

# Borough of Queenscliffe

## Quarterly Financial Report

31 March 2025



**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, which compares expenses and revenue against the adopted budget. The financial report must include 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 starts 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 \$56,000 surplus. This surplus is primarily driven by the MCH Universal Service Delivery Grant and an increase in projected interest income from Council's investments, although partially offset by costs associated with the building condition assessments & valuation (This assessment is conducted every four years and was scheduled for 2025-26 in the financial plan, resulting in this timing adjustment) and additional works at the Queenscliff Cultural Hub.

According to the Local Government Performance Reporting Framework (LGPRF) definition, the Council's adjusted underlying result which excludes non-recurrent capital grants, cash capital contributions, and non-monetary capital contributions, reflects a deficit of \$140,000 (-1.0%). This represents a favourable increase compared to the projected Quarter 2 forecast, primarily driven by additional interest income, as well as reduced material and service costs and lower forecasted depreciation expenses.

The underlying result, as defined in the Borough's Council Plan, is projected to show a deficit of \$42,000 for the financial year, which is more favourable than the deficit projected in Quarter 2. This decrease in deficit is primarily due to additional forecasted interest income, along with projected reduction in depreciation expense for the 2024-25 financial year.

There has been a \$341,000 reduction in projected capital expenditure for the financial year, with projects either being put on hold or now scheduled for completion in future years.

Council is to receive a monetary contribution of \$120,000 in relation to the development of 61-75 Murray Road land. These funds will be transferred to a specific reserve account to be used for future open space projects in the area close to the new subdivision.

This report outlines the changes from the previous 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 but adjusted underlying result and the level of unrestricted cash reserve against current liabilities, as summarised below.

Policy Statement	Measure	Indicator	Target	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (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	\$258	\$17	-\$128	-\$42
<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	3.85	5.80	3.42	2.38
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%	167.8%	281.6%	124.6%	70.6%*
<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%	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%	277.4%	155.5%	131.7%	126.1%
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%	7%	8%	14%	10%

\* Due to Council increasing its investment in term deposits with maturity periods exceeding 12 months to secure favourable interest rates.

## 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 comprehensive result now projects a year end surplus of \$326,000, in contrast to the break-even forecasted in Quarter 2. This surplus is driven by \$198,000 of additional income, along with a \$135,000 reduction in forecasted expenses.

Comprehensive Income Statement	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Income</b>								
Rates and charges	8,508	8,974	8,974	8,974	6,751	0	0.0%	
Statutory fees and fines	127	120	120	120	123	0	0.0%	
User fees	2,084	2,134	2,109	2,109	1,680	0	0.0%	
Grants - operating	1,767	1,244	1,627	1,616	1,451	(11)	(0.7%)	1
Grants - capital	224	0	320	337	1,034	17	5.4%	2
Contributions - monetary - capital	0	0	0	129	129	129	0.0%	3
Other income	819	576	744	794	658	50	6.7%	4
Net gain on disposal of PPE and infrastructure	99	0	0	13	0	13	0.0%	
<b>Total income</b>	<b>13,648</b>	<b>13,047</b>	<b>13,893</b>	<b>14,091</b>	<b>11,824</b>	<b>198</b>	<b>1.4%</b>	
<b>Expenses</b>								
Employee costs	5,281	5,375	5,262	5,262	3,709	0	0.0%	
Materials and services	6,445	5,644	6,510	6,445	3,985	(65)	(1.0%)	5
Depreciation	1,269	1,350	1,350	1,280	961	(70)	(5.2%)	6
Bad and doubtful debts	6	3	3	3	0	0	0.0%	
Other expenses	1,247	716	775	775	392	0	0.0%	
<b>Total expenses</b>	<b>14,249</b>	<b>13,088</b>	<b>13,900</b>	<b>13,765</b>	<b>9,047</b>	<b>(135)</b>	<b>(1.0%)</b>	
<b>Surplus / (deficit) for the year</b>	<b>(601)</b>	<b>(41)</b>	<b>(7)</b>	<b>326</b>	<b>2,777</b>	<b>333</b>	<b>(4758.6%)</b>	

Notes:

#### Income

1. Grants – Operations: The net decrease of \$11,000 is primarily due to the deferral of work to future years for the Education Protection of Coastal Moonah Woodlands project (\$11,000) and additional work related to Council's Electronic Data and Records Management System, EDRM System (\$64,000). This decrease is offset by the inclusion of a \$64,000 Maternal and Child Health (MCH) Universal Service Delivery Grant.
2. Grants – Capital: \$17,000 increase attributed to grant funding utilised for the installation of wet sand fence along the Dog Beach area as part of the Coastal Access and Risk Program.



3. Contributions - monetary – capital: \$120,000 open space contribution in relation to the development of 61-75 Murray Road land and a further \$8,600 contribution in relation to the Queenscliff Recreation Reserve lighting upgrade project.
4. Other Income: The increase of \$50,000 is driven by higher than forecasted interest rates, resulting in additional income from term deposit investments.

## Expenses

5. Materials and Services: The net decrease of \$65,000 is primarily attributed to:
  - \$107,000 decrease in one-off operating projects is due to either expected project underspending or the deferral of projects to future years:
    - \$63,000 - additional work related to EDRM System deferred to future years;
    - \$13,500 - Fisherman's Flat Planning Scheme, anticipated underspend;
    - \$11,000 - Education Protection of Coastal Moonah Woodlands project deferred to future years;
    - \$8,500 - Beach Marker condition assessment work, expected underspend; and
    - \$7,500 - Bull Ring tree planting work deferred to future years.
  - These cost decreases are partially offset by:
    - \$34,000 has been allocated for Council building condition assessment and valuation work. This assessment is conducted every four years and was scheduled for 2025-26 in the financial plan, resulting in this timing adjustment; and
    - \$8,000 increase in waste management costs, driven by a \$58,000 increase in estimated landfill levy costs which has been partially offset by a \$21,000 reduction in projected recycling collection and disposal costs, \$16,500 reduction in hard waste costs and a \$13,500 reduction in FOGO costs.
6. Depreciation: Net decrease of \$70,000, primarily due to the timing of planned capital projects and lower than expected additional depreciation following the drainage infrastructure valuation conducted at the end of the 2023-24 financial year, which occurred after the finalisation of the 2024-25 budget.

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 which excludes non-recurrent capital grants, cash capital contributions, and non-monetary capital contributions, reflects a deficit of \$140,000 (-1.0%). This represents a favourable decrease compared to the projected Quarter 2 forecast, primarily driven by additional interest income, as well as reduced material and service costs and lower forecasted depreciation expenses.

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 \$42,000 for the financial year, which is more favourable than the deficit projected in Quarter 2. This decrease in deficit is primarily due to additional forecasted interest income, along with projected reduction in depreciation expense for the 2024-25 financial year.

