



Borough of Queenscliffe Quarterly Finance Report - 30 September 2010

Presented to Ordinary Council meeting

17 November 2010

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Executive Summary

Section 138 of the Local Government Act requires at least quarterly for a financial report to be presented to Council comparing expenses and revenue against budget.

This quarterly report presents the year-to-date (YTD) budget and the YTD actuals to 30 September 2010. The tables and the figures presented therein also provide a forecast result for 30 June 2011 based on known changes to the estimates and trends for the three months that are likely to impact on the full year's result.

At the time of budget preparation, estimates are formulated based on information available at that time. The 2010/11 year estimates are also prepared prior to the final 2009/10 results being known. As a result, adjustments need to be made throughout the year to ensure the results predicted in an overall sense are still achieved as closely as possible. This is crucial budgetary financial management that underpins any longer-term strategic financial planning to ensure the ongoing sustainability of the Borough.

The Standard Income Statement prepared for the September quarter shows a YTD surplus of \$217,000 against a budgeted YTD deficit of \$63,000. The effect on the full year forecast based on the first quarter's results and any other known changes also shows a favourable prediction.

The review of all income and expenditure lines indicates an additional surplus of \$263,000 above the original budget surplus of \$352,000, resulting in a year end surplus of \$615,000. Key movements in the year end forecast are detailed below. In terms of the underlying position, which is net of Capital Income and abnormal items, the revised forecast for the full year is a surplus of \$74,000 compared to the budgeted surplus of \$69,000, an improvement of \$5,000 in the underlying result.

Notable variances to the original budget include:

- \$250,000 playground and park development capital grant income (originally budgeted in 2009/10 and now expected to be received during 2010/11)
- \$30,000 additional interest on investments expected
- (\$27,000) additional expenditure required for the new waste disposal contract (recently tendered) and re-forecasting for bin renewal requirements
- (\$15,000) additional expenditure required on I.T. for upgrade to Office 2010 and additional licenses
- \$15,000 reduction in infrastructure maintenance budgets, reflecting 2009/10 expenditure levels and also the shift of expenditure from operating maintenance to capital renewal expenditure
- \$15,000 reduction in the Long Service Leave provision for staff changes

Whilst the trends at this early stage auger well for the full year result, the Mid Year Budget Review (MYBR) will indicate the position for the half year and Council will be better placed to begin the 2011/12 Budget process. The infrastructure assets revaluation report from Moloney Consultants will likely impact on the budget and will be reviewed by Council officers in the next few weeks. The results of the analysis will be included in the December 2010 mid year budget review, and the effects on the budget forecast will be included in the December quarterly report (MYBR) for the Ordinary Council Meeting in February 2011.

1. Standard Statements

Standard Income Statement	2010/11 Adopted Budget \$'000	2010/11 Year End Forecast \$'000	2010/11 YTD Budget \$'000	2010/11 YTD Actual \$'000	2010/11 Forecast Variance \$'000	2010/11 Forecast Variance %	Fav/Unfav	Note
Income								
Rates and charges	5,101	5,083	1,278	1,277	(18)	(0.3%)	Unfav	
Statutory fees and fines	150	110	17	22	(40)	(26.8%)	Unfav	1
User charges	1,523	1,570	364	314	47	3.1%	Fav	
Reimbursements	0	52	0	12	52	100.0%	Fav	2
Grants - Operating	779	732	202	160	(47)	(6.0%)	Unfav	
Grants - Capital	271	561	0	125	290	107.0%	Fav	3
Contributions - Operating	40	1	0	1	(39)	(97.3%)	Unfav	4
Contributions - Capital	40	40	0	0	0			
Interest received	46	78	6	19	32	68.5%	Fav	5
Other income	158	112	12	11	(46)	(29.3%)	Unfav	6
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	0	(2)	0	0	(2)	(100.0%)	Unfav	7
Share of net profits of associates and joint ventures accounted for by the equity method	0	0	0	0	0			
	8,107	8,337	1,879	1,941	230	2.8%	Fav	
Expenditure								
Employee benefits	2,744	2,712	743	617	32	1.1%	Fav	
Materials and services	3,899	3,911	958	861	(12)	(0.3%)	Unfav	
Bad and doubtful debts	0	2	0	0	(2)	(100.0%)	Unfav	8
Depreciation	699	699	175	176	0			
Interest expense	127	122	28	30	5	3.7%	Fav	
Other expenses	225	216	38	41	9	4.0%	Fav	
Increase in unfunded superannuation liability	60	60	0	0	0			
	7,755	7,722	1,942	1,724	33	0.4%	Fav	
Surplus / (Deficit)	352	615	(63)	217	263	74.8%	Fav	
Capital income	(343)	(599)	0	(125)	(256)	74.6%	Fav	9
Other non-operating items	60	58	0	0	2	3.3%		
Underlying surplus / (deficit)	69	74	(63)	92	5	7.6%	Fav	

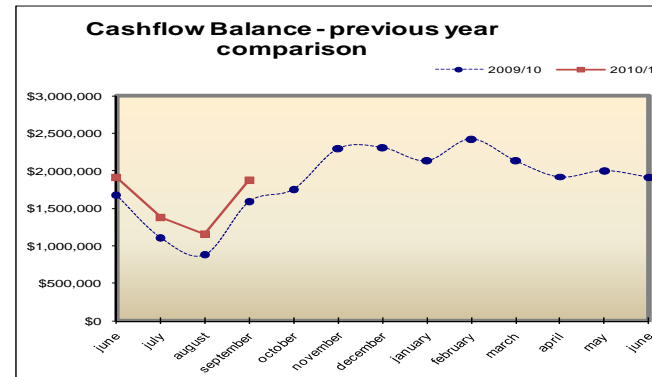
Notes	
1	\$21,000 animal + \$20,000 health registrations budgeted as statutory fees, now forecast within user charges below, as per model financial report
2	\$50,000 workcover + \$2,000 photocopy reimbursements budgeted as other income, now forecast separately, as per model financial report
3	\$250,000 playground and park development grant income budgeted in 2009/10, to be received in 2010/11 instead
	\$72,000 roads to recovery grant income budgeted in operating grants, now forecast within capital grant income as it relates to capital (renewal)
4	\$39,500 contribution to Bowls Clubhouse upgrade received in 2009/10
5	\$30,000 additional interest on investments expected
6	refer note 2, reimbursement income now forecast on separate line
7	loss on disposal of motor vehicle not budgeted
8	annual write-off for long term debtor amounts considered uncollectible
9	refer note 3, capital income and other abnormal items are removed to produce a more realistic operating result, as capital expenditure related to these grants and contributions is not shown in the Income Statement

