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# Borough of Queenscliffe

## Quarterly Financial Report

### 31 March 2024



**Borough of Queenscliffe**  
Queenscliff & Point Lonsdale, Victoria, Australia

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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 adopted budget. The financial report has to contain explanations for any material variations from the adopted budget.

The adopted budget represents the financial position and intent at a point in time and can become outdated during the financial year, as new information and new matters come to light.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 for budget items. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

Actual Year to Date (YTD) figures presented in this report include income from rates and charges apportioned for the reporting period. However, in some instances income and expense items for the full-year are included in the actual YTD figures.

**Gihan Kohobange**  
**Manager, Financial and Corporate Services**

## Executive summary

According to the Local Government Performance Reporting Framework (LGPRF) definition, the underlying result indicates a deficit of \$868,000 and when considering the underlying result on a recurring basis, there is a projected surplus of \$58,000. Both these forecasted results aligning closely with the forecasted yearend result from the previous quarter, with only minor adjustments made to certain expense items.

The expected cash surplus by the end of the 2023-24 year is predicted to reach \$218,000.

The Council has spent \$501,000 on the ICT transformation project, with \$394,000 from grants. However, as per Australian accounting standards, these expenses cannot be capitalised and must be reclassified as operating expenses. This adjustment will be made at year-end after consulting with auditors. Although it won't affect cash result and underlying result on the recurring basis, it will negatively impact the LGPRF measurement.

Year-to-date, the Council has used \$830,000 of the \$3.5 million forecasted capital expenditure. It's unlikely the total spend will match the projection. Point Lonsdale Maritime & Defence Precinct project spent only \$55,000 of its \$1 million budget. Any surplus funds at year-end will be transferred to reserve accounts for future work on those capital projects and asset renewals.

Headline changes between quarter 2 and quarter 3 year-end forecasts, are included throughout this report with an explanation provided for all material variances.

## Financial sustainability indicators – Council Plan

2023–24 projected year-end result **meets all financial sustainability indicators specified in the Council Plan 2021–2025**, as summarised below.

Policy Statement	Measure	Indicator	Target	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3
<b>Sustainable operating result</b>						
Consistent operating results (in \$'000).	<b>Our adjusted underlying result:</b> The difference between recurrent income and recurrent expenses.	Our adjusted underlying result	> \$0	\$402	\$58	\$62
<b>Working capital</b>						
Ensure Council maintains sufficient working capital to meet its obligations as they fall due.	<b>Current assets vs current liabilities:</b> The value of our current assets divided by our current liabilities.	Current assets vs current liabilities	> 1.0	4.58	4.81	4.81
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	<b>Level of unrestricted cash reserve against current liabilities:</b> Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity).	Level of unrestricted cash reserve against current liabilities	> 100%	426.8%	231.0%	230.9%
<b>Borrowings</b>						
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	<b>Total borrowings against rate revenue:</b> Our total borrowings as a percentage of our rate revenue.	Total borrowings against rate revenue	< 15%	0%	0%	0%
<b>Commitment for asset renewals</b>						
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	<b>Asset renewal and upgrade expenses against depreciation:</b> The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on three years rolling average).	Asset renewal and upgrade expenses against depreciation	> 100%	316.8%	321.6%	321.6%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital.	<b>Council's contribution to asset renewal and upgrade:</b> Council's contribution to asset renewal and upgrade expenses as a percentage of Own Source Revenue.	Council's contribution to asset renewal and upgrade	> 10%	16%	17%	17%

## 1. 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.

### 1.1. Comprehensive Income Statement

The anticipated comprehensive year-end outcome stands at \$645,000, aligning closely with the forecasted yearend result from the previous quarter, with only minor adjustments made to certain expense items.

Comprehensive Income Statement	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Income</b>						
Rates and charges	8,110	8,496	8,496	6,384	0	0.0%
Statutory fees and fines	172	120	120	106	0	0.0%
User fees	2,070	2,080	2,080	1,791	0	0.0%
Grants - operating	1,370	1,807	1,807	1,233	0	0.0%
Grants - capital	2,232	1,513	1,513	1,043	0	0.0%
Other income	492	638	638	723	0	0.0%
Net gain on disposal of PPE and infrastructure	110	35	35	91	0	0.0%
<b>Total income</b>	<b>14,556</b>	<b>14,690</b>	<b>14,690</b>	<b>11,369</b>	<b>0</b>	<b>0.0%</b>
<b>Expenses</b>						
Employee costs	5,037	5,313	5,313	3,886	0	0.0%
Materials and services	5,240	6,707	6,709	3,630	2	0.0%
Depreciation	1,244	1,372	1,372	929	0	0.0%
Bad and doubtful debts	0	3	3	0	0	0.0%
Other expenses	1,409	647	648	327	1	0.2%
<b>Total expenses</b>	<b>12,930</b>	<b>14,042</b>	<b>14,045</b>	<b>8,772</b>	<b>3</b>	<b>0.0%</b>
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>648</b>	<b>645</b>	<b>2,598</b>	<b>(3)</b>	<b>(0.5%)</b>
<b>Other comprehensive income</b>						
Net asset revaluation increment / (decrement)	(2,397)	0	0	0	0	0.0%
<b>Total comprehensive result</b>	<b>(771)</b>	<b>648</b>	<b>645</b>	<b>2,598</b>	<b>(3)</b>	<b>(0.5%)</b>

To date, the Council has incurred \$501,000 toward the ICT transformation project, with \$394,000 sourced from grants. Within this initiative, the Council has procured a suite of vendor-hosted software (Cloud-based Software or Software as a Service (SaaS)).

According to Australian accounting standards, expenses for acquiring SaaS can only be capitalised if two conditions are met:

1. There exists a contractual right to take possession of the software without significant penalties during the hosting period.
2. It is viable to either operate the software on the entity's hardware or engage an external party unrelated to the vendor for hosting.

