

Borough of Queenscliffe

Quarterly Financial Report

30 September 2024



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Contents	Page
Introduction	3
Executive summary	3
2. Financial statements	5
2.1. Comprehensive Income Statement	5
2.1.1. Underlying result	6
2.1.2. Cash Results	9
2.2. Balance Sheet	11
2.3. Statement of Changes in Equity	14
2.4. Statement of Cash Flows	15
2.5. Statement of Capital Works	16
2.5.1. Capital Project Wise	16
2.5.2. Asset Type Wise	17
3. Local Government Performance Reporting Framework (LGPRF)	18
3.1. Performance of Council against the Council Plan	18
3.2. Governance and Management Checklist	23
3.3. Prescribed indicators, measures and results of service performance	23
Appendix A – Projected Reserve balances as at 30 June 2024.	24

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, that compares expenses and revenue against the adopted budget. The financial report must contain explanations for any material variations from the adopted budget.

The adopted budget can be subject to change during the financial year, as new information comes to light, or unexpected revenue is received or unplanned expenditure is required. As a result, Council focuses on its quarterly review of the projected year-end forecast outcome to ensure Council adapt and adjust and importantly act if Council start tracking toward a forecast deficit.

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.

Gihan Kohobange
Manager, Financial and ICT Services

Executive summary

The projected cash result for the 2024-25 financial year shows a surplus of \$134,000. The actual cash surplus carried forward to 2024-25 exceeded the budget forecast by \$233,000. Of this additional surplus, \$100,000 has been allocated to foreshore repair work needed due to storm damage, leaving the Council with an additional \$134,000, after incorporating a \$1,000 saving in Council contributions due to additional grant income, for future projects.

Furthermore, in addition to adjustments for carry-forward projects from the previous financial year, the updated forecasted result also includes the following allocations:

- \$30,000 reallocated from unused funds originally earmarked for the tree management system development to the Hesse Street Streetscape project, to address additional funding requirements;
- \$100,000 allocated for the Royal Park oval upgrade, including initial design work for the sports facility and caravan park amenity renewal. This project was not included in the 2024–25 budget, and the funds have been drawn from a specific reserve previously established for this purpose; and
- \$75,000 allocated from the asset renewal reserve for the Royal Park oval fence renewal, as approved by a Council resolution in June 2024.

According to the Local Government Performance Reporting Framework (LGPRF) definition, the Council's adjusted underlying result reflects a deficit of \$0.3 million (-1.9%). There is an increase in the deficit compared to the budget, which is due to rates-funded operating projects carried over from 2023-24, transferred through carry-forward reserves, as well as additional budget allocations for foreshore repair work necessitated by storm damage.

The underlying result, as defined in the Borough's Council Plan, is projected to show a deficit of \$82,000 for the year, in contrast to the budgeted breakeven result of approximately \$17,000. This deficit arises from an additional budget allocation of \$100,000 designated for foreshore repair work required due to storm damage.

Council currently carries no debt and is operating well within the Victorian Government's prudential ratio limits. It is projected that as of 30th June 2025, the Council will have \$1.45 million designated for the

general reserve, \$2.43 million allocated to the asset replacement reserve, and an additional \$4.98 million in reserve accounts created for specific purposes. All of Council’s reserve balances are fully cash-backed.

This report highlights the changes between the budget and the quarter one forecast, with detailed explanations provided for all material variances.

Financial sustainability indicators – Council Plan

2024–25 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 2023-24	Budget 2024-25	Forecast 2024-25
Sustainable operating result						
Consistent operating results (in \$'000).	Our adjusted underlying result: The difference between recurrent income and recurrent expenses.	Our adjusted underlying result	> \$0	\$258	\$17	-\$82
Working capital						
Ensure Council maintains sufficient working capital to meet its obligations as they fall due.	Current assets vs current liabilities: The value of our current assets divided by our current liabilities.	Current assets vs current liabilities	> 1.0	3.85	5.80	4.38
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	Level of unrestricted cash reserve against current liabilities: Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity).	Level of unrestricted cash reserve against current liabilities	> 100%	167.8%	281.6%	156.0%
Borrowings						
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	Total borrowings against rate revenue: Our total borrowings as a percentage of our rate revenue.	Total borrowings against rate revenue	< 15%	0%	0%	0%
Commitment for asset renewals						
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	Asset renewal and upgrade expenses against depreciation: The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on three years rolling average).	Asset renewal and upgrade expenses against depreciation	> 100%	277.4%	155.5%	129.4%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital.	Council's contribution to asset renewal and upgrade: Council's contribution to asset renewal and upgrade expenses as a percentage of Own Source Revenue. *	Council's contribution to asset renewal and upgrade	> 10%	7%	8%	13%

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 projected year-end comprehensive result is \$167,000, compared to the budgeted deficit of - \$41,000. This change is primarily due to the recognition of capital grant income during the first quarter.