Working Capital Summary - conversion of Operating result to Cash (Rates) result

Rates / Cash Budget	2010/11 Budget \$'000	2010/11 Forecast \$'000
Operating Surplus / (Deficit)	\$ 352	\$ 615
Adjust for non-cash items		
Depreciation	\$ 699	\$ 699
Share of net profits of associates and joint ventures accounted for by the equity method	\$ 0	\$ 0
Increase in unfunded superannuation liability	\$ 60	\$ 60
Written Down Value (WDV) of assets sold	\$ 32	\$ 44
	\$ 791	\$ 803
Adjustments for non-operating cash items		
Transfers to reserves	(\$ 559)	(\$ 543)
Transfers from reserves	\$ 969	\$ 1,055
Loan principal payments	(\$ 236)	(\$ 237)
Capital expenditure	(\$ 1,502)	(\$ 1,811)
	(\$ 1,328)	(\$ 1,535)
Accumulated Cash brought forward from 2009/10	\$ 184	\$ 153
Total Rates / Cash Surplus (Deficit) 2010/11	(\$ 184)	(\$ 117)
Accumulated Cash Forecast for 30 June 2011	\$ 0	\$ 36

Major variances in forecast against the adopted budget are reported in the sections following.

The cash budget is formulated on an accumulated break-even basis. The September quarterly report shows the forecast end of year position estimated at \$117k deficit bringing the accumulated result back to \$36k surplus for 30 June 2011, compared with the budget for a break-even position.



Monthly cash balances remain high due to current projects carried over from 2009/10, for completion during 2010/11. Projects include: playground and park development, foreshore asset renewal program, Point Lonsdale surf life saving and beach access, boat ramp upgrade and Hesse Street revitalisation.

2. Program summaries

Directorate: Governance and Community

Governance & External Relations		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Administration								
	Income	(\$153,313)	(\$218,112)	(\$37,470)	(\$63,345)	\$64,799	42.3%	Fav
	Expenditure	\$1,239,026	\$1,294,539	\$401,330	\$377,297	(\$55,513)	(4.5%)	Unfav
Administration Total		\$1,085,713	\$1,076,427	\$363,861	\$313,952	\$9,286	0.9%	Fav
Governance								
	Income	(\$185)	\$0	\$0	\$0	(\$185)	(100.0%)	Unfav
	Expenditure	\$197,627	\$202,253	\$73,329	\$52,913	(\$4,626)	(2.3%)	Unfav
Governance Total		\$197,442	\$202,253	\$73,329	\$52,913	(\$4,811)	(2.4%)	Unfav
Governance & External Relations Total		\$1,283,155	\$1,278,680	\$437,190	\$366,864	\$4,475	0.3%	Fav

An overall favourable variance against the original budget of 0.3 % is forecast for the year. Major variances as follows:

- \$55k transfer from reserve not budgeted, for Quarter 1 of the Victoria Grants Commission income prepaid in June 2010
- (\$32k) additional salaries which includes \$14k funded work on TAC Road Safety Strategy and additional hours in risk management, customer service and projects such as updating of policies and procedures, work on the Municipal Public Health Plan and the Local Law
- (\$19k) increase in general expenses above level budgeted: cleaning; repairs & maintenance; telephone; postage; travel; memberships

YTD favourable variance relates predominantly to the \$55k transfer from reserve for Victoria Grants Commission prepayment.

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Finance & Audit		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
General								
	Income	(\$68,184)	(\$98,736)	(\$12,438)	(\$24,860)	\$30,552	44.8%	Fav
	Expenditure	\$1,441,457	\$1,449,512	\$408,389	\$407,465	(\$8,055)	(0.6%)	Unfav
General Total		\$1,373,273	\$1,350,776	\$395,951	\$382,605	\$22,497	1.6%	Fav
Rates & Information Technology								
	Income	(\$4,944,297)	(\$4,928,799)	(\$1,236,934)	(\$1,239,336)	(\$15,498)	(0.3%)	Unfav
	Expenditure	\$167,555	\$165,135	\$69,245	\$79,562	\$2,420	1.4%	Fav
Rates & I.T.Total		(\$4,776,742)	(\$4,763,664)	(\$1,167,689)	(\$1,159,774)	(\$13,078)	(0.3%)	Unfav
Finance & Audit Total		(\$3,403,469)	(\$3,412,887)	(\$771,738)	(\$777,169)	\$9,418	0.3%	Fav

An overall favourable variance against the original budget of 0.3 % is forecast for the year. Major variances as follows:

- \$32k additional interest income expected beyond level budgeted
- (\$18k) allowance for rate objections budgeted as expense, will be a reduction in rate income instead
- (\$15k) additional expenditure required on I.T. for upgrade to Office 2010 and additional licenses
- (\$8k) increase in audit fees for additional audit work requested in September quarter, not budgeted

Rates

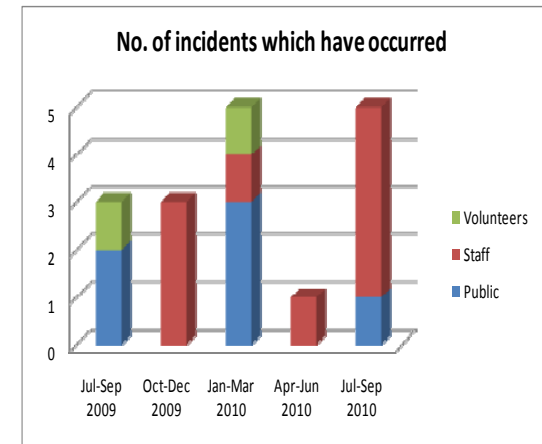
Supplementary rates processed to date this financial year include a number of properties for which building works have been completed since the initial rates were struck, adding \$6,000 income to the 2010/11 year end result (note supplementary rates is budgeted as \$10,000 for the financial year) and an equivalent full year amount of \$9,000 to the Borough's future rate base.