Given the nature of typical SaaS arrangements, the software acquired by the Council fails to meet these criteria. Consequently, the incurred expenses must be reclassified as capital expenditure not meeting the capitalisation standards, categorised under other expenses.

This adjustment will occur at year-end following consultations with the Council's auditors regarding the appropriate accounting treatment. While this reclassification does not have any cash impact, it will adversely impact the underlying result as per LGPRF measurement.

### 1.1.1. Underlying result

Measured against the Local Government Performance Reporting Framework (LGPRF) definition, the adjusted underlying result of the Council, after excluding non-recurrent capital grants, cash capital contributions, and non-monetary capital contributions, reveals a projected deficit of \$0.87 million (-6.6%).

The underlying result based on LGPRF is influenced by various factors, including the timing of recurring operating grants, particularly Financial Assistance Grant (FAG), as well as non-recurring operating grants and non-recurring expenses that occur within a given year. To derive a more meaningful representation of the underlying result, it is advisable to evaluate it by excluding the effects of non-recurring operating income and expenses. Additionally, adjustments should be made for the timing of recurring operating grants, where applicable, as defined in the Borough's Council Plan.

Even if the Council Plan proposes an alternative approach to the LGPRF to gauge the underlying result, the methodology outlined in the paragraph above aims to establish a consistent method for estimating the recurring basis of the underlying result. This consistency is crucial for facilitating accurate and meaningful comparisons across financial years given the size (size of the budget) of the organisation, allowing for a more reliable assessment of the Borough's financial performance.

A reconciliation between the LGPRF and the recurring basis underlying results (Council Plan measure) is provided below.

Underlying Result	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Based on the LGPRF measure</b>						
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>648</b>	<b>645</b>	<b>2,598</b>	<b>(3)</b>	<b>(0.5%)</b>
Less: Grants - capital (non-recurrent)	(2,232)	(1,513)	(1,513)	(1,043)	0	0.0%
Less: Contributions - monetary - capital	0	0	0	0	0	0.0%
<b>Adjusted underlying surplus / (deficit)</b>	<b>(606)</b>	<b>(865)</b>	<b>(868)</b>	<b>1,555</b>	<b>(3)</b>	<b>0.4%</b>
<b>Adjusted Underlying Result - %</b>	<b>-4.9%</b>	<b>-6.6%</b>	<b>-6.6%</b>	<b>15.1%</b>		
<b>On recurring basis (based on the Council Plan measure)</b>						
<b>Adjusted underlying surplus / (deficit) - LGPRF</b>	<b>(606)</b>	<b>(865)</b>	<b>(868)</b>	<b>1,555</b>		
<b>Adjusted for;</b>						
Allocating FAG to the year they relate	68	510	510	510	0	0.0%
Annualised Road to Recovery grant (R2R)	38	40	40	40	0	0.0%

Underlying Result	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Removal of grant-funded non-recurring operating project related costs net of grants (council contribution)	(15)	21	21	(378)	0	0.0%
Removal of non-recurring operating project related costs funded via Council's own funds (reserve and operational cash)	168	291	291	29	0	0.0%
Removal of waste management cost to be recovered in future years	86	37	37	(284)	0	0.0%
Removal of capital expenditure reclassified as operating expenses not meeting capitalisation criteria / threshold	773	0	0	0	0	0.0%
Removal of employee cost of temporary staff	0	0	0	0	0	0.0%
Removal of costs associated with parallel running of new and existing systems for planned system changeover	0	62	62	62	0	0.0%
Removal of the impact of the sale of assets	(110)	(35)	(35)	(91)	0	0.0%
<b>Adjusted underlying surplus / (deficit)</b>	<b>403</b>	<b>61</b>	<b>58</b>	<b>1,444</b>	<b>(3)</b>	<b>(5.1%)</b>

<b>Adjusted Underlying Result - %</b>	<b>3.7%</b>	<b>0.5%</b>	<b>0.5%</b>	<b>15.4%</b>
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#### 1. Allocating FAG to the year they relate

The table below summarises the FAG allocation for each year and the timing of the payment of each year's allocation. Council received a significant part of the 2023-24 FAG in advance in June 2023.

Grant Allocation Year	Grant Payment Year			Total	Change
	2021-22	2022-23	2023-24		
	\$	\$	\$	\$	%
2021-22 Allocation	377,188	0	0	503,658	
2022-23 Allocation	482,780	27,084	27,470	537,334	6.7%
2023-24 Allocation	96,242	441,718	1,026	<b>538,986</b>	0.3%
<b>Total</b>	<b>956,210</b>	<b>468,802</b>	<b>28,496</b>		

Australian accounting standards prohibit Council from classifying the FAG received in advance as deferred income. This is because the grants lack spending obligations, as a result Council has the discretion to allocate/use the funds in the year of receipt, regardless of their intended allocation year. Best practice in Local Government and the practice that Council follows is assigning the grant to the allocation year.

The adjustment included in the above reconciliation is the difference between the total grant allocation for 2023-24 (\$538,986) and the grant amount to be received during the financial year 2023-24 (\$28,496).

2. Removal of grant-funded non-recurring operating project related costs net of grants (Council contribution)

Some expenses associated with non-recurrent grants funded projects may have been allocated to employee costs. However, it's important to note that employee costs have not been factored into this analysis due to their inherent likelihood of being incurred regardless.