Comprehensive Income Statement	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget		
	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
Income							
Rates and charges	8,508	8,974	8,974	2,245	0	0.0%	
Statutory fees and fines	127	120	120	48	0	0.0%	
User fees	2,084	2,134	2,134	256	0	0.0%	
Grants - operating	1,767	1,244	1,627	925	383	30.8%	1
Grants - capital	224	0	420	890	420	0.0%	2
Other income	819	576	576	222	0	0.0%	
Net gain on disposal of PPE and infrastructure	99	0	0	0	0	0.0%	
Share of net profits of associates	21	0	0	0	0	0.0%	
Total income	13,648	13,047	13,851	4,586	803	6.2%	
Expenses							
Employee costs	5,281	5,375	5,375	1,272	0	0.0%	
Materials and services	6,445	5,644	6,240	1,345	596	10.6%	3
Depreciation	1,269	1,350	1,350	321	0	0.0%	
Bad and doubtful debts	6	3	3	0	0	0.0%	
Other expenses	1,247	716	716	96	0	0.0%	
Total expenses	14,249	13,088	13,683	3,035	596	4.6%	
Surplus / (deficit) for the year	(601)	(41)	167	1,551	208	(513.1%)	
Other comprehensive income							
Net asset revaluation increment / (decrement)	124	0	0	0	0	0.0%	
Total comprehensive result	(478)	(41)	167	1,551	208	(513.1%)	

Notes:

Income

- Grants – operating: Increase of \$383,000 is due to;
 - \$324,000 in operating grants related to ongoing projects carried over from the 2023-24 financial year:
 - \$113,000 remaining for the implementation of the Electronic Document and Records Management (EDRM) system;
 - \$91,000 for Wharf asbestos removal works;
 - \$50,000 to support development of an integrated water management plan;
 - \$50,000 for the vegetation study as part of the Marine Coastal Management Plan (MCMP); and

- \$20,000 for beach marker condition assessment.
 - \$59,000 in new or additional operating grants confirmed during the quarter 1 for the following projects:
 - \$26,000 for the circular economy household education project;
 - \$25,000 for education and protection of the coastal Moonah Woodlands; and
 - \$8,000 in additional funding for tobacco management activities.
2. Grants – capital: Increase of \$420,000 is due to the capital grants related to the following ongoing projects carried over from the 2023-24 financial year:
- \$200,000, Point Lonsdale maritime & defence precinct development;
 - \$160,000, Queenscliffe recreation reserve - lighting upgrade; and
 - \$60,000, Local roads and community infrastructure program - phase 4.

Expenses

3. Materials and Services: Increase of \$596,000, attributed to:
- \$324,000 for grant-funded operating projects carried over from the 2023-24 financial year (see Note 1 above for details);
 - \$117,000 for rates-funded operating projects carried over from 2023-24, transferred via carry-forward reserves:
 - \$59,000 for the new HR system and ICT audit;
 - \$19,500 Council contribution for beach marker condition assessment;
 - \$18,000 for transitioning to an online booking system for the tourist park;
 - \$8,000 for reconciliation action plan activities;
 - \$7,500 for Bull Ring tree planting activities; and
 - \$5,000 for child and family services and facilities review.
 - \$100,000 in additional budget allocations for foreshore repair work following storm damage; and
 - \$55,000 for operating projects tied to new or additional grant funding confirmed in quarter one, including \$4,000 for work already completed in 2023-24 (see Note 1 above for details).

However, the surplus/deficit and comprehensive result presented in the general-purpose income statement may not accurately reflect Council’s financial performance, particularly given the relatively small budget of the Borough. These figures include income from capital grants without fully accounting for the corresponding expenses. The underlying result (circa, difference between operating income and operating expenses) is therefore the most meaningful measure for assessing Council’s performance.

1.1.1. Underlying result

According to the Local Government Performance Reporting Framework (LGPRF) definition, the Council’s adjusted underlying result—excluding non-recurrent capital grants, cash capital contributions, and non-monetary capital contributions—reflects a deficit of \$0.3 million (-1.9%). There is an increase in the deficit compared to the budget, which is due to rates-funded operating projects carried over from 2023-24, transferred through carry-forward reserves, as well as additional budget allocations for foreshore repair work necessitated by storm damage.

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.

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.

The underlying result, as defined in the Borough's Council Plan, is projected to show a deficit of \$82,000 for the year, in contrast to the budgeted breakeven result of approximately \$17,000. This deficit arises from an additional budget allocation of \$100,000 designated for foreshore repair work required due to storm damage.

