Balance 30th June | 43,498 | 42,566 | 43,498 | 43,498 | 932 | 0 | |
| Other Reserves | | | | | | | |
| Opening Balance 1st July | 5,486 | 4,388 | 5,897 | 5,897 | 1,509 | 34.4% | |
| Transfer to other reserves | 1,890 | 470 | 1,264 | 0 | 794 | 169.0% | |
| Transfer from other reserves | (1,479) | (2,519) | (3,250) | 0 | (731) | 29.0% | |
| Closing Balance 30th June | 5,897 | 2,339 | 3,910 | 5,897 | 1,572 | 1 | |
| Total Equity | | | | | | | |
| Opening Balance 1st July | 139,910 | 140,507 | 141,393 | 141,393 | 886 | 0.6% | |
| Surplus / (deficit) for the year | 551 | 3,002 | 4,082 | 8,659 | 1,081 | 36.0% | |
| Net asset revaluation increment/(decrement) | 932 | 0 | 0 | 0 | 0 | 0.0% | |
| Transfer to other reserves | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Transfer from other reserves | 0 | 0 | 0 | 0 | 0 | 0.0% | |
| Closing Balance 30th June | 141,393 | 143,508 | 145,475 | 150,052 | 1,967 | 0 | 1 |

Notes to the Statement of Changes in Equity

1. Net movement is mainly due to the impact of the increase in the surplus for the year, adjustment of opening reserve balances in line with the 2019-20 year end actual balances and the impact of capital and operating projects carried over from 2019-20 and carried over to 2021-22.

2.4 Statement of Cash Flows

The projected value of cash and cash equivalents is \$5,116,000 at June 2021.

| Statement of Cash Flows for the quarter ended | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|---|-------------------|----------------------|----------------|---|-----------------|-------|
| | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | | | |
| Cash flows from operating activities | | | | | | |
| <i>Receipts</i> | | | | | | |
| Rates and charges | 7,631 | 7,593 | 4,252 | (38) | (0.5%) | |
| Statutory fees and fines | 105 | 95 | 56 | (10) | (9.4%) | |
| User fees | 1,794 | 1,793 | 781 | (1) | (0.1%) | |
| Grants - Operating | 880 | 1,196 | (315) | 317 | 36.0% | |
| Grants - Capital | 4,225 | 5,144 | 3,221 | 919 | 21.7% | |
| Contributions - monetary - capital | 52 | 52 | 0 | 0 | 0.0% | |
| Interest received | 43 | 24 | 36 | (19) | (43.1%) | |
| Trust funds and deposits taken | 0 | | | 0 | 0.0% | |
| Other receipts | 199 | 88 | 205 | (111) | (55.8%) | |
| Net GST refund / (payment) | 0 | 0 | 0 | 0 | 0.0% | |
| Total receipts | 14,929 | 15,986 | 8,237 | 1,057 | 7.1% | |
| <i>Payments</i> | | | | | | |
| Employee costs | (4,434) | (4,580) | (2,218) | (147) | 3.3% | |
| Materials and services | (5,768) | (5,776) | (2,543) | (8) | 0.1% | |
| Trust funds and deposits repaid | 0 | | | 0 | 0.0% | |
| Other payments | (337) | (344) | (114) | (7) | 2.0% | |
| Total payments | (10,539) | (10,700) | (4,875) | (162) | 1.5% | |
| Net cash provided by operating activities | 4,390 | 5,286 | 3,361 | 895 | 20.4% | 1 |
| Cash flows from investing activities | | | | | | |
| Payments for property, infrastructure, plant and equipment | (6,893) | (7,092) | (1,499) | (199) | 2.9% | |
| Proceeds from sale of property, infrastructure, plant and equipment | 50 | 110 | 0 | 60 | 120.0% | |
| Proceeds from sale of investments | 0 | 5,862 | 3,556 | 5,862 | 0.0% | 2 |
| Net cash used in investing activities | (6,843) | (1,120) | 2,057 | 5,723 | (83.6%) | |
| Cash flows from financing activities | | | | | | |
| Borrowing costs | (5) | (0) | (0) | 4 | (97.9%) | |
| Proceeds from borrowings | 569 | 0 | 0 | (569) | (100.0%) | |
| Repayment of borrowings | (32) | (29) | (29) | 3 | (9.5%) | |
| Net cash provided by / (used in) financing activities | 532 | (29) | (29) | (561) | (105.4%) | |
| Net increase / (decrease) in cash and cash equivalents | (1,920) | 4,137 | 5,390 | 6,057 | (315.4%) | |
| Cash and cash equivalents at the beginning of the financial year | 5,383 | 979 | 979 | (4,403) | (81.8%) | 2 |
| Cash and cash equivalents at the end of the financial year | 3,462 | 5,116 | 6,369 | 1,654 | 47.8% | |

