

# Borough of Queenscliffe

## Quarterly Financial Report

30 June 2024



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

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## Introduction

Section 97 of the Local Government Act 2020 requires a financial report to be presented to Council after the end of each quarter of the financial year, that compares expenses and revenue against the adopted budget. The financial report must contain explanations for any material variations from the adopted budget.

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 **actual accumulated cash result is a surplus of \$451,000** as of 30 June 2024, representing an **increase of \$233,000 compared to the forecasted accumulated cash surplus** of \$218,000. This improvement is primarily due to additional interest income from term deposit investments and savings in operational expense items.

Based on the **Local Government Performance Reporting Framework (LGPRF)** definition, the year-end results indicate a **deficit of \$0.83 million (-6.1%)**, which is a slight improvement compared to the forecasted deficit of \$0.87 million.

The reported deficit is primarily due to the reclassification of expenses related to the acquisition of vendor-hosted software (Software as a Service, or SaaS). In the 2023–24 financial year, the Council expensed \$501,000 for SaaS platforms. Additionally, the timing of the Financial Assistance Grant (FAG) has had a significant impact on the financial outcome for the 2023–24 fiscal year. Since the 2023–24 FAG allocation was received early in previous financial years, only \$28,000 of the total \$539,000 allocation has been recognised as income for 2023–24.

Based on the **Council Plan** definition, which excludes one-off transactions and adjusts for the timing of operating grants where applicable, **the underlying result for the 2023-24 financial year is a surplus of \$258,000 (2.2%)**.

Throughout the financial year, the Council invested \$1.0 million in capital works projects, falling short of the forecasted \$3.5 million. These projects were focused on enhancing the asset base and improving operational efficiencies.

The Council's cash and cash investments increased to \$11.6 million in the 2023-24 financial year. Of this total, \$5.7 million has been allocated for specific purposes, while the remaining \$5.9 million is available as unrestricted cash reserves. These unrestricted cash holdings are considered sufficient to meet all of the Council's financial obligations as of June 30, 2024.

Council currently carries no debt and is operating well within the Victorian Government's prudential ratio limits. As of 30th June 2024, the Council had \$1.4 million designated for the general reserve, \$1.9 million allocated to the asset replacement reserve, and an additional \$5.9 million held in reserve accounts created for specific purposes. All of Council's reserve balances are fully cash-backed.

Headline changes between actual and year-end forecast, are included throughout this report with an explanation provided for all material variances.

## Financial sustainability indicators – Council Plan

The 2023–24 year-end result meets all but one of the financial sustainability indicators specified in the Council Plan 2021–2025, as summarised below

Policy Statement	Measure	Indicator	Target	Actual 2022-23	Forecast 2023-24	Actual 2023-24
<b>Sustainable operating result</b>						
Consistent operating results (in \$'000).	<b>Our adjusted underlying result:</b> The difference between recurrent income and recurrent expenses.	Our adjusted underlying result	> \$0	\$402	-\$44	\$258
<b>Working capital</b>						
Ensure Council maintains sufficient working capital to meet its obligations as they fall due.	<b>Current assets vs current liabilities:</b> The value of our current assets divided by our current liabilities.	Current assets vs current liabilities	> 1.0	4.58	4.81	3.85
Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required.	<b>Level of unrestricted cash reserve against current liabilities:</b> Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity).	Level of unrestricted cash reserve against current liabilities	> 100%	426.8%	230.9%	167.8%
<b>Borrowings</b>						
That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality.	<b>Total borrowings against rate revenue:</b> Our total borrowings as a percentage of our rate revenue.	Total borrowings against rate revenue	< 15%	0%	0%	0%
<b>Commitment for asset renewals</b>						
Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life.	<b>Asset renewal and upgrade expenses against depreciation:</b> The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on three years rolling average).	Asset renewal and upgrade expenses against depreciation	> 100%	316.8%	321.6%	277.4%
Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital.	<b>Council's contribution to asset renewal and upgrade:</b> Council's contribution to asset renewal and upgrade expenses as a percentage of Own Source Revenue. *	Council's contribution to asset renewal and upgrade	> 10%	16%	17%	7% Note1

### Notes:

- Any unspent Council-contributed funds at year-end have been transferred to future years via specific reserve accounts designated for priority capital projects, as well as to the asset renewal reserve for annual asset renewal allocations. However, these transfers to reserve accounts are not included in this indicator.

## 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

Council recorded a deficit of \$601,000 for the 2023–24 Financial Year (FY). However, after accounting for an asset revaluation gain from the revaluation of Council’s drainage assets, the total comprehensive result shows a reduced deficit of \$477,000.

The reported deficit largely stems from the reclassification of expenses related to the acquisition of vendor-hosted software. In the 2023–2024 financial year, Council expensed \$501,000 for SaaS platforms, with \$442,000 of this amount incurred in previous financial years. Additionally, Council received \$350,000 in grant income over multiple years to support the implementation of SaaS platforms, though \$21,000 of this was recognised as income from a capital grant in the 2023–24 FY, with the remainder recognised in previous years.

The timing of the Financial Assistance Grant (FAG) significantly influences the financial outcome for the 2023–24 fiscal year. Due to the early receipt of the 2023–24 FAG allocation in the previous financial years, only \$28,000 has been recognised as income for the 2023–24 year out of the total annual allocation of \$539,000.