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

Underlying Result	Actual 2023- 24	Budget 2024- 25	Forecast 2024-25	Actual YTD 2024- 25	Variance from the budget		
	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
Based on the LGPRF measure							
Total income	13,648	13,047	13,851	4,586	803	6.2%	
Total expenses	14,249	13,088	13,683	3,035	596	4.6%	
Surplus / (deficit) for the year	(601)	(41)	167	1,551	208	(513.1%)	
Less: Grants - capital (non-recurrent)	(224)	0	(420)	(890)	(420)	0.0%	
Adjusted underlying surplus / (deficit)	(825)	(41)	(253)	662	(212)	524.4%	
Adjusted Underlying Result - %	(6.1%)	-0.3%	(1.9%)	17.9%			
On recurring basis (based on the Council Plan measure)							
Adjusted underlying surplus / (deficit) - LGPRF	(825)	(41)	(253)	662			
Adjusted for;							
Allocating FAG to the year they relate	510	0	0	0	0	0.0%	
Removal of grant-funded non-recurring operating project related costs net of grants (council contribution)	(49)	0	79	(208)	79	0.0%	1
Removal of non-recurring operating project related costs funded via Council's own funds (reserve and operational cash)	144	152	191	(27)	39	25.3%	2
Removal of timing impact of waste management cost recovery	14	(94)	(98)	(202)	(4)	4.4%	
Removal of capital expenditure reclassified as operating expenses not meeting capitalisation criteria / threshold	562	0	0	0	0	0.0%	
Removal of the impact of the sale of assets	(99)	0	0	0	0	0.0%	
Adjusted underlying surplus / (deficit)	258	17	(82)	224	(99)	(571.8%)	
Adjusted Underlying Result - %	2.2%	0.2%	(0.7%)	7.3%			

Notes:

1. 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.

Project	Expenses	Grant Funding	Council Contribution	Comment
ICT Transformation Project - HR/EDRM/AM Systems	172,344	113,344	59,000	\$113,344 remaining grant funding of EDRM project need to be spent inline with conditions stipulated in the grant agreement
Wharf Asbestos Removal Works	90,659	90,659	-	
Vegetation Study - CMMP	50,000	50,000	-	
Development of an Integrated Water Management Plan	50,000	50,000	-	
Beach Marker Condition Assessment	39,500	19,971	19,529	
Education of Protection of Coastal Moonah Woodlands	25,000	25,000	-	
Total	427,503	348,974	78,529	

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

Project	Budget 2024-25 (\$)	Forecast 2024-25 (\$)	Variance (\$)
Fisherman's Flat Planning Scheme	100,000	100,000	-
Coastal Marine Management Plan	30,000	30,000	-
Transition to TP Online Booking System	-	18,000	18,000
Review of the Queenscliffe Planning Scheme	10,000	10,000	-
Gil Allbut Boat Shed Refurbishment Project	10,000	10,000	-
Reconciliation Action Plan Project	-	7,969	7,969
Bull Ring Tree Planting	-	7,500	7,500
Child/Family Services and Facilities Review	-	5,000	5,000
Gender Equality Actions	2,000	2,000	-
Total	152,000	190,469	38,469

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.

The projected cash result for the 2024-25 financial year shows a surplus of \$134,000. The actual cash surplus carried forward to 2024-25 exceeded the budget forecast by \$233,000. Of this additional surplus, \$100,000 has been allocated to foreshore repair work needed due to storm damage, leaving the Council with an additional \$134,000 available for future projects.

Comprehensive Income Statement	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget		
	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
Surplus / (deficit) for the year	(601)	(41)	167	1,551	208	(513.1%)	
Removal of non cash transactions							
Net gain on disposal of PPE and infrastructure	(99)	0	0	0	0	0.0%	
Depreciation	1,269	1,350	1,350	321	0	0.0%	
Share of net profits of associates	(21)	0	0	0	0	0.0%	
Reclassification of previous years' expenses	442	0	0	0	0	0.0%	
Inclusion of other cash transactions							
Proceeds from asset sales	100	30	30	0	0	0.0%	
Capital expenditure	(1,032)	(900)	(1,909)	(122)	(1,009)	112.0%	1
Cash surplus / (deficit) from operations	58	439	(362)	1,751	(801)	(182.4%)	
Transfer from reserves	383	87	868	0	782	902.4%	2
Transfer to reserves <i>(for future year spending)</i>	(952)	(743)	(824)	0	(80)	10.8%	3
Adjusted cash surplus / (deficit) for the year	(511)	(218)	(317)	1,751	(99)	45.7%	
Accumulated cash surplus b/fwd from prior year	962	218	451	451	233	106.9%	
Accumulated cash surplus	451	0	134	2,202	134	100.00%	

Notes:

1. Capital expenditure: Details regarding the variance in capital expenditure are provided in Note 1.5.1, broken down by each individual capital project.
2. The details of transfers from reserves are provided below. Unless specified otherwise, variances in reserve transfers are due to projects carried over from the previous financial year.