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	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Based on the LGPRF measure</b>								
<b>Total income</b>	<b>13,648</b>	<b>13,047</b>	<b>13,893</b>	<b>14,091</b>	<b>11,824</b>	198	1.4%	
<b>Total expenses</b>	<b>14,249</b>	<b>13,088</b>	<b>13,900</b>	<b>13,765</b>	<b>9,047</b>	(135)	(1.0%)	
<b>Surplus / (deficit) for the year</b>	<b>(601)</b>	<b>(41)</b>	<b>(7)</b>	<b>326</b>	<b>2,777</b>	<b>333</b>	<b>(4758.6 %)</b>	
Less: Grants - capital (non-recurrent)	(224)	0	(320)	(337)	(1,034)	(17)	5.4%	
Less: Contributions - monetary - capital	0	0	0	(129)	(129)	(129)	0.0%	
<b>Adjusted underlying surplus / (deficit)</b>	<b>(825)</b>	<b>(41)</b>	<b>(327)</b>	<b>(140)</b>	<b>1,614</b>	<b>187</b>	<b>(57.2%)</b>	
<b>Adjusted Underlying Result - %</b>	<b>-6.1%</b>	<b>-0.3%</b>	<b>-2.4%</b>	<b>-1.1%</b>	<b>15.1%</b>			

Underlying Result	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>On recurring basis (based on the Council Plan measure)</b>								
<b>Adjusted underlying surplus / (deficit) - LGPRF</b>	<b>(825)</b>	<b>(41)</b>	<b>(327)</b>	<b>(140)</b>	<b>1,614</b>			
<b>Adjusted for;</b>								
Allocating FAG to the year they relate	510	0	0	0	0	0	0.0%	
Removal of grant-funded non-recurring operating project related costs net of grants (council contribution)	(49)	0	80	6	(122)	(74)	(92.5%)	1
Removal of non-recurring operating project related costs funded via Council's own funds (reserve and operational cash)	144	152	164	140	75	(24)	(14.9%)	2
Removal of other material non-recurring expenses	0	0	60	62	62	2	3.3%	3
Removal of timing impact of waste management cost recovery	14	(94)	(105)	(97)	(540)	8	(7.6%)	
Removal of capital expenditure reclassified as operating expenses not meeting capitalisation criteria / threshold	562	0	0	0	0	0	0.0%	
Removal of the impact of the sale of assets	(99)	0	0	(13)	0	(13)	0.0%	
<b>Adjusted underlying surplus / (deficit)</b>	<b>258</b>	<b>17</b>	<b>(128)</b>	<b>(42)</b>	<b>1,090</b>	<b>86</b>	<b>(67.4%)</b>	
<b>Adjusted Underlying Result - %</b>	<b>2.2%</b>	<b>0.2%</b>	<b>-1.1%</b>	<b>-0.4%</b>	<b>11.8%</b>			

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 (Values in \$)	Expenses	Grant Funding	Council Contribution	Comment
ICT Transformation Project - HR/EDRM/AM Systems	109,000	50,000	59,000	Remaining grant funding of the EDRM project needs to be spent in line with conditions stipulated in the grant agreement.
Wharf Asbestos Removal Works	90,659	90,659	-	
MCH Universal Service Delivery Support	0	64,000	(64,000)	One-off grant funding to support operational MCH delivery costs
Vegetation Study - CMMP	50,000	50,000	-	
Development of an Integrated Water Management Plan	50,000	50,000	-	
Beach Marker Condition Assessment	31,000	19,971	11,029	
Education of Protection of Coastal Moonah Woodlands	13,800	13,800	-	
<b>Total</b>	<b>344,459</b>	<b>338,430</b>	<b>6,029</b>	



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

Project	Budget 2024-25 (\$)	Annual Forecast 2024-25 (Q2) (\$)	Annual Forecast 2024-25 (Q3) (\$)	Variance (\$)
Fisherman's Flat Planning Scheme	100,000	55,800	42,335	(13,465)
Coastal Marine Management Plan	30,000	30,000	30,000	-
Installation of beach accessibility mats	-	20,000	20,000	-
Transition to TP Online Booking System	-	18,000	18,000	-
Review of the Queenscliffe Planning Scheme	10,000	10,000	10,000	-
Gil Allbut Boat Shed Refurbishment Project	10,000	10,000	10,000	-
Reconciliation Action Plan Project	-	5,830	5,830	-
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	3,955	1,955
<b>Total</b>	<b>152,000</b>	<b>164,130</b>	<b>140,120</b>	<b>(24,010)</b>

3. Other material non- recurring expenses include the following items;

- \$50,000 allocated for an independent investigation in accordance with the confidential Council resolution September 2024 (consultancy expense);
- \$11,600 for land assessment related to suspected contamination, as required by EPA Victoria;

### 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 \$56,000 surplus. This surplus is primarily driven by the MCH Universal Service Delivery Grant and an increase in projected interest income from Council's investments, partially offset by costs associated with the buildings condition assessments & valuation and additional works at the Queenscliff Cultural Hub.

Comprehensive Income Statement	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Surplus / (deficit) for the year</b>	<b>(601)</b>	<b>(41)</b>	<b>(7)</b>	<b>326</b>	<b>2,777</b>	<b>333</b>	<b>(4758.6%)</b>	
<b>Removal of non cash transactions</b>								
Net gain on disposal of PPE and infrastructure	(99)	0	0	(13)	0	(13)	0.0%	
Depreciation	1,269	1,350	1,350	1,280	961	(70)	(5.2%)	
Share of net profits of associates	(21)	0	0	0	0	0	0.0%	
Reclassification of previous years' expenses	442	0	0	0	0	0	0.0%	
<b>Inclusion of other cash transactions</b>								
Proceeds from asset sales	100	30	30	13	0	(18)	(58.3%)	
Capital expenditure	(1,032)	(900)	(1,953)	(1,612)	(677)	341	(17.4%)	1
<b>Cash surplus / (deficit) from operations</b>	<b>58</b>	<b>439</b>	<b>(580)</b>	<b>(6)</b>	<b>3,061</b>	<b>574</b>	<b>(98.9%)</b>	
Transfer from reserves	383	87	660	552	0	(108)	(16.4%)	2
Transfer to reserves <i>(for future year spending)</i>	(952)	(743)	(531)	(941)	0	(410)	77.2%	3
<b>Adjusted cash surplus / (deficit) for the year</b>	<b>(511)</b>	<b>(218)</b>	<b>(451)</b>	<b>(395)</b>	<b>3,061</b>	<b>56</b>	<b>(12.4%)</b>	
Accumulated cash surplus b/fwd from prior year	962	218	451	451	451	0	0.0%	
<b>Accumulated cash surplus</b>	<b>451</b>	<b>0</b>	<b>0</b>	<b>56</b>	<b>3,512</b>	<b>56</b>	<b>0.0%</b>	

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 indicating changes from the previous quarter forecast.