3. Removal of non- recurring operating project related costs funded via Council's own funds (reserve and operational cash)

Project	Forecast 2023-24 Q2	Forecast 2023-24 Q3	Change
	\$	\$	\$
Review of the Queenscliffe Planning Scheme	20,000	20,000	0
Golightly Development Engagement Plan	50,000	50,000	0
Victoria Park - Development of a Tree Management Plan	23,000	23,000	0
Marine Coastal Management Plan (MCMP) and Vegetation Study*	60,000	60,000	0
Reconciliation Action Plan Project	20,000	20,000	0
Wadawurrung Signage	20,000	20,000	0
Inception Digital Web based Door Locking System	18,000	18,000	0
Energy Efficiency Audit and Education Program	17,600	17,600	0
Cultural Heritage Awareness	15,000	15,000	0
Review of Council's Toilet Strategy	10,000	10,000	0
Disability Action Plan	10,000	10,000	0
Bull Ring Tree Planting	7,500	7,500	0
Cultural Heritage Awareness Training	6,000	6,000	0
Gender Equality Actions	1,000	1,000	0
CERP Implementation Plan	5,000	5,000	0
Child/family services and facilities review	5,000	5,000	0
Database of Photos of the Borough	3,000	3,000	0
<b>Total</b>	<b>291,100</b>	<b>291,100</b>	<b>0</b>

\*The forecasted allocation for the Marine Coastal Management Plan, as depicted above, is presented net of the secured grant funding (\$50,000). The grant funding secured relates to the vegetation study which has been identified as a sub project of the MCMP development work.



## 1.1.2. Cash Results

This section sets out the conversion of the comprehensive result (included in the Comprehensive Income Statement given under section 1.1) 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.

Comprehensive Income Statement	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>648</b>	<b>645</b>	<b>2,598</b>	<b>(3)</b>	<b>(0.5%)</b>
<b>Removal of non cash transactions</b>						
Net gain on disposal of PPE and infrastructure	(110)	(35)	(35)	(91)	0	0.0%
Depreciation	1,244	1,372	1,372	929	0	0.0%
Reclassification of previous years's expenses	690	0	0	0	0	0.0%
<b>Inclusion of other cash transactions</b>						
Proceeds from asset sales	3,504	75	75	92	0	0.0%
Capital expenditure	(4,006)	(3,474)	(3,472)	(830)	2	(0.1%)
<b>Cash surplus / (deficit) from operations</b>	<b>2,948</b>	<b>(1,413)</b>	<b>(1,415)</b>	<b>2,698</b>	<b>(1)</b>	<b>0.1%</b>
Transfer from reserves	939	938	988	0	50	5.3%
Transfer to reserves ( <i>for future year spending</i> )	(4,520)	(269)	(318)	0	(48)	17.9%
<b>Adjusted cash surplus / (deficit) for the year</b>	<b>(633)</b>	<b>(745)</b>	<b>(744)</b>	<b>2,698</b>	<b>1</b>	<b>(0.1%)</b>
Accumulated cash surplus b/fwd from prior year	1,596	962	962	962	0	0.0%
<b>Accumulated cash surplus</b>	<b>962</b>	<b>217</b>	<b>218</b>	<b>3,660</b>	<b>1</b>	<b>0.4%</b>

### 1. Transfer from reserves and Transfer to reserves,

Project	Reserve Transfer Type	Forecast 2023-24 Q2	Forecast 2023-24 Q3	Change
		\$	\$	\$
Motor Vehicles Renewal	Trf From	88,288	88,288	0
Toch H toilet renewal	Trf From	180,000	180,000	0
New Corporate System	Trf From	78,345	78,345	0
Queenscliffe Cultural Hub	Trf From	60,392	60,392	0
QMF Town Hall AV project	Trf From	57,900	57,900	0
Restoration and Upgrade of P1 Hut at PL Lighthouse	Trf From	54,609	54,609	0
Hesse Street Streetscape	Trf From	50,000	50,000	0
Murray Road land sale proceeds	Trf From	50,000	50,000	0
Tree management System	Trf From	50,000	50,000	0
Safety improvement work by DEECA at Narrows Beach	Trf From	40,000	40,000	0
Bike Track - concept design	Trf From	30,000	30,000	0
Hesse Street link to boatramp	Trf From	19,500	19,500	0
Review of Council's Toilet Strategy	Trf From	10,000	10,000	0
Marine Coastal Management Plan	Trf From	60,000	60,000	0
Victoria Park - Development of a Tree Management P	Trf From	22,667	22,667	0
Review of the Queenscliffe Planning Scheme	Trf From	20,000	20,000	0
Energy Efficiency Audit and Education Program	Trf From	17,600	17,600	0

Project	Reserve Transfer Type	Forecast 2023-24 Q2	Forecast 2023-24 Q3	Change
		\$	\$	\$
CERP Implementation Plan	Trf From	5,000	5,000	0
Queenscliffe Neighbourhood House Solar	Trf From	4,659	4,659	0
Database of Photos of the Borough	Trf From	3,000	3,000	0
Gender Equality Actions	Trf From	1,000	1,000	0
Public Waste Services	Trf From	35,460	84,614	49,154
Kerbside Waste Services	Trf From	1,902		(1,902)
<b>Sub total</b>		<b>939,547</b>	<b>987,574</b>	<b>48,025</b>
Murray Road Shared Path	Trf To	(10,000)	(10,000)	0
Additional Cash Surplus (2023-24 Budget)	Trf To	(259,438)	(259,438)	0
Kerbside Waste Services	Trf To		48,026	48,206
<b>Sub total</b>		<b>(269,438)</b>	<b>(317,464)</b>	<b>48,026</b>
<b>Grand total</b>		<b>670,109</b>	<b>670,110</b>	<b>(1)</b>

A summary of all projected reserve balances as at 30 June 2024 is provided in **Appendix A** of this report.

## 1.2. Balance Sheet

As shown in the table below, the projected value of the net assets of Council is \$182.7 million as of 30 June 2024. Cash and investments (including other financial assets) will be at \$9.5 million.