Notes to the Statement of Cash Flows

1. Mainly due to the shift in the timing of the receipt of capital grant income (capital projects, 100% grant-funded being shifted forward)
2. Due to the reclassifications of deposits of \$5.8 million from other financial assets to cash and cash equivalents

2.5 Statement of Capital Works

The forecast total capital work budget the year 2020-21 is \$7.7 million.

| Statement of Capital Works for the quarter ended | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|---|-------------------|----------------------|---------------|---|----------------|----------|
| | | | | \$'000 | % | Notes |
| 31 December 2020 | \$'000 | \$'000 | \$'000 | | | |
| Property | | | | | | |
| Land improvements | 0 | 0 | 0 | 0 | 0.0% | |
| Buildings | 4,347 | 3,542 | 458 | (805) | (18.5%) | |
| Total property | 4,347 | 3,542 | 458 | (805) | (18.5%) | |
| Plant and equipment | | | | | | |
| Plant, machinery and equipment | 150 | 168 | 23 | 18 | 11.7% | |
| Fixtures, fittings and furniture | 5 | 5 | 0 | 0 | 0.0% | |
| Computers and telecommunications | 45 | 145 | 52 | 100 | 221.9% | |
| Library books | 0 | 0 | 0 | 0 | 0.0% | |
| Total plant and equipment | 200 | 317 | 75 | 117 | 58.7% | |
| Infrastructure | | | | | | |
| Roads | 1,033 | 2,455 | 549 | 1,423 | 137.7% | |
| Footpaths and cycleways | 40 | 122 | 84 | 82 | 204.0% | |
| Drainage | 125 | 231 | 87 | 106 | 85.0% | |
| Recreational, leisure and community facilities | 675 | 406 | 53 | (268) | (39.8%) | |
| Waste management | 0 | 0 | 0 | 0 | 0.0% | |
| Parks, open space and streetscapes | 750 | 441 | 12 | (309) | (41.2%) | |
| Off street car parks | 0 | 0 | 0 | 0 | 0.0% | |
| Other infrastructure | 131 | 185 | 18 | 54 | 40.9% | |
| Total infrastructure | 2,754 | 3,841 | 803 | 1,087 | 39.5% | |
| Total capital works expenditure | 7,301 | 7,700 | 1,337 | 399 | 5.5% | |
| Represented by: | | | | | | |
| New asset expenditure | 1,178 | 855 | 88 | (323) | (27.4%) | |
| Asset renewal expenditure | 1,056 | 1,044 | 307 | (12) | (1.1%) | |
| Asset upgrade expenditure | 5,067 | 5,801 | 943 | 734 | 14.5% | |
| Total capital works expenditure | 7,301 | 7,700 | 1,337 | 399 | 5.5% | 1 |