Reserve Type	Budget 2024-25 (\$)	Annual Forecast 2024-25 (Q2) (\$)	Annual Forecast 2024-25 (Q3) (\$)	Change from Q2 (\$)	Note
Hesse Street Streetscape	-	104,450	104,450	-	
Royal Park Oval Upgrade - Scope and Design	-	100,000	10,000	(90,000)	a
AARP - Open Space and Reserves	-	75,000	75,000	-	
ICT Transformation Project	-	59,000	59,000	-	
Public Waste Services	-	-	55,654	55,654	b
Development of a Tree Management System	-	50,000	50,000	-	
QMF Town Hall AV Project	-	57,900	-	(57,900)	c
Review of the Queenscliffe Planning Scheme	74,591	10,391	-	(10,391)	d
Bike Track - Concept Design	-	42,000	42,000	-	
Coastal Marine Management Plan	10,000	30,000	30,000	-	

Reserve Type	Budget 2024-25 (\$)	Annual Forecast 2024-25 (Q2) (\$)	Annual Forecast 2024-25 (Q3) (\$)	Change from Q2 (\$)	Note
Beach Marker Condition Assessment	-	19,529	19,529	-	
Transition to Online Booking System (Tourist Park)	-	18,000	18,000	-	
Development of a Tree Management System	-	15,443	15,443	-	
Toch H Toilet Renewal	-	20,000	20,000	-	
Queenscliffe Cultural Hub	-	10,000	10,000	-	
Disability Action Plan	-	10,000	10,000	-	
Reconciliation Action Plan Initiatives	-	7,969	7,969	-	
Bull Ring Tree Planting	-	7,500	-	(7,500)	e
Child/Family Services and Facilities Review	-	5,000	-	(5,000)	f
Restoration and Upgrade of P1 Hut at PL Lighthouse	-	-	5,000	5,000	g
Bike Racks (ATS)	-	4,968	4,968	-	
Queenscliffe Neighbourhood House Solar Project	-	4,659	4,659	-	
CERP Implementation Plan	-	3,075	3,075	-	
Energy Efficiency Audit and Education Program	-	2,988	2,988	-	
Murray Road Shared Path	-	-	2,209	2,209	h
Gender Equality Actions	2,000	2,000	2,000	-	
<b>Total</b>	<b>86,591</b>	<b>659,872</b>	<b>551,944</b>	<b>(107,928)</b>	

- a. Royal Park Oval Upgrade – Design work to be completed in 2025-26.
- b. Public Waste Services – The variance reflects the increase in Public Waste costs, driven by the renegotiated service frequencies for public waste collections, which did not achieve the level of savings initially forecasted. Additionally, it includes the reallocation of landfill disposal costs that were previously allocated to Kerbside.
- c. QMF Town Hall AV Project - This project is currently on hold.
- d. Review of the Queenscliffe Planning Scheme – Expected underspend on work related to the Fisherman’s Flat Planning Scheme.
- e. Bull Ring Tree Planting - This project is currently on hold.
- f. Child/Family Services and Facilities Review - This project is currently on hold.
- g. Restoration and Upgrade of P1 Hut at PL Lighthouse – For signage instillation work.
- h. Murray Road Shared Path – Funding for public lighting assessment and design work carried out.

3. The details of transfers to reserves are provided below indicating changes from the previous quarter forecast.

Reserve Type	Budget 2024-25 (\$)	Annual Forecast 2024-25 (Q2) (\$)	Annual Forecast 2024-25 (Q3) (\$)	Change from Q2 (\$)	Note
Asset Renewal Reserve	580,400	280,900	405,900	125,000	a
Murray Road Open Space Contribution	-	-	120,000	120,000	b
Rip View Beach Access Renewal Works	-	-	114,000	114,000	c
General Reserve	68,776	68,776	68,776	-	
Public Waste Services	60,986	62,728	-	(62,728)	
Toch H toilet renewal	-	46,165	46,165	-	
Kerbside Waste Services	33,138	42,415	152,795	110,380	d
Hesse Street Streetscape	-	30,000	30,000	-	
Review of the Queenscliffe Planning Scheme	-	-	3,074	3074	
<b>Total</b>	<b>743,300</b>	<b>530,983</b>	<b>940,709</b>	<b>409,726</b>	

- a. Asset Renewal Reserve transfer for the following work to be completed in 2025-26:
  - o \$70,000 - Royal Park oval fence renewal work to be commenced in 2025-26
  - o \$55,000 – Motor Vehicle replacement deferred to 2025-26.
- b. Murray Road Open Space Contribution– Monetary contribution in relation to the development of 61-75 Murray Road land. These funds will be used for future identified open space projects in the vicinity.
- c. Rip View Beach Access Renewal Works – Project to be commenced and completed in 2025-26.
- d. Kerbside Waste Services – The variance reflects the impact of the reallocation of waste disposal costs to public waste, along with additional savings in kerbside collection, hard waste and FOGO processing costs.

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

## 1.2. Balance Sheet

Council's net assets are projected to be \$181.9 million as of 30 June 2025, with total cash and investments (including other financial assets) estimated to be \$11.0 million at year-end.