Balance Sheet As at 30 June	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	3,568	7,055	7,054	2,161	(1)	(0.0%)
Other financial assets	7,593	2,500	2,500	9,780	0	0.0%
Trade and other receivables	230	300	300	2,244	0	0.0%
Inventories	4	4	4	4	0	0.0%
Other assets	643	243	243	187	0	0.0%
<b>Total current assets</b>	<b>12,037</b>	<b>10,101</b>	<b>10,100</b>	<b>14,375</b>	<b>(1)</b>	<b>(0.0%)</b>
<b>Non-current assets</b>						
Investments in associates	160	160	160	160	0	0.0%
Other financial assets	0	0	0	1,058		
Property, infrastructure, plant and equipment	172,562	174,621	174,619	172,742	(2)	(0.0%)
<b>Total non-current assets</b>	<b>172,722</b>	<b>174,782</b>	<b>174,787</b>	<b>173,961</b>	<b>(2)</b>	<b>(0.0%)</b>
<b>Total assets</b>	<b>184,759</b>	<b>184,883</b>	<b>184,880</b>	<b>188,336</b>	<b>(3)</b>	<b>(0.0%)</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	829	1,091	1,092	89	0	0.0%
Trust funds and deposits	20	50	50	351	0	0.0%

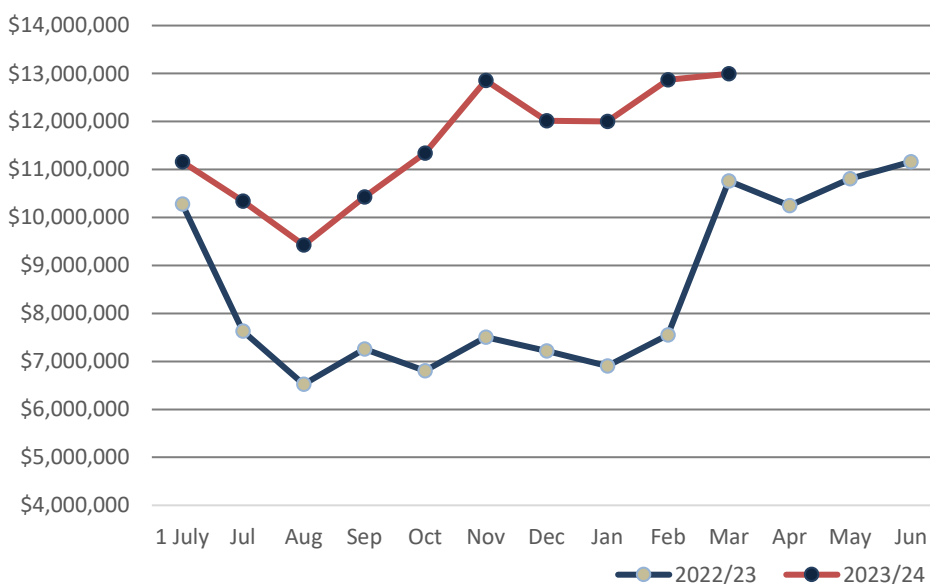
Balance Sheet As at 30 June	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Provisions	935	959	959	881	0	0.0%
Unearned income	844	0	0	2,274	0	0.0%
<b>Total current liabilities</b>	<b>2,628</b>	<b>2,100</b>	<b>2,101</b>	<b>3,595</b>	<b>0</b>	<b>0.0%</b>
<b>Non-current liabilities</b>						
Provisions	98	100	100	109	0	0.0%
<b>Total non-current liabilities</b>	<b>98</b>	<b>100</b>	<b>100</b>	<b>109</b>	<b>0</b>	<b>0.0%</b>
<b>Total liabilities</b>	<b>2,725</b>	<b>2,200</b>	<b>2,201</b>	<b>3,704</b>	<b>0</b>	<b>0.0%</b>
<b>Net assets</b>	<b>182,034</b>	<b>182,682</b>	<b>182,679</b>	<b>184,632</b>	<b>(3)</b>	<b>(0.0%)</b>
<b>Equity</b>						
Accumulated surplus	99,424	100,741	100,740	102,022	(1)	(0.0%)
Revaluation Reserve	74,278	74,278	74,278	74,278	0	0.0%
Other reserves	8,332	7,664	7,662	8,332	(2)	(0.0%)
<b>Total equity</b>	<b>182,034</b>	<b>182,683</b>	<b>182,679</b>	<b>184,632</b>	<b>(3)</b>	<b>(0.0%)</b>

### Cash & Cash Equivalents and Other Financial Assets

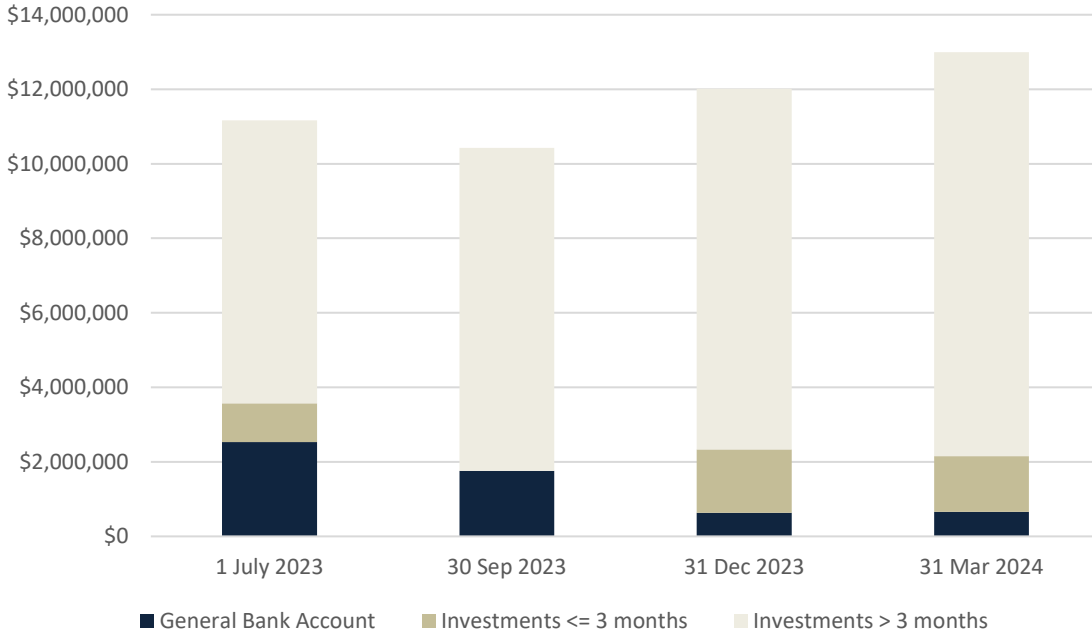
Council's cash and cash equivalents includes short term investments with maturities of less than 90 days, other financial assets represent investments with maturities more than three months.