Reserve Type	Transfer Type	Budget 2024-25 (\$)	Forecast 2024-25 (\$)	Change (\$)	Note
Upgrade Town Hall Heating and Cooling	Trf From	-	180,000	180,000	
Hesse Street Streetscape	Trf From	-	104,450	104,450	a
Royal Park Oval Upgrade - Scope and Design	Trf From	-	100,000	100,000	b
AARP - Open Space and Reserves	Trf From	-	75,000	75,000	c
ICT Transformation Project	Trf From	-	59,000	59,000	

Reserve Type	Transfer Type	Budget 2024-25 (\$)	Forecast 2024-25 (\$)	Change (\$)	Note
QMF Town Hall AV Project	Trf From	-	57,900	57,900	
Review of the Queenscliffe Planning Scheme	Trf From	74,591	54,591	(20,000)	
Bike Track - Concept Design	Trf From	-	42,000	42,000	
Coastal Marine Management Plan	Trf From	10,000	30,000	20,000	
Beach Marker Condition Assessment	Trf From	-	19,529	19,529	
Transition to Online Booking System (Tourist Park)	Trf From	-	18,000	18,000	
Development of a Tree Management System	Trf From	-	65,443	65,443	d
Toch H Toilet Renewal	Trf From	-	14,000	14,000	
Queenscliffe Cultural Hub	Trf From	-	10,000	10,000	
Reconciliation Action Plan Initiatives	Trf From	-	7,969	7,969	
Bull Ring Tree Planting	Trf From	-	7,500	7,500	
Child/Family Services and Facilities Review	Trf From	-	5,000	5,000	
Bike Racks (ATS)	Trf From	-	4,968	4,968	
Queenscliffe Neighbourhood House Solar Project	Trf From	-	4,659	4,659	d
CERP Implementation Plan	Trf From	-	3,075	3,075	d
Energy Efficiency Audit and Education Program	Trf From	-	2,988	2,988	d
Gender Equality Actions	Trf From	2,000	2,000	-	
Total	Trf From	86,591	868,072	781,481	

- a. Hesse Street Streetscape – \$74,000 carried over from the previous year, with an additional \$30,000 reallocated from unused funds originally set aside for the tree management system development, to cover additional funds required for the project.
 - b. Royal Park Oval Upgrade – Initial design work for the sports facility and caravan park amenity renewal. This project was not included in the 2024-25 budget.
 - c. Open Space and Reserves (AARP, Annual Asset Renewal Program) – \$75,000 allocated for the Royal Park oval fence renewal, as approved by a Council resolution in June 2024.
 - d. Remaining funds of completed projects/initiatives – Of the total remaining funds, \$30,000 has been allocated to Hesse Street Streetscape work, with the remaining \$46,000 transferred to the Toch H Toilet Renewal reserve account.
3. The details of transfers to reserves are provided below. Unless specified otherwise, variances in reserve transfers are due to projects carried over from the previous financial year.

Reserve Type	Transfer Type	Budget 2024-25 (\$)	Forecast 2024-25 (\$)	Change (\$)	Note
AARP - Buildings	Trf To	580,400	580,400	-	
General Reserve	Trf To	68,776	68,776	-	
Public Waste Services	Trf To	60,986	60,986	-	
Toch H toilet renewal	Trf To	-	46,165	46,165	a
Kerbside Waste Services	Trf To	33,138	37,188	4,050	b
Hesse Street Streetscape	Trf To	-	30,000	30,000	a
Total		743,300	823,515	80,215	

- a. Reallocated from unused funds of completed projects/initiatives as detailed in note 2 above; and
- b. Kerbside Waste Services – The variance reflects the recognition of grant income in the current year, corresponding to expenses incurred in the previous year for the circular economy household education project.

A summary of all reserve balances estimated as at 30 June 2025 is provided in **Appendix A** of this report.

1.2. Balance Sheet

The value of the net assets of Council was \$184.7 million as of 30 June 2024. The total cash and investments (including other financial assets) stood at \$11.6 million.

Balance Sheet As at 30 June	Actual	Budget	Forecast	Actual YTD	Variance from the budget		
	2023-24	2024-25	2024-25	2024-25	\$'000	%	Notes
	\$'000	\$'000	\$'000	\$'000			
Assets							
Current assets							
Cash and cash equivalents	1,790	7,142	2,046	2,403	(5,096)	(71.4%)	1
Other financial assets	8,780	2,500	6,500	7,270	4,000	160.0%	1
Trade and other receivables	443	300	260	7,883	(40)	(13.3%)	
Inventories	6	4	6	6	2	58.4%	
Prepayments	198	141	156	0			
Other assets	203	75	75	246	0	0.0%	
Total current assets	11,419	10,162	9,043	17,808	(1,119)	(11.0%)	
Non-current assets							
Non-current Debtor	0	0	0	0	0	0.0%	
Investments in associates	181	160	181	181	21	13.0%	
Other financial assets	1,058	0	2,600	2,558	2,600	0.0%	1
Property, infrastructure, plant and equipment	172,005	174,170	172,534	171,802	(1,635)	(0.9%)	2
Total non-current assets	173,245	174,330	175,316	174,542	986	0.6%	
Total assets	184,664	184,492	184,359	192,349	(134)	(0.1%)	
Liabilities							
Current liabilities							
Trade and other payables	582	718	884	191	166	23.2%	
Trust funds and deposits	25	50	25	973	(25)	(50.1%)	
Provisions	1,002	983	1,027	991	45	4.6%	
Unearned income	1,356	0	550	6,944	550	0.0%	
Total current liabilities	2,965	1,751	2,487	9,099	736	42.0%	
Non-current liabilities							
Provisions	142	102	146	142	44	42.5%	
Total non-current liabilities	142	102	146	142	44	42.5%	
Total liabilities	3,107	1,853	2,633	9,242	779	42.0%	
Net assets	181,557	182,639	181,724	183,108	(913)	(0.5%)	
Equity							
Accumulated surplus	98,253	100,039	98,466	99,805	(1,573)	(1.6%)	
Revaluation Reserve	74,402	74,278	74,402	74,402	124	0.2%	
Other reserves	8,902	8,322	8,856	8,901	535	6.4%	
Total equity	181,557	182,639	181,724	183,108	(914)	(0.5%)	