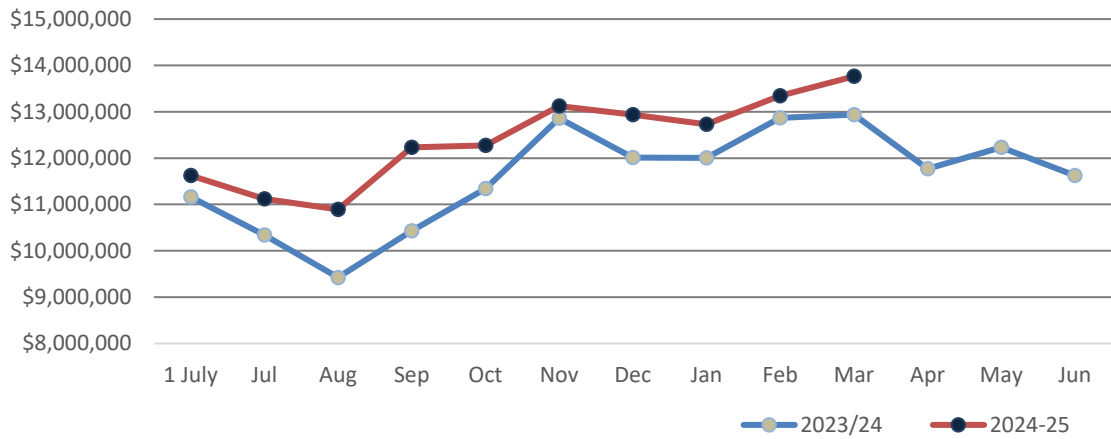
Balance Sheet As at 30 June	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Assets</b>							
<b>Current assets</b>							
Cash and cash equivalents	1,790	7,142	1,956	1,537	1,175	(419)	(21.4%)
Other financial assets	8,780	2,500	6,500	3,000	6,178	(3,500)	(53.8%)
Trade and other receivables	443	300	260	260	2,706	0	0.0%
Inventories	6	4	6	6	6	0	0.0%
Prepayments	198	141	163	161	0		
Other assets	203	75	75	225	213	150	200.0%
<b>Total current assets</b>	<b>11,419</b>	<b>10,162</b>	<b>8,959</b>	<b>5,189</b>	<b>10,277</b>	<b>(3,771)</b>	<b>(42.1%)</b>
<b>Non-current assets</b>							
Investments in associates	181	160	181	181	181	3,900	150.0%
Other financial assets	1,058	0	2,600	6,500	6,449	(241)	(0.1%)
Property, infrastructure, plant and equipment	172,005	174,170	172,578	172,336	171,718	3,660	2.1%
<b>Total non-current assets</b>	<b>173,245</b>	<b>174,330</b>	<b>175,360</b>	<b>179,017</b>	<b>178,348</b>	<b>(111)</b>	<b>(0.1%)</b>
<b>Total assets</b>	<b>184,664</b>	<b>184,492</b>	<b>184,319</b>	<b>184,206</b>	<b>188,625</b>	<b>0</b>	<b>0.0%</b>
<b>Liabilities</b>							
<b>Current liabilities</b>							
Trade and other payables	582	718	919	475	28	(444)	(48.3%)
Trust funds and deposits	25	50	25	25	459	0	0.0%
Provisions	1,002	983	1,027	1,027	991	0	0.0%
Unearned income	1,356	0	650	650	2,665	0	0.0%
<b>Total current liabilities</b>	<b>2,965</b>	<b>1,751</b>	<b>2,621</b>	<b>2,177</b>	<b>4,144</b>	<b>(444)</b>	<b>(16.9%)</b>
<b>Non-current liabilities</b>							
Provisions	142	102	146	146	142	0	0.0%
<b>Total non-current liabilities</b>	<b>142</b>	<b>102</b>	<b>146</b>	<b>146</b>	<b>142</b>	<b>0</b>	<b>0.0%</b>
<b>Total liabilities</b>	<b>3,107</b>	<b>1,853</b>	<b>2,767</b>	<b>2,323</b>	<b>4,287</b>	<b>(444)</b>	<b>(16.0%)</b>
<b>Net assets</b>	<b>181,557</b>	<b>182,639</b>	<b>181,551</b>	<b>181,883</b>	<b>184,334</b>	<b>333</b>	<b>0.2%</b>
<b>Equity</b>							
Accumulated surplus	98,253	100,039	98,376	98,192	101,031	(185)	(0.2%)
Revaluation Reserve	74,402	74,278	74,402	74,402	74,402	0	0.0%
Other reserves	8,902	8,322	8,772	9,290	8,901	518	5.9%
<b>Total equity</b>	<b>181,557</b>	<b>182,639</b>	<b>181,551</b>	<b>181,883</b>	<b>184,334</b>	<b>333</b>	<b>0.2%</b>

Cash & Cash Equivalents and Other Financial Assets

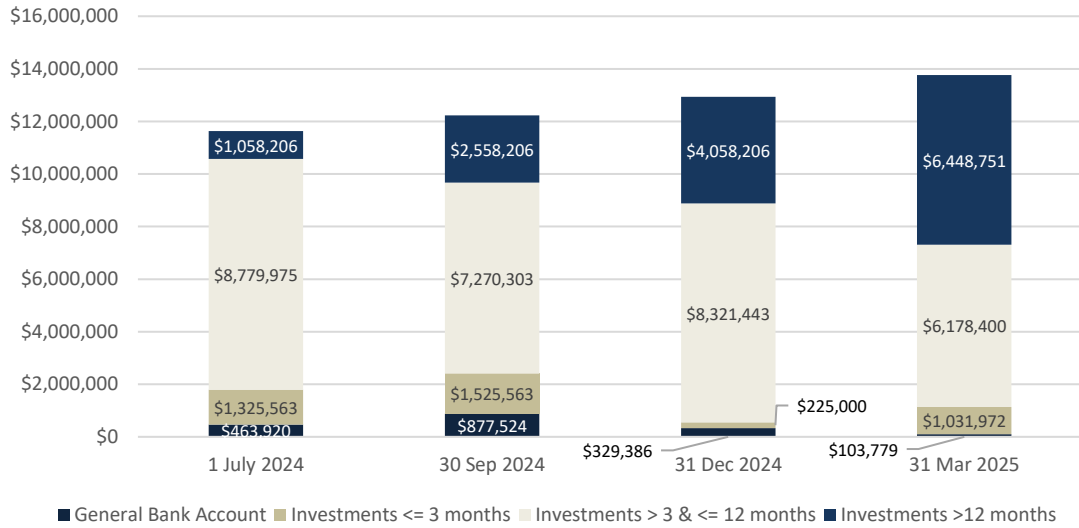
Council’s cash and cash equivalents includes short term investments with maturities of less than 90 days, other financial assets represent investments with maturities more than three months.

Councils total cash and investments as at 31 March 2025 was \$13.8 million.

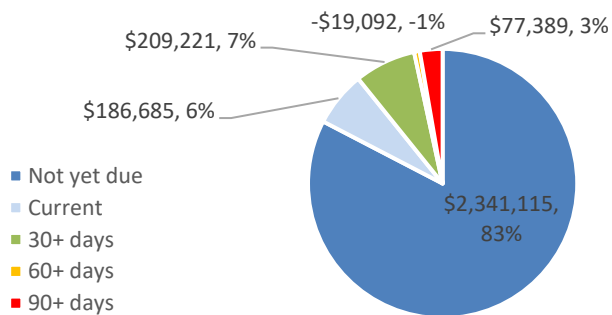
Cash balance - prior year comparison



Cash and investments



Trade and other receivables ageing analysis.