Notes to the Statement of Capital Works

Movement in capital work expenditure budget is explained in note 1.2.10 above

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 | | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December Forecast | | |
|--|--|------------|----------------|-------------------|--------------|--|----------------|------|
| | | | \$'000 | \$'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. | Exp | 738 | 776 | 328 | 38 | 5.2% | |
| | | Rev | (574) | (643) | (423) | (69) | 12.1% | |
| | | Net | 164 | 133 | (95) | (31) | (19.0%) | |
| 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. | Exp | 147 | 136 | 35 | (11) | (7.7%) | |
| | | Rev | (18) | (3) | 0 | 15 | (83.3%) | |
| | | Net | 129 | 133 | 35 | 4 | 2.9% | |
| 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. | Exp | 185 | 194 | 50 | 9 | 5.1% | |
| | | Rev | (7) | (27) | (27) | (20) | 285.7% | |
| | | Net | 178 | 167 | 23 | (11) | (6.0%) | |
| 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. | Exp | 76 | 74 | 34 | (3) | (3.8%) | |
| | | Rev | (57) | (58) | (29) | (1) | 1.8% | |
| | | Net | 20 | 16 | 5 | (4) | (19.9%) | |
| 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. | Exp | 4 | 39 | 0 | 35 | 875.0% | |
| | | Rev | 0 | (35) | (35) | (35) | 0.0% | |
| | | Net | 4 | 4 | (35) | 0 | 0.0% | |
| Environmental Health | The Environmental Health program monitors and maintains a safe environment for public health and wellbeing. | Exp | 127 | 178 | 82 | 51 | 40.3% | |
| | | Rev | (8) | (25) | (30) | (17) | 208.8% | |
| | | Net | 119 | 154 | 51 | 35 | 29.0% | |
| 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. | Exp | 1,182 | 1,175 | 396 | (7) | (0.6%) | |
| | | Rev | (37) | (52) | (20) | (15) | 40.4% | |
| | | Net | 1,144 | 1,122 | 376 | (22) | (1.9%) | |
| 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. | Exp | 310 | 299 | 142 | (10) | (3.3%) | |
| | | Rev | (62) | (58) | (35) | 4 | (6.2%) | |
| | | Net | 248 | 242 | 108 | (7) | (2.6%) | |
| Street Lighting | The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists. | Exp | 42 | 31 | 11 | (11) | (26.2%) | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 42 | 31 | 11 | (11) | (26.2%) | |
| 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. | Exp | 73 | 50 | 0 | (23) | (31.5%) | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 73 | 50 | 0 | (23) | (31.5%) | |
| Library | The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. | Exp | 227 | 228 | 167 | 1 | 0.5% | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 227 | 228 | 167 | 1 | 0.5% | |
| TOTAL | Expenditure | | 3,111 | 3,180 | 1,246 | 69 | 2.2% | |
| | (Revenue) | | (762) | (901) | (600) | (138) | 18.1% | |
| | Net Cost / (Income) | | 2,348 | 2,279 | 646 | (69) | (2.9%) | |

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 | | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December 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. | Exp | 155 | 188 | 75 | 33 | 21.0% |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% |
| | | Net | 155 | 188 | 75 | 33 | 21.0% |
| 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. | Exp | 427 | 464 | 125 | 36 | 8.5% |
| | | Rev | (259) | (342) | (297) | (83) | 32.1% |
| | | Net | 168 | 121 | (172) | (47) | (27.8%) |
| 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. | Exp | 1,198 | 1,117 | 457 | (81) | (6.7%) |
| | | Rev | (1,056) | (994) | (987) | 62 | (5.9%) |
| | | Net | 142 | 123 | (529) | (19) | (13.1%) |
| TOTAL | Expenditure | | 1,780 | 1,769 | 657 | (12) | (0.6%) |
| | (Revenue) | | (1,315) | (1,336) | (1,283) | (21) | 1.6% |
| | Net Cost / (Income) | | 466 | 433 | (626) | (33) | (7.0%) |

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 | | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December 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. | Exp | 868 | 930 | 323 | 62 | 7.1% |
| | | Rev | (1,545) | (1,549) | (673) | (4) | 0.3% |
| | | Net | (677) | (619) | (350) | 58 | (8.5%) |
| 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. | Exp | 294 | 234 | 78 | (60) | (20.3%) |
| | | Rev | (84) | (82) | (1) | 3 | (3.0%) |
| | | Net | 210 | 153 | 78 | (57) | (27.3%) |
| 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. | Exp | 214 | 491 | 271 | 278 | 130.0% |
| | | Rev | 0 | (250) | (250) | (250) | 0.0% |
| | | Net | 214 | 241 | 20 | 28 | 12.9% |
| TOTAL | Expenditure | | 1,376 | 1,655 | 672 | 280 | 20.3% |
| | (Revenue) | | (1,629) | (1,880) | (923) | (252) | 15.4% |
| | Net Cost / (Income) | | (253) | (225) | (251) | 28 | -11.1% |