Risk

During the September quarter, the external audit of the 2009/10 financial report was carried out and the Council's financial report was submitted to the Minister by the statutory deadline of 30 September 2010. Note there is 1 internal audit and 2 insurance audits scheduled at end of November 2010.

Incidents

Jul-Sep 2010 incidents include: 1 public (referred to Powercor for action) and 4 staff (one vehicle accident, one fall, one physical assault & one manual handling).



Community Services		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Aged & Disabled Services - General								
	Income	(\$386,316)	(\$404,704)	(\$96,325)	(\$103,302)	\$18,388	4.8%	Fav
	Expenditure	\$553,360	\$562,010	\$149,928	\$126,880	(\$8,650)	(1.6%)	Unfav
Aged & Disabled - General Total								
		\$167,044	\$157,306	\$53,603	\$23,578	\$9,738	5.8%	Fav
Aged & Disabled Services - Rechargeable								
	Income	(\$78,608)	(\$86,030)	(\$19,652)	(\$22,538)	\$7,422	9.4%	Fav
	Expenditure	\$105,757	\$91,757	\$28,250	\$19,806	\$14,000	13.2%	Fav
Aged & Disabled Rechargeable Total								
		\$27,149	\$5,727	\$8,598	(\$2,732)	\$21,422	78.9%	Fav
Maternal & Child Health								
	Income	(\$47,404)	(\$57,322)	(\$11,851)	(\$21,721)	\$9,918	20.9%	Fav
	Expenditure	\$60,078	\$68,180	\$15,020	\$14,627	(\$8,102)	(13.5%)	Unfav
Maternal & Child Health Total								
		\$12,674	\$10,858	\$3,169	(\$7,093)	\$1,816	14.3%	Fav
Community Services Total								
		\$206,867	\$173,891	\$65,369	\$13,752	\$32,976	15.9%	Fav

An overall favourable variance against original budget of 15.9% is forecast for the year. Major variances as follows:

Aged & Disabled Services

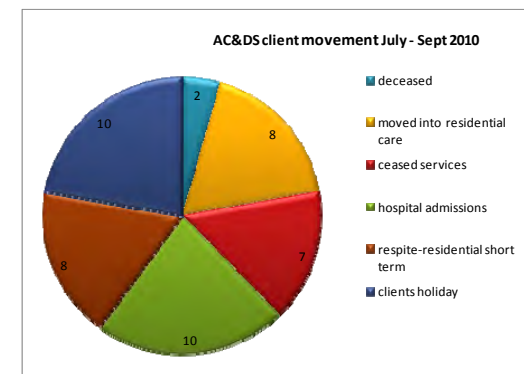
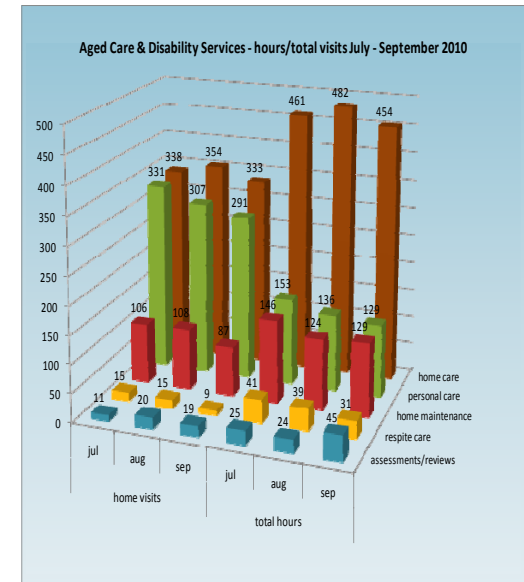
- \$20k additional grant income for assessments (announced in 2009/10, now a full year effect in 2010/11)
- (\$10k) increase in home maintenance expenditure (offset in part by user fees)
- \$21k rechargeable services - additional fee income resulting from community aged care packages, also coordination & assessment salaries reviewed in terms of % split between general & rechargeable services

YTD favourable variance relates predominantly to lower hours than anticipated in personal and respite care provision.

Maternal & Child Health

- \$2k budget over-estimated for maternal & child health service contract

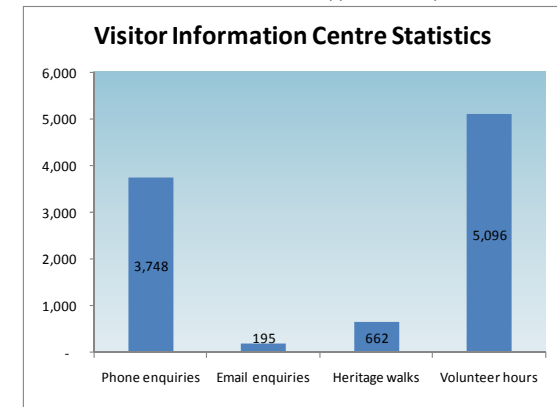
The maternal and child health service is contracted out to Bellarine Community Health. Annual target for which the Borough is funded is 27 births.