Trade and other receivables stand at \$2.8 million at 31 March 2025 of which a 83% 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	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Accumulated Surplus</b>							
<b>Opening Balance 1st July</b>	<b>99,424</b>	<b>100,736</b>	<b>98,254</b>	<b>98,254</b>	<b>98,254</b>	<b>0</b>	<b>0.0%</b>
Surplus / (deficit) for the year	(601)	(41)	(7)	326	2,777	333	(4758%)
Transfer to other reserves	(952)	(743)	(531)	(941)	0	(410)	77.2%
Transfer from other reserves	383	87	660	552	0	(108)	(16.4%)
<b>Closing Balance 30th June - Accumulated Surplus</b>	<b>98,254</b>	<b>100,039</b>	<b>98,376</b>	<b>98,192</b>	<b>101,031</b>	<b>(185)</b>	<b>(0.2%)</b>
<b>Revaluation Reserve</b>							
<b>Opening Balance 1st July</b>	<b>74,278</b>	<b>74,278</b>	<b>74,402</b>	<b>74,402</b>	<b>74,402</b>	<b>0</b>	<b>0.0%</b>
Net asset revaluation increment/(decrement)	124	0	0	0	0	0	0.0%
<b>Closing Balance 30th June - Revaluation Reserve</b>	<b>74,402</b>	<b>74,278</b>	<b>74,402</b>	<b>74,402</b>	<b>74,402</b>	<b>0</b>	<b>0.0%</b>
<b>Other Reserves</b>							
<b>Opening Balance 1st July</b>	<b>8,332</b>	<b>7,665</b>	<b>8,901</b>	<b>8,901</b>	<b>8,901</b>	<b>0</b>	<b>0.0%</b>
Transfer to other reserves	952	743	531	941	0	410	77.2%
Transfer from other reserves	(383)	(87)	(660)	(552)	0	108	(16.4%)
<b>Closing Balance 30th June - Other Reserves</b>	<b>8,901</b>	<b>8,322</b>	<b>8,772</b>	<b>9,290</b>	<b>8,901</b>	<b>518</b>	<b>5.9%</b>
<b>Total Equity</b>							
<b>Opening Balance 1st July</b>	<b>182,035</b>	<b>182,679</b>	<b>181,558</b>	<b>181,558</b>	<b>181,558</b>	<b>0</b>	<b>0.0%</b>
Surplus / (deficit) for the year	(601)	(41)	(7)	326	2,777	333	(4759%)
Net asset revaluation increment/(decrement)	124	0	0	0	0	0	0.0%
<b>Closing Balance 30th June - Total Equity</b>	<b>181,557</b>	<b>182,639</b>	<b>181,551</b>	<b>181,883</b>	<b>184,334</b>	<b>333</b>	<b>0.2%</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 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Cash flows from operating activities</b>							
<b>Receipts</b>							
Rates and charges	8,419	8,974	8,932	8,932	6,653	0	0.0%
Statutory fees and fines	128	120	112	112	117	0	0.0%
User fees	2,016	2,134	2,027	2,027	1,845	0	0.0%
Grants - Operating	1,596	1,244	1,593	1,583	1,417	(11)	(0.7%)
Grants - Capital	716	0	80	97	144	17	21.4%
Contributions - monetary - capital	0	0	0	129	129	129	0.0%
Interest received	420	333	658	558	415	(100)	(15.2%)
Other receipts	661	244	94	94	155	0	0.0%
<b>Total receipts</b>	<b>14,074</b>	<b>13,047</b>	<b>13,496</b>	<b>13,531</b>	<b>10,848</b>	<b>35</b>	<b>0.3%</b>
<b>Payments</b>							
Employee costs	(5,176)	(5,349)	(5,443)	(5,443)	(3,862)	0	0.0%
Materials and services	(6,572)	(5,734)	(6,017)	(6,360)	(4,083)	(343)	5.7%
Short-term, low value and variable lease payments	(1)	(1)	(25)	(25)	(7)	0	0.0%
Other payments	(808)	(748)	(750)	(750)	49	0	0.0%
<b>Total payments</b>	<b>(12,591)</b>	<b>(11,831)</b>	<b>(12,235)</b>	<b>(12,578)</b>	<b>(7,903)</b>	<b>(343)</b>	<b>2.8%</b>
<b>Net cash provided by operating activities</b>	<b>1,483</b>	<b>1,216</b>	<b>1,262</b>	<b>954</b>	<b>2,945</b>	<b>(308)</b>	<b>(24.4%)</b>
<b>Cash flows from investing activities</b>							
Payments for property, infrastructure, plant and equipment	(1,110)	(1,158)	(1,864)	(1,557)	(780)	306	(16.4%)
Proceeds from sale of property, infrastructure, plant and equipment	100	30	30	13	0	(18)	(58.3%)
Net proceeds from movement of investments	9,141	0	738	338	(2,789)	(400)	(54.2%)
<b>Net cash provided by / (used in) investing activities</b>	<b>(3,261)</b>	<b>(1,128)</b>	<b>(1,095)</b>	<b>(1,206)</b>	<b>(3,569)</b>	<b>(111)</b>	<b>10.1%</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</b>	<b>0.0%</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(1,778)</b>	<b>89</b>	<b>166</b>	<b>(253)</b>	<b>(623)</b>	<b>(419)</b>	<b>(251.9%)</b>
Cash and cash equivalents at the beginning of the financial year	3,568	7,054	1,790	1,790	1,790	0	0.0%
<b>Cash and cash equivalents at the end of the financial year</b>	<b>1,790</b>	<b>7,142</b>	<b>1,956</b>	<b>1,537</b>	<b>1,166</b>	<b>(419)</b>	<b>(21.4%)</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

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	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual YTD 2024-25	Variance from the Q2 Forecast		
	\$'000	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Priority capital works</b>							
Queenscliffe cultural hub	0	10	24	24	14	140.0%	1
PL lighthouse reserve upgrade - P1 huts	0	0	5	3	5	0.0%	2
Toch H toilet renewal - design and construct	0	20	20	6	0	0.0%	
Local roads and community infrastructure program - phase 2 and 3	0	60	60	36	0	0.0%	
Town Hall AV upgrade project (QMF)	0	58	0	0	(58)	(100.0%)	3
Hesse street streetscape	0	105	105	0	0	0.0%	
Safety improvement work by DEECA at Narrows Beach	0	0	17	17	17	0.0%	4
New bike track - concept design	0	42	42	13	0	0.0%	
Murray Road Shared Path	0	0	2	2	2	0.0%	
Point Lonsdale Maritime & Defence Precinct	0	100	100	59	0	0.0%	
Queenscliffe Rec Reserve - lighting upgrade	0	161	169	161	8	5.0%	5
Bike Racks (ATS)	0	5	5	1	0	0.0%	
Office layout improvements	0	1	1	0	0	0.0%	
Royal Park Oval Upgrade – scope and design	0	100	10	0	(90)	(90.0%)	6
QMF building renewal works	0	200	200	0	0	0.0%	
Rip view beach access renewal works	0	120	6	0	(114)	(95.0%)	7
<b>Total priority capital works</b>	<b>0</b>	<b>982</b>	<b>766</b>	<b>320</b>	<b>(216)</b>	<b>(22.0%)</b>	
<b>Annual asset renewal program</b>	770	845	720	357	(125)	(14.8%)	8
<b>Staff cost capitalised</b>	131	127	127	0	0	0.0%	
<b>Total capital works expenditure</b>	<b>900</b>	<b>1,953</b>	<b>1,612</b>	<b>677</b>	<b>(341)</b>	<b>(17.4%)</b>	
<b>Represented by:</b>							
New asset expenditure	33	137	101	33	(36)	(26.1%)	
Asset renewal expenditure	848	1,311	1,072	392	(239)	(18.2%)	
Asset upgrade expenditure	20	506	440	252	(66)	(13.0%)	
<b>Total capital works expenditure</b>	<b>900</b>	<b>1,953</b>	<b>1,612</b>	<b>677</b>	<b>(341)</b>	<b>(17.4%)</b>	