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 | | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December 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. | Exp | 310 | 334 | 248 | 25 | 8.0% | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 310 | 334 | 248 | 25 | 8.0% | 1 |
| 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. | Exp | 382 | 428 | 158 | 46 | 12.0% | |
| | | Rev | (90) | (90) | (52) | 0 | 0.0% | |
| | | Net | 292 | 338 | 106 | 46 | 15.7% | 2 |
| Heritage Conservation Advice | The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form. | Exp | 62 | 38 | 0 | (25) | (39.5%) | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 62 | 38 | 0 | (25) | (39.5%) | 3 |
| Building Control | The Building Control program ensures that building construction and maintenance is such that the community remains safe. | Exp | 32 | 32 | 13 | 0 | 0.0% | |
| | | Rev | (24) | (26) | (17) | (2) | 8.2% | |
| | | Net | 8 | 7 | (4) | (2) | (23.1%) | |
| TOTAL | Expenditure | | 786 | 832 | 420 | 46 | 5.8% | |
| | (Revenue) | | (114) | (116) | (70) | (2) | 1.7% | |
| | Net Cost / (Income) | | 672 | 716 | 351 | 44 | 6.5% | |

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 | | Adopted Budget | Dec 2020 Forecast | YTD Actual | Variance from Budget to Q2 December 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. | Exp | 352 | 320 | 90 | (32) | -9.0% | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 352 | 320 | 90 | (32) | -9.0% | |
| 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. | Exp | 1,442 | 1,384 | 594 | (58) | -4.0% | |
| | | Rev | (86) | (92) | (49) | (5) | 6.1% | |
| | | Net | 1,356 | 1,293 | 545 | (63) | -4.6% | |
| 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. | Exp | 672 | 633 | 272 | (39) | -5.8% | |
| | | Rev | 0 | 0 | 0 | 0 | 0.0% | |
| | | Net | 672 | 633 | 272 | (39) | -5.8% | |
| Financial and Risk Management | The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough. | Exp | 1,078 | 1,094 | 619 | 16 | 1.5% | |
| | | Rev | (90) | (78) | (69) | 12 | -13.6% | |
| | | Net | 988 | 1,017 | 551 | 28 | 2.9% | |
| TOTAL | Expenditure | 0 | 3,544 | 3,432 | 1,576 | (112) | -3.2% | |
| | (Revenue) | 0 | (176) | (169) | (118) | 7 | -4.0% | |
| | Net Cost / (Income) | 0 | 3,367 | 3,262 | 1,458 | (105) | -3.1% | |

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) and included at **(Appendix 2b)**.

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) and included at **(Appendix 2c)**.



Appendix 2b

15.2 2020-21 Quarterly Financial Report as at 31 December 2020

Governance and management checklist progress update

Ordinary Meeting of Council

Wednesday 17 February 2021 at 7:000pm

Via Videoconference (Zoom)

| No. | Governance and Management Items | 2020-21 Half Year Assessment | Y/N |
|-----|--|---|-----|
| 1 | Community Engagement Policy (policy under section 55 of the Act outlining Council's commitment to engaging with the community on matters of public interest) | Adopted in accordance with section 55 of the Act Date of operation of current policy: 16/12/2020 | Y |
| 2 | Community Engagement Guidelines (guidelines to assist staff to determine when and how to engage with the community) | Guidelines are in place Date of operation of current guidelines: 16/12/2020 | Y |
| 3 | Financial Plan (plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years) | 10 year Long Term Financial Plan (LTFP) adopted by Council, 18/06/2020 The Financial Plan will be reviewed and updated in line with the section 91 of the Act Scheduled for adoption by Council 27/10/2021, on track to achieve this outcome | Y |
| 4 | Asset Plan (plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years) | Date of adoption of current plans: Roads, Footpath and Kerb Assets 20/06/2019 Building Assets 20/06/2019 Open Space Assets 20/06/2019 Urban Stormwater Drainage 20/06/2019 Above plans will be reviewed and updated in line with the section 92 of the Act before 30 June 2022 | Y |
| 5 | Revenue and Rating Plan (plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges) | Rating strategy adopted by Council, 20/06/2019 A revenue and rating Plan will be developed line with the section 93 of the Act. Scheduled for adoption by Council 23/06/2021, on track to achieve this outcome | WIP |
| 6 | Annual Budget (plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required) | Scheduled for adoption by Council 23/06/2021, on track to achieve this outcome | WIP |