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Tourism & Community Development		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Arts, Recreation & Culture								
	Income	(\$2,466)	(\$2,466)	(\$500)	(\$45)	(\$0)		
	Expenditure	\$77,161	\$78,889	\$10,755	\$10,544	(\$1,728)	(2.2%)	Unfav
Arts, Recreation & Culture Total		\$74,695	\$76,423	\$10,255	\$10,499	(\$1,728)	(2.3%)	Unfav
Community Development General								
	Income	(\$2,750)	(\$3,160)	(\$2,750)	(\$3,639)	\$410	14.9%	Fav
	Expenditure	\$100,859	\$99,561	\$9,891	\$9,554	\$1,298	1.3%	Fav
Community Development General Total		\$98,109	\$96,401	\$7,141	\$5,915	\$1,708	1.7%	Fav
Library								
	Expenditure	\$191,697	\$191,882	\$47,907	\$47,380	(\$185)	(0.1%)	Unfav
Library Total		\$191,697	\$191,882	\$47,907	\$47,380	(\$185)	(0.1%)	Unfav
Tourism Promotion								
	Income	(\$830)	(\$830)	(\$208)	(\$204)	\$0		
	Expenditure	\$76,434	\$95,351	\$2,284	(\$3,029)	(\$18,917)	(24.7%)	Unfav
Tourism Promotion Total		\$75,604	\$94,521	\$2,077	(\$3,233)	(\$18,917)	(25.0%)	Unfav
Visitor Information Centre								
	Income	(\$179,832)	(\$179,832)	(\$45,245)	(\$45,321)	(\$0)		
	Expenditure	\$168,899	\$140,089	\$42,692	\$34,443	\$28,810	17.1%	Fav
Visitor Information Centre Total		(\$10,933)	(\$39,742)	(\$2,552)	(\$10,878)	\$28,809	263.5%	Fav
Tourism & Community Development Total		\$429,172	\$419,484	\$64,827	\$49,682	\$9,688	2.3%	Fav

Number of walk in visitors to the VIC is approx 57,000 per annum



An overall favourable variance against the original budget of 2.3 % is forecast for the year. Major variances as follows:

- \$19k reallocation of employee and other costs from Visitor Information Centre to Tourism Promotion, to recognise work conducted by Tourism Co-ordinator which extends beyond the Visitor Information Centre
- \$10k reduction in salary budget requirement for the Visitor Information Centre, beyond the level reallocated to Tourism Promotion above, due to original estimate based on full-time employee costs but which has now been reduced to a part-time role within the program area of tourism

Events Jul - Sep 2010 Quarter

Fort 150th Celebrations – 18th and 19th September. Over 3,000 people enjoyed a weekend of celebration for the Fort 150th Events. Events included a parade up Hesse St, Re-enactments, Army Bands and Fireworks at the Fort. The Borough co-hosted a dinner at the Vue Grand on the Saturday night for 100 people.

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Infrastructure Services		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Building Maintenance Program								
	Expenditure	\$33,742	\$44,562	\$5,719	\$4,436	(\$10,820)	(32.1%)	Unfav
Building Maintenance Program Total		\$33,742	\$44,562	\$5,719	\$4,436	(\$10,820)	(32.1%)	Unfav
Engineering								
	Income	(\$13,000)	(\$13,000)	(\$13,000)	(\$13,000)	\$0		
	Expenditure	\$235,745	\$240,330	\$37,227	\$46,207	(\$4,585)	(1.9%)	Unfav
Engineering Total		\$222,745	\$227,330	\$24,227	\$33,207	(\$4,585)	(2.1%)	Unfav
Powerline								
	Expenditure	\$37,662	\$41,000	\$0	\$0	(\$3,338)	(8.9%)	Unfav
Powerline Total		\$37,662	\$41,000	\$0	\$0	(\$3,338)	(8.9%)	Unfav
Public Convenience								
	Expenditure	\$100,710	\$105,710	\$25,178	\$27,322	(\$5,000)	(5.0%)	Unfav
Public Convenience Total		\$100,710	\$105,710	\$25,178	\$27,322	(\$5,000)	(5.0%)	Unfav
Road Maintenance & Works - Provisionals								
	Expenditure	\$84,335	\$84,335	\$9,683	(\$8,319)	\$0		
Road Maint & Works Provisionals Total		\$84,335	\$84,335	\$9,683	(\$8,319)	\$0		
Road Maintenance & Works - Fixed Price								
	Expenditure	\$485,172	\$489,418	\$121,293	\$121,293	(\$4,246)	(0.9%)	Unfav
Road Maint & Works Fixed Price Total		\$485,172	\$489,418	\$121,293	\$121,293	(\$4,246)	(0.9%)	Unfav
Road Maintenance & Works - Foreshore								
	Income	(\$29,000)	(\$29,000)	\$0	\$0	\$0		
	Expenditure	\$42,182	\$22,000	\$5,047	\$8,411	\$20,182	47.8%	Fav
Road Maint & Works Foreshore Total		\$13,182	(\$7,000)	\$5,047	\$8,411	\$20,182	153.1%	Fav
Road Maintenance & Works - Other								
	Income	(\$46,000)	(\$43,635)	(\$11,500)	(\$1,365)	(\$2,365)	(5.1%)	Unfav
	Expenditure	\$175,326	\$166,912	\$14,964	\$20,738	\$8,414	4.8%	Fav
Road Maint & Works Other Total		\$129,326	\$123,277	\$3,464	\$19,372	\$6,049	4.7%	Fav
Street Lighting								
	Expenditure	\$40,090	\$44,000	\$10,023	\$7,387	(\$3,910)	(9.8%)	Unfav
Street Lighting Total		\$40,090	\$44,000	\$10,023	\$7,387	(\$3,910)	(9.8%)	Unfav
Waste Disposal								
	Income	(\$9,579)	(\$22,448)	(\$2,395)	(\$5,494)	\$12,869	134.3%	Fav
	Expenditure	\$445,650	\$487,210	\$110,280	\$101,490	(\$41,560)	(9.3%)	Unfav
Waste Disposal Total		\$436,071	\$464,763	\$107,885	\$95,996	(\$28,692)	(6.6%)	Unfav
Infrastructure Services Total		\$1,583,035	\$1,617,396	\$312,517	\$309,105	(\$34,361)	(2.2%)	Unfav

An overall unfavourable variance against the original budget of (2.2 %) is forecast for the year. Major variances as follows:

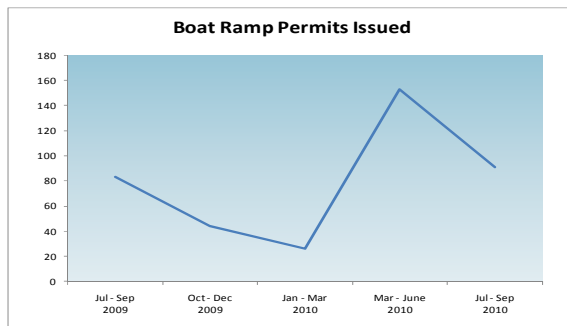
- \$20k beach cleaning allowance made in the road maintenance & works fixed price contract, no longer required within foreshore maintenance budget
- (\$27k) additional expenditure required for the new waste disposal contract (recently tendered) and re-forecasting for bin renewal requirements
- (\$10k) increase in the building maintenance program for general Council properties reflects 2009/10 result, as well as allowing for items identified in the recent asset management report from CT Management and the Jardine Municipal Asset Protection Plan (JMAPP) insurance audit
- (\$8k) additional expenditure on power line clearance (due to regulation changes) and street lighting expected, above level budgeted
- (\$6k) additional asset management plan expenditure reflecting requirements of the National Asset Management Framework we need to comply with

Coastal & Environment		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Caravan Parks & Boat Ramp								
	Income	(\$1,387,729)	(\$1,387,729)	(\$329,428)	(\$271,448)	\$0		
	Expenditure	\$624,859	\$601,522	\$155,031	\$113,755	\$23,337	3.7%	Fav
Caravan Parks & Boat Ramp Total		(\$762,870)	(\$786,207)	(\$174,396)	(\$157,693)	\$23,337	3.1%	Fav
Coastal & Environment General								
	Income	(\$212,606)	(\$205,446)	(\$58,939)	(\$76,552)	(\$7,161)	(3.4%)	Unfav
	Expenditure	\$510,590	\$481,671	\$164,566	\$116,110	\$28,919	5.7%	Fav
Coastal & Environment General Total		\$297,984	\$276,225	\$105,627	\$39,558	\$21,759	7.3%	Fav
Coastal & Environment Total		(\$464,886)	(\$509,982)	(\$68,770)	(\$118,135)	\$45,096	9.7%	Fav

An overall favourable variance against the original budget of 9.7 % is forecast for the year. Major variances as follows:

- \$38k net budget savings resulting from Bowls Clubhouse upgrade budgeted 2010/11, part of the works and contribution income performed in 2009/10
- \$30k employee benefits including adjustment to Long Service Leave provision, staff changes/vacancies and review of casual staff use
- (\$25k) additional expenditure on repairs & maintenance and materials, also prior year catch-up for water charges above level budgeted
- \$32k income transferred from reserve for expenditure on removal of pipe works at Ocean View which was carried forward from 2009/10
- \$18k reallocation of staff costs from Caravan Parks to Coastal & Environment General to reflect staff time spent in each service area

YTD favourable variance relates predominantly to the Bowls Clubhouse upgrade, where part of the works were completed prior to the 2009/10 year-end.



Note : boat ramp permits are due at the end of June each year

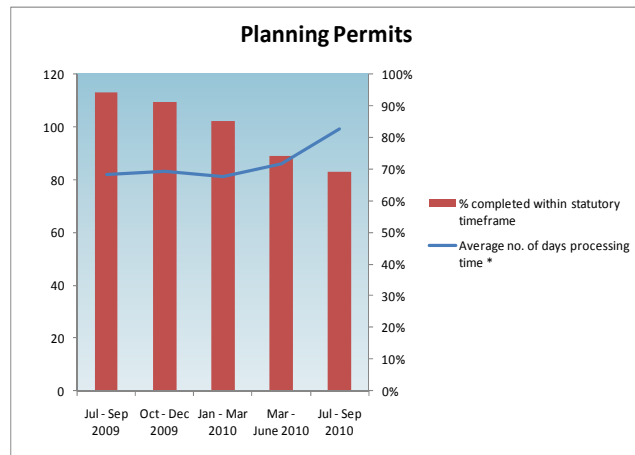
Planning		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav	
	Planning & Development Control								
		Income	(\$120,000)	(\$121,230)	(\$86,250)	(\$89,170)	\$1,230	1.0%	Fav
		Expenditure	\$299,416	\$293,546	\$54,511	\$36,627	\$5,870	2.0%	Fav
	Planning & Development Control Total	\$179,416	\$172,316	(\$31,739)	(\$52,543)	\$7,100	4.0%	Fav	
Planning Total		\$179,416	\$172,316	(\$31,739)	(\$52,543)	\$7,100	4.0%	Fav	

An overall favourable variance against the original budget of 4.0 % is forecast for the year. Major variances as follows:

- \$5k savings in employee benefits, budget assumption provided for additional hours which are no longer required
- \$2k reduction in travel expense, based on 2009/10 actual cost

YTD favourable variance relates predominantly to lower spend on development approvals than anticipated for the quarter, also less staffing hours.

Review of the planning scheme and the Point Lonsdale structure plan have been carried forward from 2009/10 for completion during 2010/11.



	Jul - Sep 2009	Oct - Dec 2009	Jan - Mar 2010	Mar - June 2010	Jul - Sep 2010
No. of applications received	62	41	48	35	48
No. of decisions made	67	51	39	37	49
Average no. of days processing time *	82	83	81	86	99
% completed within statutory timeframe	94%	91%	85%	74%	69%

Quarterly Finance Report - 30 September 2010

Building		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Building Control								
	Income	(\$15,450)	(\$15,450)	(\$3,863)	(\$5,047)	\$0		
	Expenditure	\$43,260	\$43,260	\$10,815	\$10,910	\$0		
Building Control Total		\$27,810	\$27,810	\$6,953	\$5,863	\$0		
Heritage								
	Income	(\$14,000)	(\$14,000)	\$0	\$0	\$0		
	Expenditure	\$44,290	\$43,260	\$10,815	\$10,559	\$1,030	2.3%	Fav
Heritage Total		\$30,290	\$29,260	\$10,815	\$10,559	\$1,030	3.4%	Fav
Building Total		\$58,100	\$57,070	\$17,768	\$16,422	\$1,030	1.8%	Fav

An overall favourable variance against the original budget of 1.8 % is forecast for the year. There are no significant variances to report.