Council's total cash and investments as at 31 March 2024 is \$12.9 million.

#### Cash balance - prior year comparison



**Cash and investments**

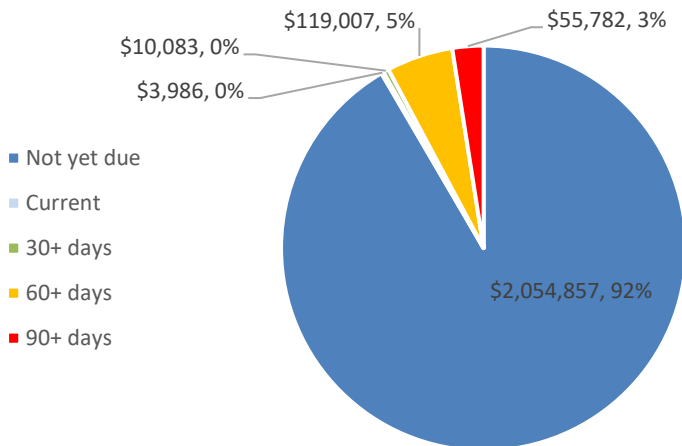


**Trade and other receivables**

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.

Other 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.**



Trade and other receivables stand at **\$2.2 million at 31 March 2024** of which a 92% is represented by outstanding receivables not yet due.

### 1.3. 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	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Accumulated Surplus</b>						
<b>Opening Balance 1st July</b>	<b>101,376</b>	<b>99,421</b>	<b>99,421</b>	<b>99,421</b>	<b>0</b>	<b>0.0%</b>
Adjustment on change in accounting policy						
Surplus / (deficit) for the year	1,626	648	645	2,598	(3)	(0.5%)
Transfer to other reserves	(4,520)	(269)	(318)	0	(48)	17.9%
Transfer from other reserves	939	940	988	0	48	5.1%
<b>Closing Balance 30th June - Accumulated Surplus</b>	<b>99,421</b>	<b>100,739</b>	<b>100,736</b>	<b>102,018</b>	<b>(3)</b>	<b>(0.0%)</b>
<b>Revaluation Reserve</b>						
<b>Opening Balance 1st July</b>	<b>76,675</b>	<b>74,278</b>	<b>74,278</b>	<b>74,278</b>	<b>0</b>	<b>0.0%</b>
Net asset revaluation increment/(decrement)	(2,397)	0	0	0	0	0.0%
<b>Closing Balance 30th June - Revaluation Reserve</b>	<b>74,278</b>	<b>74,278</b>	<b>74,278</b>	<b>74,278</b>	<b>0</b>	<b>0.0%</b>
<b>Other Reserves</b>						
<b>Opening Balance 1st July</b>	<b>4,754</b>	<b>8,335</b>	<b>8,335</b>	<b>8,335</b>	<b>0</b>	<b>0.0%</b>
Transfer to other reserves	4,520	269	318	0	48	17.9%
Transfer from other reserves	(939)	(940)	(988)	0	(48)	5.1%
<b>Closing Balance 30th June - Other Reserves</b>	<b>8,335</b>	<b>7,665</b>	<b>7,665</b>	<b>8,335</b>	<b>0</b>	<b>0.0%</b>
<b>Total Equity</b>						
<b>Opening Balance 1st July</b>	<b>182,805</b>	<b>182,034</b>	<b>182,034</b>	<b>182,034</b>	<b>0</b>	<b>0.0%</b>
Surplus / (deficit) for the year	1,626	648	645	2,598	(3)	(0.5%)
Net asset revaluation increment/(decrement)	(2,397)	0	0	0	0	0.0%
<b>Closing Balance 30th June - Total Equity</b>	<b>182,034</b>	<b>182,683</b>	<b>182,679</b>	<b>184,632</b>	<b>(4)</b>	<b>(0.0%)</b>

## 1.4. Statement of Cash Flows

A cash flow statement summarises the amount of cash and cash equivalents entering and leaving Council accounts. Due to the timing of the cash payments and cash receipts, the values shown in the cash flow statement may not equate to the value of similar items in other financial statements.