Notes

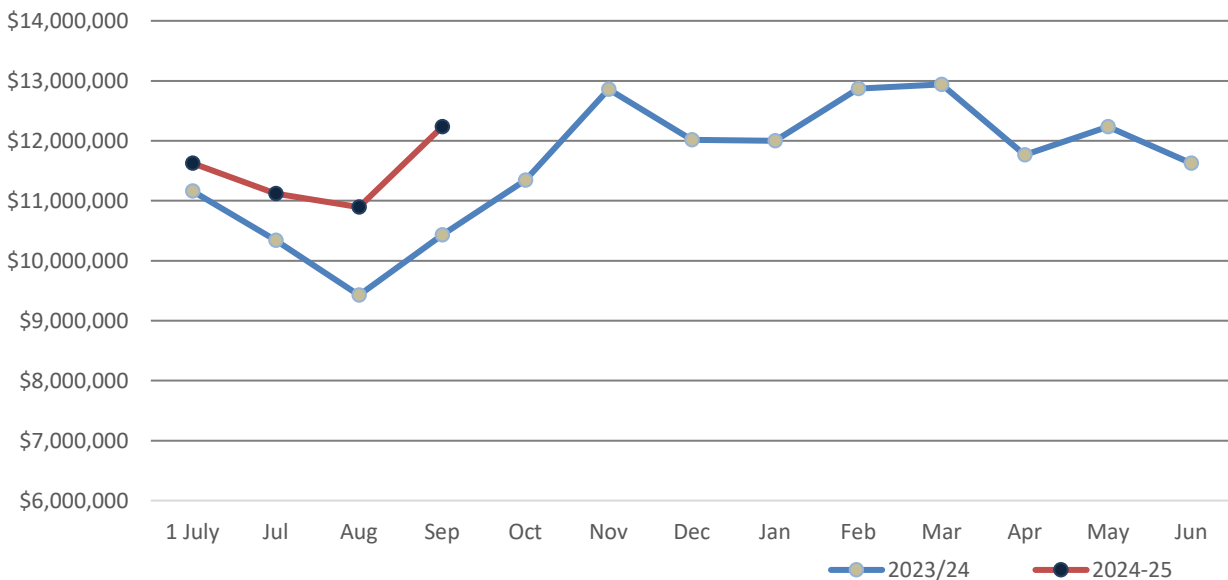
1. Cash and Investments (including other financial assets): For a more accurate comparison of total cash and investments, all these line items should be reviewed together. Investments in term deposits have been categorised under these three-line items based on the maturity term of each deposit, in accordance with Local Government Reporting Guidelines.
2. Primarily due to the timing of major capital expenditure projects. Details regarding the variance in capital expenditure are provided in Note 1.5.1, broken down by each individual capital project.