| No. | Governance and Management Items | 2020-21 Half Year Assessment | Y/N |
|-----|---|--|-----|
| 7 | Risk Policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations) | Current policy in operation Date of commencement of current policy: 13/12/2018 | Y |
| 8 | Fraud Policy (policy outlining Council's commitment and approach to minimising the risk of fraud) | Current policy in operation Date of commencement of current policy: 01/03/2018 | Y |
| 9 | Municipal Emergency Management Plan (plan under section 59D of the Emergency Management Act 2013 for emergency mitigation, response and recovery) | Prepared and maintained in accordance with section 59D of the Emergency Management Act 2013 Date of commencement of current plan: 23/04/2019 | Y |
| 10 | Procurement Policy (policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by the Council) | A Procurement Policy adopted by Council, 18/06/2020 is in place The procurement policy will be reviewed and updated in line with the section 108 of the Act Scheduled for adoption by Council 23/06/2021, on track to achieve this outcome | WIP |
| 11 | Business Continuity Plan (plan setting out the actions that will be undertaken to ensure that key services continue to operate in the event of a disaster) | Current policy in operation Date of commencement of current plan: 30/10/2019 | Y |
| 12 | Disaster Recovery Plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster) | Current policy in operation Date of commencement of current plan: 30/10/2019 | Y |

| No. | Governance and Management Items | 2020-21 Half Year Assessment | Y/N |
|-----|--|--|-----|
| 13 | Risk Management Framework (framework outlining Council's approach to managing risks to the Council's operations) | Current framework in operation Date of commencement of current framework: 13/12/2018 | Y |
| 14 | Audit and Risk Committee (see sections 53 and 54 of the Act) | Established in accordance with section 53 of the Act Date of establishment: 27/08/2020 | Y |
| 15 | Internal Audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls) | Engaged Date of engagement of current provider: 24/08/2017 Contract expires on 30/06/2022 | Y |
| 16 | Performance Reporting Framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act) | Current framework in operation Date of adoption of current framework: 04/06/2014 | Y |
| 17 | Council Plan Report (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first 6 months of the financial year) | Date of report: 2019-20 Quarter 4 Council Plan Progress Report 17/09/2020 2020-21 Quarter 1 Council Plan Progress Report 22/10/2020 2020-21 Quarter 2 Council Plan Progress Report 17/02/2021 (to be adopted) | Y |
| 18 | Quarterly Budget Reports (quarterly reports to the Council under section 97 of the Act, comparing actual and budgeted results and an explanation of any material variations) | Dates of reports: 2019-20 Quarter 4 Finance Report 17/09/2020 2020-21 Quarter 1 Finance Report 22/10/2020 2020-21 Quarter 2 Finance Report 17/02/2021 (to be adopted) | Y |

| No. | Governance and Management Items | 2020-21 Half Year Assessment | Y/N |
|-----|---|--|-----|
| 19 | Risk Reports (6-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies) | Six monthly reviews of risks provide to the Audit and Risk Committee (ARC). Risk register presented to the Audit and Risk Committee, 7 December 2020 and the next update in June 2021 (minutes of the ARC present to Council) | Y |
| 20 | Performance Reports (6-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act) | Dates of presentation of reports: 2019-20 Performance Report, 17/09/2020 2020-21 YTD (6 months) Performance information included in 2020-21 Quarter 2 Finance Report, 17/02/2021 | Y |
| 21 | Annual Report (annual report under sections 98 and 99 of the Act containing a report of operations and audited financial and performance statements) | Annual report for 2019-20 considered at the meeting of Council on 22/10/2020 in accordance with section 134 of the Act (the old Act). Annual report for 2020-21 will be presented to Council on 27/10/2021 | Y |
| 22 | Councillor Code of Conduct (Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters) | Reviewed and adopted in accordance with section 139 of the Act Reviewed and to be adopted by Council on 17/02/2021 | WIP |
| 23 | Delegations (documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act) | Reviewed in accordance with section 11(7) of the Act and a register kept in accordance with sections 11(8) and 47(7) of the Act Date of review under section 11(7): 27/08/2020 | Y |
| 24 | Meeting Procedures (Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees) | Governance Rules adopted in accordance with section 60 of the Act Date Governance Rules adopted: 27/08/2020 | Y |



Appendix 2c

15.2 2020-21 Quarterly Financial Report as at 31 December 2020

Update against the sustainable capacity, service performance and financial performance indicators