Sustainability & Environment		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
Sustainability & Environment								
	Income	\$0	(\$1,587)	\$0	(\$1,587)	\$1,587	100.0%	Fav
	Expenditure	\$66,750	\$66,768	\$10,331	\$10,513	(\$18)	(0.0%)	Unfav
Sustainability & Environment Total		\$66,750	\$65,181	\$10,331	\$8,926	\$1,569	2.4%	Fav
Sustainability & Environment Total		\$66,750	\$65,181	\$10,331	\$8,926	\$1,569	2.4%	Fav

An overall favourable variance against the original budget of 2.4 % is forecast for the year. There are no significant variances to report.

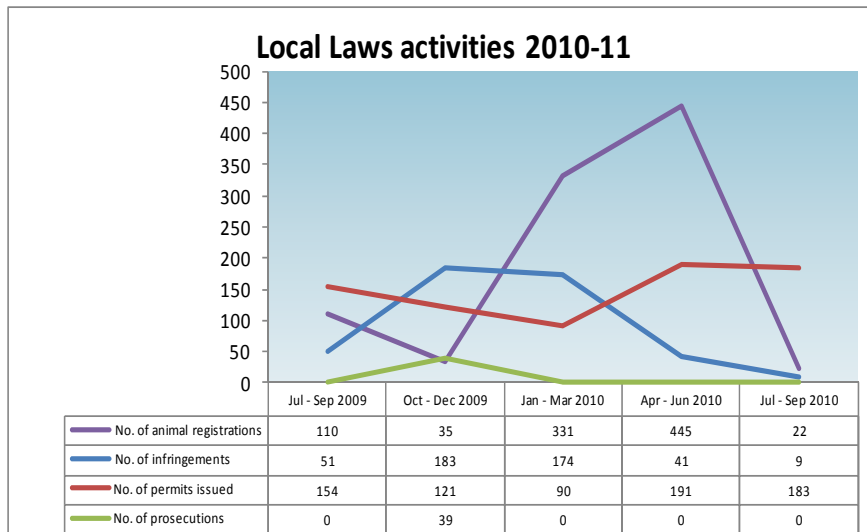
Expenditure within this program area comprises of 0.5 FTE for a sustainability officer plus program expenses.

Local Law Enforcement		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
	Local Law Enforcement							
	Income	(\$85,632)	(\$85,633)	(\$10,130)	(\$7,306)	\$0		
	Expenditure	\$214,056	\$210,336	\$53,532	\$36,581	\$3,720	1.7%	Fav
	Local Law Enforcement Total	\$128,424	\$124,703	\$43,403	\$29,276	\$3,721	2.9%	Fav
	Local Law Enforcement Total	\$128,424	\$124,703	\$43,403	\$29,276	\$3,721	2.9%	Fav

An overall favourable variance against the original budget of 2.9 % is forecast for the year. Major variances as follows:

- \$8k reduction in overtime and some savings in the short period before second law enforcement officer was replaced
- (\$4k) increase in expenses expected above level budgeted, including animal registration charges and legal expenses associated with local law review

YTD favourable variance relates predominantly to less overtime worked than anticipated for the September quarter, due to short-term staff vacancy.



Note :

Animal registrations are due 10th April each year.

Some permits (boat ramp, outdoor eating, A frame, goods for sale, disabled) are due by 30th June each year.

Environment Health		2010/11 Adopted Budget	2010/11 Year End Forecast	2010/11 YTD Budget	2010/11 YTD Actual	2010/11 Forecast Variance	2010/11 Forecast Variance %	Fav/Unfav
	Environment Health							
	Income	(\$31,173)	(\$30,658)	(\$1,100)	(\$3,553)	(\$516)	(1.7%)	Unfav
	Expenditure	\$55,370	\$54,443	\$10,534	\$9,152	\$927	1.7%	Fav
	Environment Health Total	\$24,197	\$23,786	\$9,434	\$5,599	\$411	1.7%	Fav
	Environment Health Total	\$24,197	\$23,786	\$9,434	\$5,599	\$411	1.7%	Fav

An overall favourable variance against the original budget of 1.7 % is forecast for the year. There are no significant variances to report.

Mosquito control :

The Borough is participating in the regional programme for the spraying of mosquitoes to protect the health and amenity of the Queenscliff community. Mosquitoes are not only a problem from an amenity perspective but also represent a health hazard. The intensive 2009/10 aerial spraying and trapping programme was highly successful with many reports of a more pleasant environment during summer. Given the high levels of rainfall in the first quarter of 2010/11, a higher level of spraying will be required and further analysis on the cost of this programme will be completed in time for the December mid year budget review.

Inspection of registered premises :

During 2009/10, a rigorous programme for the inspection of registered food premises was implemented, with a high volume of premises achieving compliance with the necessary regulations and receiving assistance with food preparation education. This is not only one of Council's essential services but significant in the context of the local economy which is largely based on tourism. No change in this activity is expected for 2010/11.