Cash & Cash Equivalents and Other Financial Assets

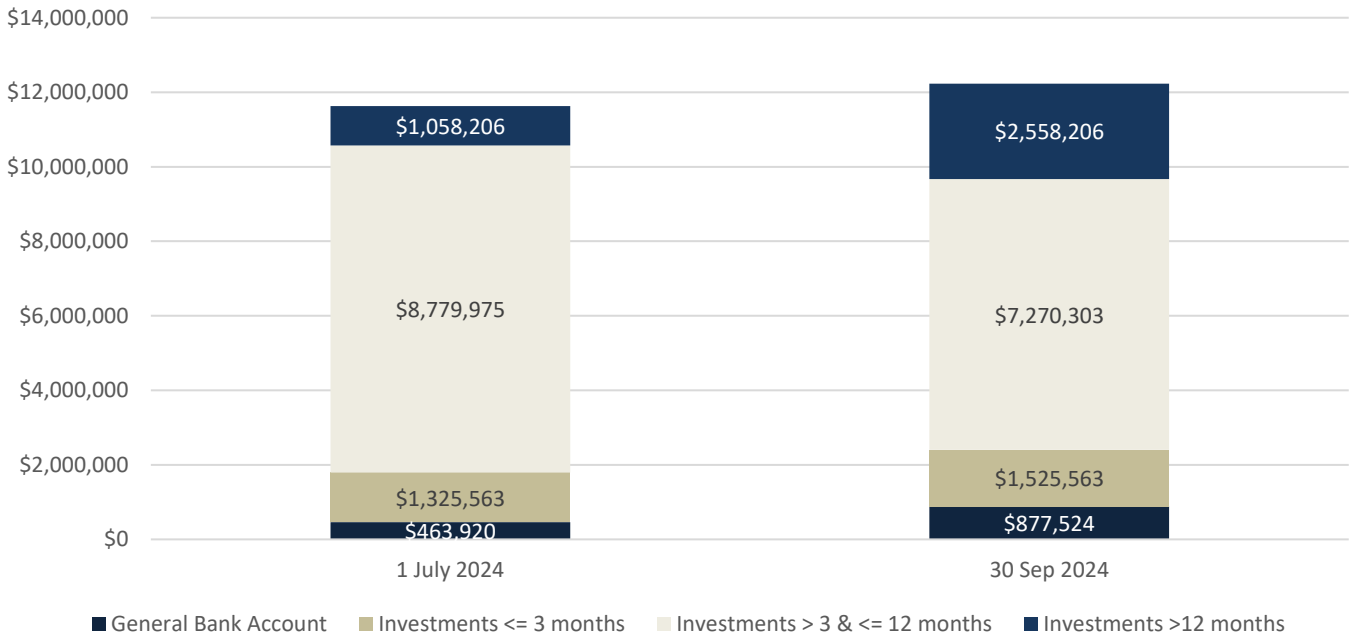
Council's cash and cash equivalents includes short term investments with maturities of less than 90 days, other financial assets represent investments with maturities more than three months.

Council's total cash and investments as at 30 September 2024 was \$12.2 million.

Cash balance - prior year comparison



Cash and investments

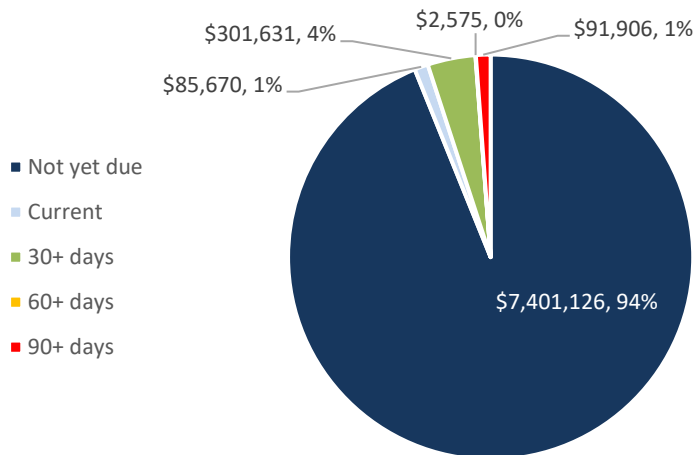


Trade and other receivables

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 \$7.9 million at 30 September 2024 of which a 94% 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 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Accumulated Surplus						
Opening Balance 1st July	99,424	100,736	98,254	98,254	(2,482)	(2.5%)
Surplus / (deficit) for the year	(601)	(41)	167	1,551	208	(513.1%)
Transfer to other reserves	(952)	(743)	(824)	0	(80)	10.8%
Transfer from other reserves	383	87	868	0	782	902.4%
Closing Balance 30th June - Accumulated Surplus	98,254	100,039	98,466	99,805	(1,573)	(1.6%)
Revaluation Reserve						
Opening Balance 1st July	74,278	74,278	74,402	74,402	124	0.2%
Net asset revaluation increment/(decrement)	124	0	0	0	0	0.0%
Closing Balance 30th June - Revaluation Reserve	74,402	74,278	74,402	74,402	124	0.2%
Other Reserves						
Opening Balance 1st July	8,332	7,665	8,901	8,901	1,236	16.1%
Transfer to other reserves	952	743	824	0	80	10.8%
Transfer from other reserves	(383)	(87)	(868)	0	(782)	902.4%
Closing Balance 30th June - Other Reserves	8,901	8,322	8,856	8,901	535	6.4%
Total Equity						
Opening Balance 1st July	182,035	182,679	181,558	181,558	(1,122)	(0.6%)
Surplus / (deficit) for the year	(601)	(41)	167	1,551	208	(513.1%)
Net asset revaluation increment/(decrement)	124	0	0	0	0	0.0%
Closing Balance 30th June - Total Equity	181,557	182,639	181,724	183,109	(914)	(0.5%)