Ordinary Meeting of Council

Wednesday 17 February 2021 at 7:000pm

Via Videoconference (Zoom)

| Borough of Queenscliffe | | | | | | |
|--|-------------------------|-------------------------|-------------------------|-------------------------|----------------------------|--|
| Performance Indicators - Sustainable Capacity Indicators | | | | | | |
| For the Year Ended 30 June 2021 - Half Year Update | | | | | | |
| <i>Indicator / measure</i> | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | Comments |
| Population | | | | | | |
| C1 <i>Expenses per head of municipal population</i> <i>[Total expenses / Municipal population]</i> | \$3,440 | \$3,593 | \$3,705 | \$4,018 | \$4,148 | Queenscliffe has a very small population base of 2,940 when compared to other municipalities. Over 55% of rateable properties in Queenscliffe are nonpermanent residences that are not considered in this indicator. |
| C2 <i>Infrastructure per head of municipal population</i> <i>[Value of infrastructure / Municipal population]</i> | \$11,974 | \$12,187 | \$12,038 | \$12,565 | \$14,706 | Due to forecast new capital expenditure for 2020-21. |
| C3 <i>Population density per length of road</i> | 67.53 | 68.23 | 69.35 | 68.37 | 68.37 | Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road. |
| Own-source revenue | | | | | | |
| C4 <i>Own-source revenue per head of municipal population</i> <i>[Own-source revenue / Municipal population]</i> | \$3,155 | \$3,199 | \$3,264 | \$3,258 | \$3,331 | The Borough's own source revenue includes municipal rates, and a comparatively high level of user fees and charges income, particularly with respect to fees from Tourist parks. |
| Recurrent grants | | | | | | |
| C5 <i>Recurrent grants per head of municipal population</i> <i>[Recurrent grants / Municipal population]</i> | \$322 | \$344 | \$403 | \$563 | \$236 | Council's recurrent grant funding largely consists of the allocation of the Financial Assistance Grant (FAG) program and grant funding for Aged Services. Though there has been an increase in the FAG allocation, Queenscliffe still receives the lowest FAG funding allocation in the State. More than a half of 2020-21 FAG received in advance in 2019-20. |
| Disadvantage | | | | | | |
| C6 <i>Relative Socio-Economic Disadvantage</i> <i>[Index of Relative Socio-Economic Disadvantage by decile]</i> | 9 | 10 | 10 | 10 | 10 | Queenscliffe's relative socioeconomic disadvantage has improved, from 9 at the 2011 Census to 10 in the 2016 Census. |
| Workforce turnover | | | | | | |
| C7 <i>Percentage of staff turnover</i> <i>[Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100</i> | 3.23% | 11.11% | 16.82% | 15.38% | 5.66% | June 2020 to December 2020 staff turnover. |

| Borough of Queenscliffe Performance Indicators - Service Performance Indicators For the Year Ended 30 June 2021 Half Year Update | | | | | | |
|--|-----------------|-----------------|-----------------|-----------------|--------------------|--|
| Service/indicator /measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | Comments |
| Aquatic Facilities | | | | | | |
| Utilisation | | | | | | |
| AF6 <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population] | N/A | N/A | N/A | N/A | N/A | Queenscliffe does not provide this service. |
| Animal Management | | | | | | |
| Health and safety | | | | | | |
| AM7 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | New in 2020 | New in 2020 | New in 2020 | 0 | 0 | Zero prosecutions. Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in a reduced likelihood of penalties being issued. |
| Food Safety | | | | | | |
| Health and safety | | | | | | |
| FS4 <i>Critical and major non-compliance outcome notifications</i> [Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100 | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 7 non-compliance notifications followed up. |
| Governance | | | | | | |
| Satisfaction | | | | | | |
| G5 <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community] | 58 | 53 | 49 | 54 | Not available | The survey is currently being conducted. |
| Libraries | | | | | | |
| Participation | | | | | | |
| LB4 <i>Active library borrowers in municipality</i> [Number of active library borrowers in the last three years / The sum of the population for the last three years] x100 | 39.70% | 39.98% | 36.92% | 36.72% | 35.63% | This is a comparatively very high proportion of the population. This Indicator does not capture other library activity for example children and youth programs, digital literacy programs and literary events, the use of public internet pcs, using facilities such as meeting rooms or study areas, or using services such as wifi, or in library use of collections (2020-21 annualised value). |