Notes:

1. Queenscliffe Cultural Hub – Additional spend has been allocated for the augmentation of the HVAC system to address QHM's concerns regarding relative humidity in both the museum and museum storage areas;
2. PL Lighthouse Reserve Upgrade - P1 huts – Work carried over in relation to instillation of signage. Funds have been allocated from the specific reserve;
3. Town Hall AV Upgrade (QMF) – This project is currently on hold;
4. Safety Improvement Work By DEECA at Narrows Beach – Installation of wet sand fence along the Dog Beach area as part of the Coastal Access and Risk Program;
5. Queenscliffe Rec Reserve – Completion of the lighting upgrade works, funded by a \$8,600 monetary contribution from Queenscliff Football & Netball Club;
6. Royal Park Oval Upgrade – Initial design work to be completed in 2025-26;
7. Rip View Beach Access Renewal Works – Works to refurbish and renew the Rip View stairs will be commenced and completed in 2025-26;
8. AARP, Annual Asset Renewal Program – Overall reduction of \$125,000:
  - \$70,000 - Royal Park oval fence renewal work to be commenced in 2025-26
  - \$55,000 – Motor Vehicle replacement deferred to 2025-26.

### 1.5.2. Asset Type Wise

Statement of Capital Works	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual YTD 2024-25	Variance from the Q2 Forecast	
	\$'000	\$'000	\$'000	\$'000	\$'000	%
<b>Property</b>						
Buildings	207	437	456	202	19	4.3%
Building improvements	0	58	0	0	(58)	(100.0%)
<b>Total buildings</b>	<b>207</b>	<b>495</b>	<b>456</b>	<b>202</b>	<b>(39)</b>	<b>(7.9%)</b>
<b>Total property</b>	<b>207</b>	<b>495</b>	<b>456</b>	<b>202</b>	<b>(39)</b>	<b>(7.9%)</b>
<b>Plant and equipment</b>						
Plant, machinery and equipment	100	100	45	31	(55)	(54.8%)
Fixtures, fittings and furniture	10	11	11	0	0	0.0%
Computers and telecommunications	46	46	46	30	0	0.0%
<b>Total plant and equipment</b>	<b>157</b>	<b>158</b>	<b>103</b>	<b>61</b>	<b>(55)</b>	<b>(34.8%)</b>
<b>Infrastructure</b>						
Roads	124	124	124	0	0	0.0%
Footpaths and cycleways	25	85	87	63	2	2.6%
Drainage	100	100	100	19	0	0.0%
Recreational, leisure and community facilities	42	217	57	9	(160)	(73.6%)
Parks, open space and streetscapes	110	435	338	149	(97)	(22.3%)
Off street car parks	5	5	5	0	0	0.0%
Other infrastructure	0	161	169	161	8	5.0%
Other Assets	131	174	174	13	0	0.0%
<b>Total infrastructure</b>	<b>537</b>	<b>1,300</b>	<b>1,054</b>	<b>414</b>	<b>(247)</b>	<b>(19.0%)</b>
<b>Total capital works expenditure</b>	<b>900</b>	<b>1,953</b>	<b>1,612</b>	<b>677</b>	<b>(341)</b>	<b>(17.4%)</b>
<b>Represented by:</b>						
New asset expenditure	33	137	101	33	(36)	(26.1%)
Asset renewal expenditure	848	1,311	1,072	392	(239)	(18.2%)
Asset upgrade expenditure	20	506	440	252	(66)	(13.0%)
<b>Total capital works expenditure</b>	<b>900</b>	<b>1,953</b>	<b>1,612</b>	<b>677</b>	<b>(341)</b>	<b>(17.4%)</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 was funded in the 2024-25 financial year.

Strategic Objective	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Portfolio 1 Health and wellbeing</b>					
Direct funding	857	777	760	824	631
Expenses	(1,914)	(1,992)	(2,000)	(1,995)	(1,319)
<b>Surplus/ (deficit)</b>	<b>(1,056)</b>	<b>(1,215)</b>	<b>(1,240)</b>	<b>(1,171)</b>	<b>(689)</b>
<b>Portfolio 2 Environment</b>					
Direct funding	1,486	1,647	1,718	1,707	1,340
Expenses	(2,277)	(2,114)	(2,386)	(2,367)	(1,277)
<b>Surplus/ (deficit)</b>	<b>(791)</b>	<b>(467)</b>	<b>(668)</b>	<b>(660)</b>	<b>63</b>
<b>Portfolio 3 Local economy</b>					
Direct funding	1,815	1,917	1,917	1,917	1,497
Expenses	(1,250)	(1,227)	(1,213)	(1,213)	(828)
<b>Surplus/ (deficit)</b>	<b>565</b>	<b>690</b>	<b>704</b>	<b>704</b>	<b>669</b>
<b>Portfolio 4 Heritage, planning and infrastructure</b>					
Direct funding	956	141	332	460	445
Expenses	(3,555)	(2,927)	(3,223)	(3,242)	(2,043)
<b>Surplus/ (deficit)</b>	<b>(2,599)</b>	<b>(2,786)</b>	<b>(2,891)</b>	<b>(2,782)</b>	<b>(1,597)</b>
<b>Portfolio 5 Governance and finance</b>					
Direct funding	920	550	831	818	707
Expenses	(3,422)	(3,478)	(3,728)	(3,668)	(2,619)
<b>Surplus/ (deficit)</b>	<b>(2,502)</b>	<b>(2,928)</b>	<b>(2,897)</b>	<b>(2,850)</b>	<b>(1,912)</b>
<b>Total - surplus/ (deficit)</b>	<b>(6,384)</b>	<b>(6,705)</b>	<b>(6,992)</b>	<b>(6,759)</b>	<b>(3,466)</b>