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 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
Cash flows from operating activities						
Receipts						
Rates and charges	8,419	8,974	8,932	1,271	(42)	(0.5%)
Statutory fees and fines	128	120	112	46	(9)	(7.1%)
User fees	2,016	2,134	2,052	369	(81)	(3.8%)
Grants - Operating	1,596	1,244	1,593	892	350	28.1%
Grants - Capital	716	0	80	0	80	0.0%
Interest received	420	333	491	148	158	47.6%
Other receipts	661	244	94	39	(150)	(61.4%)
Total receipts	14,074	13,047	13,354	2,764	307	2.3%
Payments						
Employee costs	(5,176)	(5,349)	(5,556)	(1,483)	(207)	3.9%
Materials and services	(6,572)	(5,734)	(5,770)	(1,306)	(36)	0.6%
Short-term, low value and variable lease payments	(1)	(1)	(1)	(3)	0	0.0%
Other payments	(808)	(748)	(715)	855	33	(4.4%)
Total payments	(12,591)	(11,831)	(12,041)	(1,937)	(210)	1.8%
Net cash provided by operating activities	1,483	1,216	1,312	827	96	7.9%
Cash flows from investing activities						
Payments for property, infrastructure, plant and equipment	(1,110)	(1,158)	(1,824)	(224)	(667)	57.6%
Proceeds from sale of property, infrastructure, plant and equipment	100	30	30	0	0	0.0%
Net proceeds from movement of investments	9,141	0	738	10	738	0.0%
Net cash provided by / (used in) investing activities	(3,261)	(1,128)	(1,056)	(214)	72	(6.4%)
Cash flows from financing activities						
Net cash provided by / (used in) financing activities	0	0	0	0	0	0.0%
Net increase / (decrease) in cash and cash equivalents	(1,778)	89	257	612	168	189.8%
Cash and cash equivalents at the beginning of the financial year	3,568	7,054	1,790	1,790	(5,264)	(74.6%)
Cash and cash equivalents at the end of the financial year	1,790	7,142	2,046	2,402	(5,096)	(71.4%)

Notes:

This is mainly because of increased investment in term deposits at the end of the previous financial year, exceeding the initial budget estimates. These deposits were structured with maturity periods longer than three months to secure higher returns.

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

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

Statement of Capital Works	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget		
	\$'000	\$'000	\$'000	\$'000	%	Notes
Priority capital works						
Queenscliffe cultural hub	0	10	1	10	0.0%	
PL Lighthouse Reserve upgrade (P1 huts) - Installation of Wadawurrung signage	0	0	2	0	0.0%	1
Toch H toilet renewal - design and construct	0	14	0	14	0.0%	
Local Roads and Community Infrastructure program - Flinders Street Footpath / Flinders Street extended splitter island and pedestrian refuge	0	60	0	60	0.0%	
Town Hall AV upgrade project (QMF)	0	58	0	58	0.0%	
Hesse street streetscape	0	105	0	105	0.0%	2
Safety improvement work by DEECA at Narrows Beach	0	0	2	0	0.0%	3
New bike track - concept design	0	42	6	42	0.0%	
Upgrade of Town Hall - heating and cooling	0	180	0	180	0.0%	
Murray Road Shared Path	0	0	2	0	0.0%	
Point Lonsdale Maritime & Defence Precinct	0	200	21	200	0.0%	
Queenscliffe Rec Reserve - lighting upgrade	0	160	0	160	0.0%	
Bike Racks (ATS)	0	5	1	5	0.0%	
Royal Park Oval Upgrade – scope and Design	0	100	0	100	0.0%	4
Total priority capital works	0	934	34	934	0.0%	
Annual asset renewal program	770	845	87	75	9.7%	5
Staff cost capitalised	131	131	0	0	0.0%	
Total capital works expenditure	900	1,909	122	1,009	112.0%	
Represented by:						
New asset expenditure	33	183	10	150	458.4%	
Asset renewal expenditure	848	1,145	98	297	35.0%	
Asset upgrade expenditure	20	581	14	562	2862.9%	
Total capital works expenditure	900	1,909	122	1,009	112.0%	

Notes:

Unless otherwise stated below, variances in funds allocated to capital expenditure projects are attributed to works carried forward from the previous financial year:

1. PL Lighthouse Reserve upgrade (P1 huts), installation of Wadawurrung signage is pending the completion of the CMMP, and the timing remains uncertain at this stage;
2. Hesse Street Streetscape – \$74,000 carried over from the previous year, with an additional \$30,000 reallocated from unused funds originally set aside for the tree management system development, to cover additional funds required for the project;
3. Safety improvement work by DEECA at Narrows Beach - The recent storm surge has damaged the original fence, creating uncertainty around the project's status. Discussions are ongoing with DEECA to determine the scope and future direction of this work;
4. Royal Park Oval Upgrade – Initial design work for the sports facility and caravan park amenity renewal. This project was not included in the 2024-25 budget. Funds have been allocated from the specific reserve established previously for this purpose.; and
5. AARP, Annual Asset Renewal Program – \$75,000 allocated for the Royal Park oval fence renewal, as approved by a Council resolution in June 2024.