| Borough of Queenscliffe Performance Indicators - Service Performance Indicators For the Year Ended 30 June 2021 Half Year Update | | | | | | |
|---|-----------------|-----------------|-----------------|-----------------|--------------------|--|
| Service/indicator /measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | Comments |
| Maternal and Child Health (MCH) | | | | | | |
| Participation | | | | | | |
| MC4 <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100 | 92.40% | 87.65% | 71.50% | 63.98% | 59.03% | 43 children attended the MCH service at least once, of the 72 infants enrolled in the half year to 2020-21. |
| Participation | | | | | | |
| MC5 <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100 | 0.00% | 100.00% | 100.00% | 100.00% | 0.00% | No Aboriginal children enrolled for the 6 months to 31st December 2020. |
| Roads | | | | | | |
| Satisfaction | | | | | | |
| R5 <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads] | 65 | 65 | 65 | 66 | Not available | The survey is currently being conducted. |
| Statutory Planning | | | | | | |
| Decision making | | | | | | |
| SP4 <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100 | 100.00% | 40.00% | 50.00% | 0.00% | 0.00% | No planning decision was referred to VCAT to 31st Dec 2020. |
| Waste Collection | | | | | | |
| Waste diversion | | | | | | |
| WC5 <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100 | 54.20% | 54.98% | 52.68% | 46.92% | 57.74% | The weight of recyclables has increased and weight of garbage has decreased. It is assumed this is due to education and users using the correct bin. |
| Retired Measures | | | | | | |
| Dimension/indicator /measure | Results 2017 | Results 2018 | Results 2019 | | Results 2021 HY | Comments |
| Animal Management | | | | | | |
| Health and safety | | | | | | |
| AM4 <i>Animal management prosecutions</i> [Number of successful animal management prosecutions] | 0 | 0 | 0 | Retired in 2020 | Retired in 2020 | This measure was replaced by AM7 from 1 July 2019. |

| Borough of Queenscliffe Performance Indicators - Financial Performance Indicators For the Year Ended 30 June 2021 - Half Year Update | | | | | | | | | | | |
|--|--|-----------------|-----------------|-----------------|--------------------|-----------|---------|---------|---------|----------------------------------|--|
| Dimension/indicator /measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | Forecasts | | | | Material Variations and Comments | |
| | | | | | | 2021 | 2022 | 2023 | 2024 | | |
| Efficiency | | | | | | | | | | | |
| <i>Expenditure level</i> | | | | | | | | | | | |
| E2 | <i>Expenses per property assessment</i> | \$3,249 | \$3,429 | \$3,588 | \$3,816 | \$3,939 | \$3,853 | \$3,845 | \$3,857 | \$3,979 | The majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for other local councils. |
| | [Total expenses / Number of property assessments] | | | | | | | | | | |
| <i>Revenue level</i> | | | | | | | | | | | |
| E4 | <i>Average rate per property assessment</i> | New in 2020 | New in 2020 | New in 2020 | \$2,101 | \$2,153 | \$2,146 | \$2,189 | \$2,238 | \$2,289 | Rate revenue represents a high proportion of Queenscliffe's revenue and spread across a very small ratepayer base. |
| | [General rates and Municipal charges / Number of property assessments] | | | | | | | | | | |
| Liquidity | | | | | | | | | | | |
| <i>Working capital</i> | | | | | | | | | | | |
| L1 | <i>Current assets compared to current liabilities</i> | 305.84% | 288.38% | 503.81% | 513.55% | 355.80% | 263.26% | 331.73% | 331.32% | 327.66% | Mainly due to capital grant receive in advance. |
| | [Current assets / Current liabilities] x100 | | | | | | | | | | |
| <i>Unrestricted cash</i> | | | | | | | | | | | |
| L2 | <i>Unrestricted cash compared to current liabilities</i> | 0.47% | -52.43% | 58.56% | -151.20% | 111.83% | 83.05% | 215.65% | 218.44% | 214.86% | The negative result for 2019/20 was due to council's current term deposits of \$6.8 million having original maturities of more than 90 days (even though the remaining maturities as at 30 June 2020 is less than 90 days), and therefore being considered unrestricted. Investing surplus cash in term deposits with more than 90 days has resulted in a better yield for Council under the current low interest rate environment. If term deposits had been included in cash and cash equivalents based on the remaining maturities, unrestricted cash compared to current liabilities would have been 182.28% (positive). |
| | [Unrestricted cash / Current liabilities] x100 | | | | | | | | | | |
| Obligations | | | | | | | | | | | |
| <i>Loans and borrowings</i> | | | | | | | | | | | |
| O2 | <i>Loans and borrowings compared to rates</i> | 1.54% | 0.91% | 0.64% | 0.38% | 0.00% | 7.41% | 6.49% | 5.70% | 6.16% | Council currently has zero borrowings. No new loans for 2020-21 forecasted, however loans may be drawn down in 2021- 22 and beyond as projects are completed and based on actual funding requirements. The increasing forecast trend for this measure reflects planned further borrowings. |
| | [Interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | | |
| O3 | <i>Loans and borrowings repayments compared to rates</i> | 3.26% | 0.64% | 0.26% | 0.25% | 0.38% | 0.47% | 0.99% | 0.84% | 0.82% | The existing loan was settled in full in 2020-21. No new loans for 2020-21 forecasted, however loans may be drawn down in 2021- 22 beyond as projects are completed and based on actual funding requirements. The increasing forecast trend for this measure reflects planned further borrowings. |
| | [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100 | | | | | | | | | | |