3. Reserves Summary

Crown Land Reserve	2010/11 Budget	2010/11 Forecast
Opening Balance 1st July	\$ 307,141	\$ 685,909
Transfers to Reserve		
Surplus from Caravan Parks (on Crown Land)	\$ 371,270	\$ 371,270
Carried forward Crown Land projects	\$ 506,000	\$ 0
	\$ 877,270	\$ 371,270
	\$ 1,184,411	\$ 1,057,179
Transfers from Reserve		
<u>2009/10 projects carried forward to 2010/11</u>		
Foreshore Asset Maintenance & Replacement Program	\$ 120,000	\$ 141,025
Point Lonsdale Surf Life Saving & Beach Access	\$ 60,000	\$ 68,640
Boat Ramp area upgrade including pontoons	\$ 0	\$ 63,255
Playground & Park Development Project	\$ 310,000	\$ 60,099
Beach access upgrades	\$ 0	\$ 20,000
Removal of pipeworks at Ocean View	\$ 0	\$ 12,380
Review of Crown Land leases	\$ 0	\$ 7,450
Coastal risk mitigation - aquatic signage	\$ 0	\$ 2,830
Tree Removal & Replacement Program	\$ 16,000	\$ 16,000
Recreation Reserve Cabin	\$ 0	\$ 85,000
	\$ 506,000	\$ 476,679
<u>2010/11 projects</u>		
Beach access handrails Point Lonsdale	\$ 3,000	\$ 3,000
Upgrade to Citizens Park toilets	\$ 55,000	\$ 55,000
Balance required for annual renewal program	\$ 124,299	\$ 124,299
Upgrade to Survey Office building Tobin Drive	\$ 12,000	\$ 12,000
Boundary fence Queenscliff Recreation Reserve oval	\$ 20,000	\$ 20,000
Safety improvements to Point Lonsdale playground	\$ 8,000	\$ 8,000
Point Lonsdale cliff safety	\$ 20,000	\$ 20,000
Community facilities strategic plan: Queenscliff Recreation Reserve	\$ 20,000	\$ 20,000
Planning for (1) Beach access from Queenscliff Playground (2) Springs Carpark (3) Dog Beach bicycle access to be submission ready	\$ 15,000	\$ 15,000
	\$ 277,299	\$ 277,299
Annual expenditure on projects	\$ 783,299	\$ 753,978
Closing Balance 30th June	\$ 401,112	\$ 303,201
Comprising :		
Earmarked for Monahan Centre	\$ 206,700	\$ 205,790
Unallocated reserve funds available	\$ 194,412	\$ 97,411

Discretionary Reserves	2010/11 Budget	2010/11 Forecast
Crown Land Reserve	\$ 401,112	\$ 303,201
Council Building Renewal Reserve	\$ 171,362	\$ 171,362
Total Discretionary Reserves in Balance Sheet	\$ 572,474	\$ 474,563

Council can hold a number of discretionary reserve funds in its Balance Sheet at the end of each financial year, including:

(1) Crown Land Reserve :-

The Crown Land Reserve is a reserve that acts as a separate fund to enable accounting for transfers in and out in order to finance Capital and Operating projects on Crown Land.

A portion of the surpluses from any activity undertaken on Crown Land must be reserved for spending on Crown Land. The caravan parks on Crown Land generate surpluses and the portion transferred into the Crown Land reserve is shown in the table on the left as a transfer to the reserve (\$371,270). All funds in this reserve must be spent on Crown Land as required.

Transfers from the reserve (\$753,978 forecast) fund expenditure on specific projects scheduled for the current financial year. The remainder in the reserve (\$303,201 forecast) is "reserved" for future needs, including funds earmarked for the Monahan Centre (\$205,790 forecast).

(2) Building Asset Renewal Reserve :-

This is a new item included for the first time in the 2010/11 budget. It recognises that future asset renewal requirements exist, as highlighted in the CT Management building asset management report we received earlier this year, for which we need to start setting aside funds in each budget year to 'smooth out' the high capital demands which will be presented in future years.

(3) Carry Forward Reserve :-

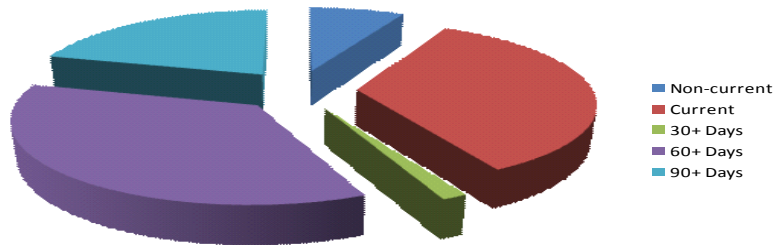
This reserve is typically only used at the end of each financial year, when any incomplete projects needs to be held in reserve and carried over for spending in the next year. Transfers from this reserve occur at the commencement of the new year, to fund expenditure in that year.

4. Debtors analysis

Outstanding Debtors as at 30 September 2010

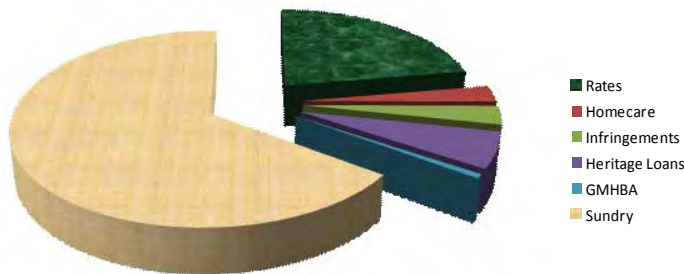
Aged Analysis	Non-current	Current	30+ Days	60+ Days	90+ Days	Total
TOTAL DEBTORS	29,813	132,508	5,660	137,649	80,797	386,427

Debtors : Aged Profile



Debtor Type	Rates	Homecare	Infringements	Heritage Loans	GMHBA	Sundry	Total
TOTAL DEBTORS	86,434	10,600	12,096	23,110	2,500	251,687	386,427