Strategic Objective	Actual 2023-24	Budget 2024-25	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Actual 2024-25 YTD
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Expenses/other income added in:</b>					
Depreciation	(1,269)	(1,350)	(1,350)	(1,280)	(961)
Expenditure not meeting capitalisation criteria / threshold	(562)	0	0	0	0
Share of net profits/losses of associates	0	0	0	0	0
Net gain/losses on disposal of property, infrastructure, plant and equipment	99	0	0	13	0
<b>Surplus/(deficit) before funding sources</b>	<b>(8,117)</b>	<b>(8,055)</b>	<b>(8,342)</b>	<b>(8,027)</b>	<b>(4,427)</b>
<b>Funding sources added in:</b>					
Rates revenue	7,263	7,476	7,476	7,476	5,629
Financial Assistance Grant - General Purpose	29	539	539	539	541
Capital grants	224	0	320	337	1,034
<b>Total funding sources</b>	<b>7,515</b>	<b>8,015</b>	<b>8,335</b>	<b>8,352</b>	<b>7,204</b>
<b>Surplus/(deficit) for the year as per the Comprehensive Income Statement</b>	<b>(602)</b>	<b>(40)</b>	<b>(7)</b>	<b>326</b>	<b>2,776</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		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'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	541	541	373	0	0.0%
		Exp	(715)	(743)	(738)	(488)	5	(0.7%)
		<b>Surplus/(deficit)</b>	<b>(149)</b>	<b>(202)</b>	<b>(197)</b>	<b>(115)</b>	<b>5</b>	<b>(2.5%)</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	1	0	0.0%
		Exp	(107)	(107)	(107)	(69)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(107)</b>	<b>(107)</b>	<b>(107)</b>	<b>(68)</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	26	26	26	29	0	0.0%
		Exp	(258)	(242)	(242)	(152)	0	0.0%
		<b>Surplus/(deficit)</b>	<b>(233)</b>	<b>(217)</b>	<b>(217)</b>	<b>(123)</b>	<b>0</b>	<b>0.0%</b>

Service area	Key service objective/s		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'000	\$'000	\$'000	\$'000	%
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	132	121	64	94.8%
		Exp	(79)	(79)	(79)	(55)	0	0.0%
		Surplus/ (deficit)	(12)	(12)	52	66	64	(537.8 %)
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing.	D/funding	49	57	57	42	0	0.0%
		Exp	(178)	(185)	(185)	(109)	0	0.0%
		Surplus/ (deficit)	(129)	(129)	(129)	(67)	0	0.0%
Local Laws, Safety and Amenity	The Local Laws, Safety and Amenity program promotes community wellbeing and safety in various settings and through monitoring public behaviour consistent with Council's Local Laws.	D/funding	70	70	70	65	0	0.0%
		Exp	(395)	(384)	(384)	(269)	0	0.0%
		Surplus/ (deficit)	(325)	(314)	(314)	(204)	0	0.0%
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	0.0%
		Exp	(259)	(259)	(259)	(178)	0	0.0%
		Surplus/ (deficit)	(259)	(259)	(259)	(178)	0	0.0%
TOTAL	Income		777	760	824	631	64	8.4%
	Expenditure		(1,992)	(2,000)	(1,995)	(1,319)	5	(0.2%)
	Surplus/ (deficit)		(1,215)	(1,240)	(1,171)	(689)	69	(5.6%)

## 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		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'000	\$'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	15	15	15	16	0	0.0%
		Exp	(179)	(192)	(192)	(143)	0	0.0%
		Surplus/ (deficit)	(164)	(177)	(177)	(127)	0	0.0%
Coastal Protection	The Coastal Protection program seeks to preserve and enhance the Borough's globally significant, highly-valued coast as an iconic environmental asset for current and future generations.	D/funding	122	167	156	172	(11)	(6.7%)
		Exp	(518)	(763)	(736)	(521)	27	(3.6%)
		Surplus/ (deficit)	(396)	(596)	(580)	(349)	16	(2.7%)
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	1,510	1,536	1,536	1,153	0	0.0%
		Exp	(1,416)	(1,431)	(1,439)	(613)	(8)	0.6%
		Surplus/ (deficit)	94	105	97	540	(8)	(7.6%)
TOTAL	Income		1,647	1,718	1,707	1,340	(11)	(0.7%)
	Expenditure		(2,114)	(2,386)	(2,367)	(1,277)	19	(0.8%)
	Surplus/ (deficit)		(467)	(668)	(660)	63	8	(1.2%)

### Portfolio 3: Local economy.

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

Service area	Key service objective/s		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'000	\$'000	\$'000	\$'000	%
Tourist Parks	The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy.	D/funding	1,835	1,835	1,835	1,484	0	0.0%
		Exp	(806)	(805)	(805)	(575)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>1,029</b>	<b>1,030</b>	<b>1,030</b>	<b>909</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	82	82	82	13	0	0.0%
		Exp	(301)	(298)	(298)	(162)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(219)</b>	<b>(216)</b>	<b>(216)</b>	<b>(149)</b>	<b>0</b>	<b>0.0%</b>
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.	D/funding	0	0	0	0	0	0.0%
		Exp	(120)	(110)	(110)	(92)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(120)</b>	<b>(110)</b>	<b>(110)</b>	<b>(92)</b>	<b>0</b>	<b>0.0%</b>
<b>TOTAL</b>	<b>Income</b>		<b>1,917</b>	<b>1,917</b>	<b>1,917</b>	<b>1,497</b>	<b>0</b>	<b>0.0%</b>
	<b>Expenditure</b>		<b>(1,227)</b>	<b>(1,213)</b>	<b>(1,213)</b>	<b>(828)</b>	<b>0</b>	<b>0.0%</b>
	<b>Surplus/ (deficit)</b>		<b>690</b>	<b>704</b>	<b>704</b>	<b>669</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		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'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	100	150	150	136	0	0.0%
		Exp	(562)	(572)	(558)	(427)	14	(2.4%)
		<b>Surplus/ (deficit)</b>	<b>(462)</b>	<b>(422)</b>	<b>(408)</b>	<b>(290)</b>	<b>14</b>	<b>(3.2%)</b>
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe.	D/funding	28	28	28	31	0	0.0%
		Exp	(281)	(286)	(286)	(181)	0	0.0%
		<b>Surplus/ (deficit)</b>	<b>(253)</b>	<b>(257)</b>	<b>(257)</b>	<b>(150)</b>	<b>0</b>	<b>0.0%</b>