| Borough of Queenscliffe Performance Indicators - Financial Performance Indicators For the Year Ended 30 June 2021 - Half Year Update | | | | | | | | | | | |
|--|---|-----------------|-----------------|-----------------|--------------------|-----------------|---------|---------|--------|----------------------------------|---|
| Dimension/indicator /measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | Forecasts | | | | Material Variations and Comments | |
| | | | | | | 2021 | 2022 | 2023 | 2024 | | |
| Indebtedness | | | | | | | | | | | |
| O4 | Non-current liabilities compared to own source revenue [Non-current liabilities / Own source revenue] x100 | 1.08% | 1.08% | 0.51% | 1.18% | 1.08% | 5.42% | 4.15% | 4.12% | 4.39% | Reduction in the own source revenue in 2019-20 and 2020-21 due to reduced income from tourist parks resulting from COVID 19 restrictions. The increasing forecast trend for this measure reflects planned further borrowings. |
| O5 | Asset renewal and upgrade compared to depreciation [Asset renewal and asset upgrade expense / Asset depreciation] x100 | New in 2020 | New in 2020 | New in 2020 | 1.22 | 5.16 | 461.73% | 171.33% | 96.49% | 48.57% | |
| Operating position | | | | | | | | | | | |
| Adjusted underlying result | | | | | | | | | | | |
| OP1 | Adjusted underlying surplus (or deficit) [Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100 | 2.28% | 0.69% | -0.20% | -3.27% | -9.78% | -11.97% | 5.48% | -4.61% | -5.33% | Mainly due the impact of the operating projects carried over from 2019-20. |
| Stability | | | | | | | | | | | |
| Rates concentration | | | | | | | | | | | |
| S1 | Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100 | 66.69% | 65.37% | 65.44% | 65.13% | 68.86% | 71.64% | 61.95% | 69.89% | 69.75% | Consistent with the past trend. |
| Rates effort | | | | | | | | | | | |
| S2 | Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100 | 0.27% | 0.28% | 0.26% | 0.26% | 0.25% | 0.25% | 0.26% | 0.26% | 0.27% | Consistent with the past trend. |
| Retired Measures | | | | | | | | | | | |
| Dimension/indicator /measure | Results 2017 | Results 2018 | Results 2019 | Results 2020 | Results 2021 HY | | | | | Comments | |
| Efficiency | | | | | | | | | | | |
| Revenue level | | | | | | | | | | | |
| E1 | Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments] | \$1,919 | \$2,033 | \$2,018 | Retired in 2020 | Retired in 2020 | | | | | This measure was replaced by E4 from 1 July 2019. |
| Obligations | | | | | | | | | | | |
| Asset renewal | | | | | | | | | | | |
| O1 | Asset renewal compared to depreciation [Asset renewal expense / Asset depreciation] x100 | 51.98% | 81.01% | 119.16% | Retired in 2020 | Retired in 2020 | | | | | This measure was replaced by O5 in 1 July 2019. |