1.5.2. Asset Type Wise

Statement of Capital Works	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from the budget	
	\$'000	\$'000	\$'000	\$'000	%
Property					
Buildings	207	231	14	24	11.6%
Building improvements	0	238	0	238	0.0%
Total buildings	207	469	14	262	126.6%
Total property	207	469	14	262	126.6%
Plant and equipment					
Plant, machinery and equipment	100	100	0	0	0.0%
Fixtures, fittings and furniture	10	10	0	0	0.0%
Computers and telecommunications	46	46	0	0	0.0%
Total plant and equipment	157	157	0	0	0.0%
Infrastructure					
Roads	124	124	0	0	0.0%
Footpaths and cycleways	25	85	2	60	240.8%
Drainage	100	100	6	0	0.0%
Recreational, leisure and community facilities	42	217	6	175	413.7%
Parks, open space and streetscapes	110	415	87	305	276.8%
Off street car parks	5	5	0	0	0.0%
Other infrastructure	0	160	0	160	0.0%
Other Assets	131	178	7	47	35.9%
Total infrastructure	537	1,284	107	747	139.1%
Total capital works expenditure	900	1,909	122	1,009	112.0%
Represented by:					
New asset expenditure	33	183	10	150	458.4%
Asset renewal expenditure	848	1,145	98	297	35.0%
Asset upgrade expenditure	20	581	14	562	2862.9%
Total capital works expenditure	900	1,909	122	1,009	112.0%

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 was funded in the 2024-25 financial year.

Strategic Objective	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25
	\$'000	\$'000	\$'000	\$'000
Portfolio 1 Health and wellbeing				
Direct funding	857	777	785	223
Expenses	(1,914)	(1,992)	(2,004)	(453)
Surplus/ (deficit)	(1,056)	(1,215)	(1,219)	(230)
Portfolio 2 Environment				
Direct funding	1,486	1,647	1,718	432
Expenses	(2,277)	(2,114)	(2,316)	(364)
Surplus/ (deficit)	(791)	(467)	(598)	68
Portfolio 3 Local economy				
Direct funding	1,815	1,917	1,917	210
Expenses	(1,250)	(1,227)	(1,245)	(243)
Surplus/ (deficit)	565	690	672	(34)
Portfolio 4 Heritage, planning and infrastructure				
Direct funding	956	141	332	237
Expenses	(3,555)	(2,927)	(3,117)	(598)
Surplus/ (deficit)	(2,599)	(2,786)	(2,786)	(361)
Portfolio 5 Governance and finance				
Direct funding	920	550	664	225
Expenses	(3,422)	(3,478)	(3,651)	(1,055)
Surplus/ (deficit)	(2,502)	(2,928)	(2,987)	(830)
Total - surplus/ (deficit)	(6,384)	(6,705)	(6,918)	(1,387)
Expenses/other income added in:				
Depreciation	(1,269)	(1,350)	(1,350)	(321)

Strategic Objective	Actual 2023-24	Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25
	\$'000	\$'000	\$'000	\$'000
Expenditure not meeting capitalisation criteria / threshold	(562)	0	0	0
Net gain/losses on disposal of property, infrastructure, plant and equipment	99	0	0	0
Surplus/(deficit) before funding sources	(8,117)	(8,055)	(8,268)	(1,708)
Funding sources added in:				
Rates revenue	7,263	7,476	7,476	1,872
Financial Assistance Grant - General Purpose	29	539	539	498
Capital grants	224	0	420	890
Total funding sources	7,515	8,015	8,435	3,260
Surplus/(deficit) for the year as per the Comprehensive Income Statement	(602)	(40)	167	1,551

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		Budget 2024-25	Forecast 2024-25	Actual YTD 2024-25	Variance from Budget	
			\$'000	\$'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	566	566	125	0	0.0%
		Exp	(715)	(720)	(172)	(5)	0.7%
		Surplus/(deficit)	(149)	(154)	(47)	(5)	3.4%
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	(107)	(107)	(49)	0	0.0%
		Surplus/(deficit)	(107)	(107)	(49)	0	0.0%
Community Events	The Community Events program promotes community wellbeing, celebrates the significance of the Borough and stimulates the local economy through conducting events directly or facilitating, supporting and administering a range of recreation, arts and cultural events planned and implemented by community organisations or commercial businesses.	D/funding	26	26	5	0	0.0%
		Exp	(258)	(258)	(29)	0	0.0%
		Surplus/(deficit)	(233)	(233)	(24)	0	0.0%
Maternal and Child Health (MCH)	The Maternal and Child Health program (MCH) plays a key role in supporting and monitoring the health and wellbeing of local families with children from birth to school age.	D/funding	68	68	82	0	0.0%
		Exp	(79)	(79)	(14)	0	0.0%
		Surplus/(deficit)	(12)	(12)	69	0	0.0%