Debtors : Type



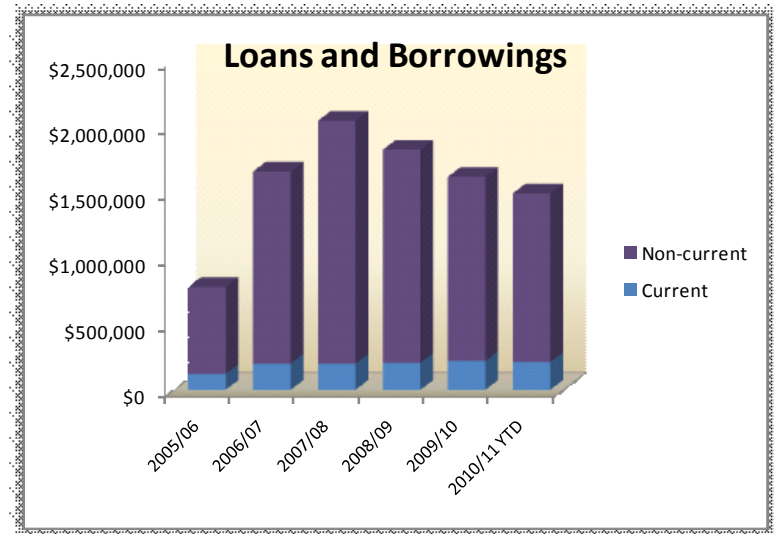
Details 90+ days:	\$	Action taken
Rates	67,399	All rates are deemed collectible, with no provision for doubtful debts. Interest is charged accordingly. Council uses Barwon Credit Management if external debt collection is required, this is usually on an annual basis at the end of each financial year. During the year, Council's Rates Co-ordinator sends out reminder notices after the second and third instalments, with final reminders after the fourth instalment, with instruction that non-payment (or no payment arrangement instigated) will result in debt collection proceedings.
Infringements	12,096	Infringements comprise : \$6,872 parking, \$2,914 parking legal fees, \$1,469 local laws and \$841 animals. All infringements which remain unpaid after 28 days are forwarded on to Vic Roads for action. Any infringements which remain outstanding after the next 28 day period are forwarded to Bartels Taylor for action. All outstanding infringements debtors after a total period of 90 days from issue of the infringement come back to Council for action, after which Council's Law Enforcement Officer takes it up within the Court system. At each financial year end, an estimate is included in the provision for doubtful debts, for those infringements which reach the Court system and for which Council receives a court order to write off the debtor balance. The 2009/10 year end included a provision of \$3,826 and this amount will remain until the end of the 2010/11 financial year when the provision is reviewed.
Sundry	1,301	\$877 valuation reimbursement, usually paid within 60 days - payment received on 19/10/2010. \$298 home care debtors, being followed up with clients to ensure payment arrangements are in place. \$126 reimbursement of photocopier expenses - payment received on 5/10/2010.
	80,797	

5. Debt position

Loan payments are made in the September and March quarters each year.

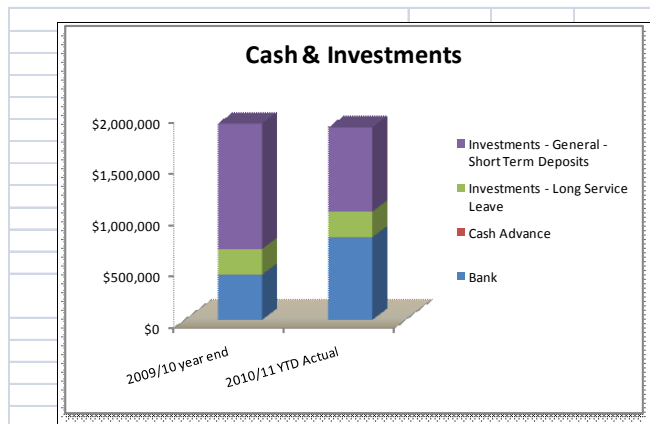
Council's liability for defined benefit scheme employees is budgeted to increase in 2010/11, from the \$114,000 remaining at 30 June 2010. Vision Super will advise the level of increase in November 2010. \$17,400 has been repaid in the September quarter.

Interest-bearing loans and borrowings as at 30 September 2010	2009/10 Year End	2010/11 YTD Actual	Decrease / (Increase)
Current			
Bank overdraft	0	0	0
Borrowings - secured	(219,399)	(210,756)	8,642
Total Current	(219,399)	(210,756)	8,642
Non-current			
Borrowings - secured	(1,492,135)	(1,294,523)	197,612
Loan redemption	206,254	108,874	(97,380)
Net non-current borrowings - secured	(1,285,881)	(1,185,649)	100,232
Superannuation - liability	(114,201)	(114,201)	0
Superannuation liability redemption	0	17,400	17,400
Net non-current superannuation liability	(114,201)	(96,801)	17,400
Total Non-current	(1,400,082)	(1,282,450)	117,632
Total interest-bearing loans and borrowings	(1,619,480)	(1,493,206)	126,274



6. Cash and investments

General Ledger				Current Investments Held : 30 Sep 2010			Interest Income	
Cash and Investments as at 30 September 2010	2009/10 year end	2010/11 YTD Actual	Increase /	Maturity	Interest	Amount	Bank	2010/11 YTD Actual
Current								
Bank	439,883	804,510	364,627	Long Service Leave			LSL	
Cash Advance	1,100	1,100	0	28/09/10	5.40%	250,000	NAB LSL	(3,403)
Investments - Long Service Leave	250,000	250,000	0	Total LSL		250,000	Total LSL	(3,403)
Investments - General - Short Term Deposits	1,223,335	821,769	(401,566)					
Total Current	1,914,318	1,877,379	(36,939)	General			General	
				01/10/10	5.15%	303,806	BBL	(2,467)
Non-current				15/11/10	5.80%	517,963	NAB	(1,127)
Share of Geelong Regional Library Corporation	271,136	271,136	0	Total Gen		821,769	ANZ	(11,234)
Total Non-current	271,136	271,136	0				Total Gen	(14,828)
				TOTAL		1,071,769		
Total Cash and Investments	2,185,454	2,148,515	(36,939)				TOTAL	(18,230)



Cash and investment balances remain high, due to a number of current projects carried forward from 2009/10 and funding received for 2010/11 projects. It should also be noted that the most recent rate instalment was due on 30 September 2010 and this has injected more cash into the general bank account, which has in turn been invested in additional short-term deposits during the month of October 2010.

7. Capital report **refer Attachment 1**

8. Line item report **refer Attachment 2**

9. Program report **refer Attachment 3**