Statement of Cash Flows	Actual 2022-23	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Cash flows from operating activities</b>						
<b>Receipts</b>						
Rates and charges	8,203	8,365	8,365	6,367	0	0.0%
Statutory fees and fines	201	114	114	103	0	0.0%
User fees	2,035	1,930	1,930	1,719	0	0.0%
Grants - Operating	1,457	1,603	1,603	1,029	0	0.0%
Grants - Capital	1,686	1,116	1,116	645	0	0.0%
Interest received	132	466	466	347	0	0.0%
Trust funds and deposits taken	12	0	0	0	0	0.0%
Other receipts	263	443	443	617	0	0.0%
Net GST refund / (payment)	109	38	38	62	0	0.0%
<b>Total receipts</b>	<b>14,098</b>	<b>14,075</b>	<b>14,075</b>	<b>10,888</b>	<b>0</b>	<b>0.0%</b>
<b>Payments</b>						
Employee costs	(4,883)	(5,503)	(5,503)	(4,051)	0	0.0%
Materials and services	(5,786)	(6,404)	(6,406)	(3,880)	(2)	0.0%
Short-term, low value and variable lease payments	(13)	(1)	(1)	(1)	0	0.0%
Trust funds and deposits repaid	(43)	0	0	0	0	0.0%
Other payments	(473)	(616)	(617)	4	(1)	0.2%
<b>Total payments</b>	<b>(11,198)</b>	<b>(12,524)</b>	<b>(12,527)</b>	<b>(7,927)</b>	<b>(3)</b>	<b>0.0%</b>
<b>Net cash provided by operating activities</b>	<b>2,900</b>	<b>1,551</b>	<b>1,548</b>	<b>2,961</b>	<b>(3)</b>	<b>(0.2%)</b>
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment	(5,527)	(3,233)	(3,231)	(1,215)	2	(0.1%)
Proceeds from sale of property, infrastructure, plant and equipment	3,504	75	75	92	0	0.0%
Net proceeds from movement of investments	(1,087)	5,093	5,093	(3,245)	0	0.0%
<b>Net cash provided by / (used in) investing activities</b>	<b>(3,110)</b>	<b>1,935</b>	<b>1,937</b>	<b>(4,369)</b>	<b>2</b>	<b>0.1%</b>
<b>Cash flows from financing activities</b>						
<b>Net cash provided by / (used in) financing activities</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(210)</b>	<b>3,486</b>	<b>3,485</b>	<b>(1,408)</b>	<b>(1)</b>	<b>(0.0%)</b>
Cash and cash equivalents at the beginning of the financial year	3,778	3,568	3,568	3,568	0	0.0%
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,568</b>	<b>7,055</b>	<b>7,054</b>	<b>2,161</b>	<b>(1)</b>	<b>(0.0%)</b>

## 1.5. Statement of Capital Works

The Statement of Capital Works presents Council's performance against its capital work program during the reporting period.

### 1.5.1. Capital Project Wise

Statement of Capital Works	Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
	\$'000	\$'000	\$'000	\$'000	%
<b>Priority capital works</b>					
Queenscliffe cultural hub	60	60	84	0	0.0%
PL lighthouse reserve upgrade - P1 huts	55	55	35	0	0.0%
PL lighthouse reserve upgrade - P1 huts	0	0	0	0	0.0%
ICT transformation project	225	225	106	0	0.0%
Toch H toilet renewal - design and construct	180	180	4	0	0.0%
Electronic vehicle charging stations	38	38	39	0	0.0%
New tree management system	50	50	0	0	0.0%
Local roads and community infrastructure program - phase 2 and 3	66	66	66	0	0.0%
Princess park kiosk toilet renewal - design	0	0	0	0	0.0%
Town Hall AV upgrade project (QMF)	58	58	0	0	0.0%
Hesse street streetscape	80	80	6	0	0.0%
Hesse Street link to boat ramp	50	50	5	0	0.0%
Safety improvement work by DEECA at Narrows Beach	150	150	0	0	0.0%
New bike track - concept design	30	30	0	0	0.0%
Upgrade of Town Hall - heating and cooling	180	180	0	0	0.0%
Murray Road Shared Path	40	40	5	0	0.0%
Point Lonsdale Maritime & Defence Precinct	1,000	1,000	55	0	0.0%
Queenscliffe Rec Reserve - lighting upgrade and cr	160	160	0	0	0.0%
Bike Racks (ATS)	10	10	0	0	0.0%
Boat ramp upgrade project	0	0	4	0	0.0%
Office layout improvements	0	0	3	0	0.0%
<b>Total priority capital works</b>	<b>2,432</b>	<b>2,432</b>	<b>413</b>	<b>0</b>	<b>0.0%</b>
<b>Annual asset renewal program</b>	<b>915</b>	<b>915</b>	<b>417</b>	<b>0</b>	<b>0.0%</b>
<b>Staff cost capitalised</b>	<b>125</b>	<b>125</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
<b>Total capital works expenditure</b>	<b>3,472</b>	<b>3,472</b>	<b>830</b>	<b>0</b>	<b>0.0%</b>
<b>Represented by:</b>					
New asset expenditure	596	596	118	0	0.0%
Asset renewal expenditure	1,812	1,812	466	0	0.0%
Asset upgrade expenditure	1,065	1,065	246	0	0.0%
<b>Total capital works expenditure</b>	<b>3,472</b>	<b>3,472</b>	<b>830</b>	<b>0</b>	<b>0.0%</b>

Year-to-date, the Council has utilised \$830,000 out of the forecasted capital expenditure of \$3.5 million for the year. While the forecast remains unchanged, it appears highly improbable that the Council's total capital expenditure will align closely with the projected figure for the year. A significant factor contributing to this underspend is the Point Lonsdale Maritime & Defence Precinct development project, which has only utilised \$55,000 of its allocated budget of \$1,000,000 for the year.

Any unspent funds remaining at year-end will be transferred to subsequent years through specific reserve accounts designated for priority capital projects, as well as through the asset renewal reserve for annual asset renewal allocations.

### 1.5.2. Asset Type Wise

Statement of Capital Works	Annual Forecast 2023-24 Q2 \$'000	Annual Forecast 2023-24 Q3 \$'000	Actual YTD 2023-24 \$'000	Variance from Q2	
				\$'000	%
<b>Property</b>					
Buildings	471	471	182	0	0.0%
Building improvements	238	238	0	0	0.0%
Leasehold improvements	0	0	0	0	0.0%
Heritage buildings	0	0	6	0	0.0%
<b>Total buildings</b>	<b>709</b>	<b>709</b>	<b>188</b>	<b>0</b>	<b>0.0%</b>
<b>Total property</b>	<b>709</b>	<b>709</b>	<b>188</b>	<b>0</b>	<b>0.0%</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	299	299	88	0	0.0%
Fixtures, fittings and furniture	191	191	74	0	0.0%
Computers and telecommunications	321	321	106	0	0.0%
Heritage plant and equipment	0	0	0	0	0.0%
Library books	0	0	0	0	0.0%
<b>Total plant and equipment</b>	<b>811</b>	<b>811</b>	<b>268</b>	<b>0</b>	<b>0.0%</b>
<b>Infrastructure</b>					
Roads	139	139	139	0	0.0%
Footpaths and cycleways	181	181	90	0	0.0%
Drainage	90	90	33	0	0.0%
Recreational, leisure and community facilities	5	5	5	0	0.0%
Waste management	0	0	0	0	0.0%
Parks, open space and streetscapes	1,175	1,175	64	0	0.0%
Off street car parks	0	0	0	0	0.0%
Other infrastructure	198	198	43	0	0.0%
Other Assets	165	165	0	0	0.0%
<b>Total infrastructure</b>	<b>1,953</b>	<b>1,953</b>	<b>373</b>	<b>0</b>	<b>0.0%</b>
<b>Total capital works expenditure</b>	<b>3,472</b>	<b>3,472</b>	<b>830</b>	<b>0</b>	<b>0.0%</b>
<b>Represented by:</b>					
New asset expenditure	596	596	118	0	0.0%
Asset renewal expenditure	1,812	1,812	466	0	0.0%
Asset upgrade expenditure	1,065	1,065	246	0	0.0%
<b>Total capital works expenditure</b>	<b>3,472</b>	<b>3,472</b>	<b>830</b>	<b>0</b>	<b>0.0%</b>