Service area	Key service objective/s		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'000	\$'000	\$'000	\$'000	%
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	13	154	282	278	129	83.6%
		Exp	(2,007)	(2,290)	(2,322)	(1,433)	(32)	1.4%
		Surplus/ (deficit)	(1,994)	(2,136)	(2,040)	(1,156)	96	(4.5%)
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	0.0%
		Exp	(76)	(76)	(76)	(2)	0	0.0%
		Surplus/ (deficit)	(76)	(76)	(76)	(2)	0	0.0%
TOTAL	Income		141	332	460	445	129	38.7%
	Expenditure		(2,927)	(3,223)	(3,242)	(2,043)	(19)	0.6%
	Surplus/ (deficit)		(2,786)	(2,891)	(2,782)	(1,597)	110	(3.8%)

### Portfolio 5: Governance and finance.

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

Service area	Description of services provided		Budget 2024-25	Forecast 2024-25 (Q2)	Forecast 2024-25 (Q3)	Actual 2024-25 YTD	Variance from the Q2 Forecast	
			\$'000	\$'000	\$'000	\$'000	\$'000	%
Council Governance	The Council Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed Borough.	D/funding	0	0	0	1	0	0.0%
		Exp	(602)	(621)	(621)	(371)	0	0.0%
		Surplus/ (deficit)	(602)	(621)	(621)	(370)	0	0.0%
Organisational Performance and Compliance	The Organisational Performance and Compliance program supports the Chief Executive Officer and Executive Management Team to maintain a cohesive, well-managed and highly performing organisation.	D/funding	0	0	0	2	0	0.0%
		Exp	(592)	(690)	(694)	(547)	(4)	0.5%
		Surplus/ (deficit)	(592)	(690)	(694)	(546)	(4)	0.5%
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.	D/funding	0	0	0	1	0	0.0%
		Exp	(706)	(670)	(670)	(436)	0	0.0%
		Surplus/ (deficit)	(705)	(670)	(670)	(436)	0	0.0%
Financial and Risk Management	The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough.	D/funding	550	831	818	704	(13)	(1.6%)
		Exp	(1,580)	(1,746)	(1,682)	(1,264)	63	(3.6%)
		Surplus/ (deficit)	(1,030)	(915)	(865)	(560)	50	(5.5%)
TOTAL	Income		550	831	818	707	(13)	(1.6%)
	Expenditure		(3,478)	(3,728)	(3,668)	(2,619)	60	(1.6%)
	Surplus/ (deficit)		(2,928)	(2,897)	(2,850)	(1,912)	46	(1.6%)

## **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).

## Appendix A – Projected Reserve balances as at 30 June 2025.

Total reserve balance is reflected in the Statement of changes in Equity (section 1.3) under other reserves.

Other Reserves	Actual 2023-24	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Variance from the Q2 Forecast	
				\$	%
<b><u>Sales proceeds from assets sales</u></b>					
Murray Road land sale proceeds	3,500,000	3,500,000	3,500,000	-	0.0%
<b>Total - sales proceeds from assets sales</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>3,500,000</b>	<b>-</b>	<b>0.0%</b>
<b><u>Carry forward capital expenditure reserve</u></b>					
Royal park oval upgrade	360,000	260,000	350,000	90,000	34.6%
ICT transformation project	234,398	175,398	175,398	-	0.0%
New bike track/park	195,900	153,900	153,900	-	0.0%
Murray Road Open Space Contribution	-	-	120,000	120,000	0.0%
Rip View Beach Access Renewal Works	-	-	114,000	114,000	0.0%
Princess park kiosk toilet upgrade	60,000	60,000	60,000	-	0.0%
Town hall audio visual equipment upgrade project (with QMF)	57,900	-	57,900	57,900	0.0%
Hesse Street streetscape	74,450	-	-	-	0.0%
Weeroona Parade toilet	40,000	40,000	40,000	-	0.0%
Queenscliffe Cultural Hub	10,341	341	341	-	0.0%
Toc H Toilet upgrade	174,000	200,165	200,165	-	0.0%
Queenscliffe CBD 24-hour toilet	250,000	250,000	250,000	-	0.0%
Safety improvement work by DEECA at Narrows Beach	40,000	40,000	40,000	-	0.0%
Implementation of a tree management system	50,000	-	-	-	0.0%
PL Lighthouse Reserve upgrade (P1 huts)	28,612	28,612	23,612	(5,000)	(17.5%)
Murray Road Shared Path	42,100	42,100	39,891	(2,209)	(5.2%)
Upgrade of Town Hall - heating and cooling	180,000	180,000	180,000	-	0.0%
Bike Racks (ATS)	4,968	-	-	-	0.0%
<b>Total - carry forward capital expenditure reserve</b>	<b>1,802,669</b>	<b>1,430,516</b>	<b>1,805,207</b>	<b>374,691</b>	<b>26.2%</b>
<b><u>Carry forward operating expenditure reserve</u></b>					
Marine coastal management plan	116,775	86,775	86,775	-	0.0%
Review of planning scheme (Heritage Provisions)	91,203	36,612	94,277	13,465	16.7%
Wadawurrung signage	14,855	14,855	14,855	-	0.0%
Development of a Tree Management Plan (Victoria Park )	15,443	-	-	-	0.0%
Queenscliffe Neighbourhood House Solar	4,659	-	-	-	0.0%
Biannual Energy Efficiency Audit and Education Program	2,988	-	-	-	0.0%
CERP monitoring and evaluation dashboards	3,075	-	-	-	0.0%
Gender Equality Actions	5,953	3,953	3,953	-	0.0%
Reconciliation Action Plan Project	7,969	-	-	-	0.0%
Beach Marker condition assessment report	19,529	-	-	-	0.0%
Bull Ring Tree Planting	7,500	-	7,500	7,500	0.0%



Other Reserves	Actual 2023-24	Annual Forecast 2024-25 (Q2)	Annual Forecast 2024-25 (Q3)	Variance from the Q2 Forecast	
				\$	%
	\$	\$	\$		
Child/family services and facilities review	5,000	-	5,000	5,000	0.0%
Disability Action Plan	10,000	-	-	-	0.0%
Transition to TP online booking system	18,000	-	-	-	0.0%
<b>Total - carry forward operating expenditure reserve</b>	<b>322,949</b>	<b>186,394</b>	<b>212,359</b>	<b>25,965</b>	<b>13.9%</b>
<b>Asset replacement reserve</b>	1,926,609	2,132,509	2,257,509	125,000	5.9%
<b>Defined Benefits Superannuation Liability</b>	40,000	40,000	40,000	0	0.0%
<b>Standard kerbside waste reserve</b>	(21,135)	21,279	131,659	110,380	518.7%
<b>Public waste reserve</b>	(50,482)	12,246	(106,136)	(118,382)	(966.7)
<b>Unallocated cash reserves / general reserve</b>	1,383,098	1,451,874	1,451,874	0	0.0%
<b>Total</b>	<b>8,901,707</b>	<b>8,771,818</b>	<b>9,290,472</b>	<b>517,654</b>	<b>5.9%</b>