## 2. 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 across the sector.

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.

### 2.1. Performance of Council against the Council Plan

Council delivers services and initiatives under 21 major service categories. Each service contributes to the achievement of strategic objectives set out under each portfolio.

This section provides a brief overview of how each area has been funded in the 2023-24 financial year.

Strategic Objective	Annual Forecast 2023-24 Q1	Annual Forecast 2023-24 Q2	Actual YTD 2023-24
	\$'000	\$'000	\$'000
<b>Portfolio 1 Health and wellbeing</b>			
Direct funding	868	868	834
Expenses	(2,089)	(2,089)	(1,491)
<b>Surplus/ (deficit)</b>	<b>(1,221)</b>	<b>(1,221)</b>	<b>(656)</b>
<b>Portfolio 2 Environment</b>			
Direct funding	1,489	1,489	1,141
Expenses	(2,252)	(2,252)	(1,303)
<b>Surplus/ (deficit)</b>	<b>(763)</b>	<b>(763)</b>	<b>(162)</b>
<b>Portfolio 3 Local economy</b>			
Direct funding	1,862	1,862	1,591
Expenses	(1,395)	(1,395)	(944)
<b>Surplus/ (deficit)</b>	<b>468</b>	<b>468</b>	<b>647</b>
<b>Portfolio 4 Heritage, planning and infrastructure</b>			
Direct funding	995	995	475
Expenses	(3,444)	(3,444)	(1,645)
<b>Surplus/ (deficit)</b>	<b>(2,449)</b>	<b>(2,449)</b>	<b>(1,170)</b>
<b>Portfolio 5 Governance and finance</b>			
Direct funding	647	647	725
Expenses	(3,493)	(3,493)	(2,460)
<b>Surplus/ (deficit)</b>	<b>(2,847)</b>	<b>(2,847)</b>	<b>(1,736)</b>
<b>Total - surplus/ (deficit)</b>	<b>(6,811)</b>	<b>(6,811)</b>	<b>(3,077)</b>
<b>Expenses/other income added in:</b>			
Depreciation	(1,372)	(1,372)	(929)

Strategic Objective	Annual Forecast	Annual Forecast	Actual YTD
	2023-24	2023-24	2023-24
	Q1	Q2	
	\$'000	\$'000	\$'000
Net gain/losses on disposal of property, infrastructure, plant and equipment	35	35	91
<b>Surplus/(deficit) before funding sources</b>	<b>(8,148)</b>	<b>(8,148)</b>	<b>(3,915)</b>
<b>Funding sources added in:</b>			
Rates revenue	7,252	7,252	5,449
Financial Assistance Grant - General Purpose	29	29	21
Capital grants	1,513	1,513	1,043
<b>Total funding sources</b>	<b>8,794</b>	<b>8,794</b>	<b>6,513</b>
<b>Operating surplus/(deficit) for the year</b>	<b>648</b>	<b>645</b>	<b>2,598</b>

Please note that the Surplus/(Deficit) figures for each area below reflect the net direct costs of delivering services, after accounting for any direct finding (**D/funding**) such as specific income, fees, grants, and other financial inflows except for the tourist park operations. The overall deficit is funded by income from rates and financial assistance grant as stated in the previous table.

### 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		Annual Forecast	Annual Forecast	Actual YTD	Variance from Q2	
			2023-24	2023-24	2023-24	\$'000	%
			Q2	Q3			
			\$'000	\$'000	\$'000		
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.	D/funding	623	623	612	0	0.0%
		Exp	(773)	(773)	(533)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(150)</b>	<b>(150)</b>	<b>79</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	0	0	0	0	0.0%
		Exp	(61)	(61)	(53)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(61)</b>	<b>(61)</b>	<b>(53)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	27	27	27	0	0.0%
		Exp	(321)	(321)	(207)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(294)</b>	<b>(294)</b>	<b>(180)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	79	79	53	0	0.0%
		Exp	(79)	(79)	(53)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0%</b>
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing.	D/funding	69	69	73	0	0.0%
		Exp	(201)	(201)	(123)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(133)</b>	<b>(133)</b>	<b>(50)</b>	<b>0</b>	<b>0.0%</b>
		D/funding	70	70	69	0	0.0%

Service area	Key service objective/s		Annual Forecast 2023-24	Annual Forecast 2023-24	Actual YTD 2023-24	Variance from Q2	
			Q2 \$'000	Q3 \$'000	\$'000	\$'000	%
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	(392)	(392)	(284)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(323)</b>	<b>(323)</b>	<b>(215)</b>	<b>0</b>	<b>0.0%</b>
Library	The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting.	D/funding	0	0	0	0	0.0%
		Exp	(261)	(261)	(238)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(261)</b>	<b>(261)</b>	<b>(238)</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>Income</b>		<b>868</b>	<b>868</b>	<b>834</b>	<b>0</b>	<b>0.0%</b>
	<b>Expenditure</b>		<b>(2,089)</b>	<b>(2,089)</b>	<b>(1,491)</b>	<b>0</b>	<b>0.0%</b>
	<b>Surplus/ (deficit)</b>		<b>(1,221)</b>	<b>(1,221)</b>	<b>(656)</b>	<b>0</b>	<b>0.0%</b>

## 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		Annual Forecast 2023-24	Annual Forecast 2023-24	Actual YTD 2023-24	Variance from Q2	
			Q2 \$'000	Q3 \$'000	\$'000	\$'000	%
Environmental Sustainability	The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations.	D/funding	19	19	12	0	0.0%
		Exp	(277)	(277)	(160)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(258)</b>	<b>(258)</b>	<b>(148)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	194	194	162	0	0.0%
		Exp	(662)	(662)	(460)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(468)</b>	<b>(468)</b>	<b>(298)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	1,276	1,276	967	0	0.0%
		Exp	(1,313)	(1,313)	(683)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(37)</b>	<b>(37)</b>	<b>284</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>Income</b>		<b>1,489</b>	<b>1,489</b>	<b>1,141</b>	<b>0</b>	<b>0.0%</b>
	<b>Expenditure</b>		<b>(2,252)</b>	<b>(2,252)</b>	<b>(1,303)</b>	<b>0</b>	<b>0.0%</b>
	<b>Surplus/ (deficit)</b>		<b>(763)</b>	<b>(763)</b>	<b>(162)</b>	<b>0</b>	<b>0.0%</b>

## Portfolio 3: Local economy.

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

Key service objective/s		Annual Forecast 2023-24	Annual Forecast 2023-24	Actual YTD 2023-24	Variance from Q2	
		Q2	Q3			
		\$'000	\$'000	\$'000	\$'000	%
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.	D/funding	1,778	1,778	1,579	0	0.0%
	Exp	(971)	(971)	(663)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>807</b>	<b>807</b>	<b>916</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	85	85	12	0	0.0%
	Exp	(316)	(316)	(151)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(231)</b>	<b>(231)</b>	<b>(139)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	0	0	0	0	0.0%
	Exp	(108)	(108)	(130)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(108)</b>	<b>(108)</b>	<b>(130)</b>	<b>0</b>	<b>0.0%</b>
<b>Income</b>		<b>1,862</b>	<b>1,862</b>	<b>1,591</b>	<b>0</b>	<b>0.0%</b>
<b>Expenditure</b>		<b>(1,395)</b>	<b>(1,395)</b>	<b>(944)</b>	<b>0</b>	<b>0.0%</b>
<b>Surplus/ (deficit)</b>		<b>468</b>	<b>468</b>	<b>647</b>	<b>0</b>	<b>0.0%</b>

#### 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		Annual Forecast 2023-24	Annual Forecast 2023-24	Actual YTD 2023-24	Variance from Q2	
			Q2	Q3			
			\$'000	\$'000	\$'000	\$'000	%
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.	D/funding	150	150	125	0	0.0%
		Exp	(580)	(580)	(336)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(430)</b>	<b>(430)</b>	<b>(211)</b>	<b>0</b>	<b>0.0%</b>
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe.	D/funding	28	28	24	0	0.0%
		Exp	(243)	(243)	(139)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(215)</b>	<b>(215)</b>	<b>(115)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	817	817	326	0	0.0%
		Exp	(2,547)	(2,547)	(1,161)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(1,730)</b>	<b>(1,730)</b>	<b>(834)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	0	0	0	0	0.0%
		Exp	(74)	(74)	(10)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(74)</b>	<b>(74)</b>	<b>(10)</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>Income</b>		<b>995</b>	<b>995</b>	<b>475</b>	<b>0</b>	<b>0.0%</b>
	<b>Expenditure</b>		<b>(3,444)</b>	<b>(3,444)</b>	<b>(1,645)</b>	<b>0</b>	<b>0.0%</b>
	<b>Surplus/ (deficit)</b>		<b>(2,449)</b>	<b>(2,449)</b>	<b>(1,170)</b>	<b>0</b>	<b>0.0%</b>

## 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.

Description of services provided		Annual Forecast 2023-24 Q2	Annual Forecast 2023-24 Q3	Actual YTD 2023-24	Variance from Q2	
		\$'000	\$'000	\$'000	\$'000	%
The Council Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed Borough.	D/funding	0	0	0	0	0.0%
	Exp	(478)	(478)	(391)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(478)</b>	<b>(478)</b>	<b>(391)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	34	34	36	0	0.0%
	Exp	(648)	(648)	(400)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(614)</b>	<b>(614)</b>	<b>(364)</b>	<b>0</b>	<b>0.0%</b>
The Community Engagement and Customer Service program aims to facilitate community involvement in decision-making, and to deliver high quality customer service.	D/funding	0	0	6	0	0.0%
	Exp	(709)	(709)	(444)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(709)</b>	<b>(709)</b>	<b>(439)</b>	<b>0</b>	<b>0.0%</b>
The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough.	D/funding	612	612	683	0	0.0%
	Exp	(1,658)	(1,658)	(1,226)	0	0.0%
	<b>Surplus/ (deficit)</b>	<b>(1,046)</b>	<b>(1,046)</b>	<b>(543)</b>	<b>0</b>	<b>0.0%</b>
<b>Income</b>		<b>647</b>	<b>647</b>	<b>725</b>	<b>0</b>	<b>0.0%</b>
<b>Expenditure</b>		<b>(3,493)</b>	<b>(3,493)</b>	<b>(2,460)</b>	<b>0</b>	<b>0.0%</b>
<b>Surplus/ (deficit)</b>		<b>(2,847)</b>	<b>(2,847)</b>	<b>(1,736)</b>	<b>0</b>	<b>0.0%</b>

## 2.2. 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).

## 2.3. 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).