Comprehensive Income Statement	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Income</b>						
Rates and charges	8,110	8,496	8,508	12	0.1%	
Statutory fees and fines	172	120	127	7	5.6%	
User fees	2,070	2,080	2,084	4	0.2%	
Grants - operating	1,370	1,807	1,767	(41)	(2.2%)	1
Grants - capital	2,232	1,513	224	(1,290)	(85.2%)	2
Other income	492	638	819	181	28.3%	3
Net gain on disposal of PPEI	110	35	99	64	182.0%	
Share of net profits of associates	0	0	21	21	0.0%	
<b>Total income</b>	<b>14,556</b>	<b>14,690</b>	<b>13,648</b>	<b>(1,042)</b>	<b>(7.1%)</b>	
<b>Expenses</b>						
Employee costs	5,037	5,313	5,281	(31)	(0.6%)	
Materials and services	5,240	6,709	6,445	(264)	(3.9%)	4
Depreciation	1,244	1,372	1,269	(103)	(7.5%)	5
Bad and doubtful debts	0	3	6	3	113.3%	
Other expenses	1,409	648	1,247	600	92.6%	6
<b>Total expenses</b>	<b>12,930</b>	<b>14,045</b>	<b>14,249</b>	<b>205</b>	<b>1.5%</b>	
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>645</b>	<b>(601)</b>	<b>(1,247)</b>	<b>(193.2%)</b>	
<b>Other comprehensive income</b>						
Net asset revaluation increment / (decrement)	(2,397)	0	124	124	0.0%	7
<b>Total comprehensive result</b>	<b>(771)</b>	<b>645</b>	<b>(477)</b>	<b>(1,122)</b>	<b>(174.0%)</b>	

Notes:

### **Income**

1. Grants – operating: This is mainly due to the deferment of grant income recognition for the Beach Marker Condition Assessment and the Vegetation Study - CMMP operating projects, due to delays in commencing the related project work.
2. Grants – capital: Key grant-funded projects planned for 2023-24 have been delayed. Further information on these capital projects can be found in Section 1.5 of this report.
3. Other income: An additional \$112,000 in interest income and an additional \$57,000 in notional income from volunteer contributions.

### **Expenses**

4. Materials and services: A \$255,000 of the variance is attributed to the timing and changes in the scope of rates and grant-funded non-recurring operating projects.
5. Depreciation: The timing of the completion of planned capital projects, along with the reclassification of capital expenditure as operating expenditure, has affected the projected depreciation expenses for the FY.
6. Other expenses: Primarily due to the reclassification of expenditures as operating, which did not meet the capitalization criteria (\$562,000), and an additional \$57,000 in notional expenses for the value of volunteer contributions used in operations. Without volunteers, the Council would have otherwise incurred \$132,000 in the 2023-24 FY.
7. Net asset revaluation increment / (decrement): Represents gain from the revaluation of Council's drainage assets.

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**

When measured against the Local Government Performance Reporting Framework (LGPRF) definition, the Council's adjusted underlying result—excluding non-recurrent capital grants, cash capital contributions, and non-monetary capital contributions—shows a deficit of \$0.83 million (-6.1%). This is slightly better than the forecasted deficit of \$0.87 million, despite the impact of the reclassification of expenses mentioned earlier.

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.

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

Underlying Result	Actual 2022-23 \$'000	Forecast 2023-24 \$'000	Actual 2023-24 \$'000	Variance from the Final Forecast		
				\$'000	%	Notes
<b>Based on the LGPRF measure</b>						
<b>Total income</b>	<b>14,556</b>	<b>14,690</b>	<b>13,648</b>	(1,042)	(7.1%)	
<b>Total expenses</b>	<b>12,930</b>	<b>14,045</b>	<b>14,249</b>	205	1.5%	
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>645</b>	<b>(601)</b>	<b>(1,247)</b>	<b>(193.2%)</b>	
Less: Grants - capital (non-recurrent)	(2,232)	(1,513)	(224)	1,290	(85.2%)	
<b>Adjusted underlying surplus / (deficit)</b>	<b>(606)</b>	<b>(868)</b>	<b>(825)</b>	<b>43</b>	<b>(5.0%)</b>	
<b>Adjusted Underlying Result - %</b>	<b>-4.9%</b>	<b>-6.6%</b>	<b>-6.1%</b>			

<b>On recurring basis (based on the Council Plan measure)</b>						
<b>Adjusted underlying surplus / (deficit) - LGPRF</b>	<b>(606)</b>	<b>(868)</b>	<b>(825)</b>			
<b>Adjusted for;</b>						
Allocating FAG to the year they relate	68	510	510	0	0.0%	1
Removal of grant-funded non-recurring operating project related costs net of grants (council contribution)	(15)	21	(49)	(70)	(336.4%)	2
Removal of non- recurring operating project related costs funded via Council's own funds (reserve and operational cash)	168	291	144	(147)	(50.4%)	3
Removal of timing impact of waste management cost recovery	86	37	14	(23)	(61.5%)	
Removal of capital expenditure reclassified as operating expenses not meeting capitalisation criteria / threshold	773	0	562	562	0.0%	
Removal of the impact of the sale of assets	(110)	(35)	(99)	(64)	182.0%	
<b>Adjusted underlying surplus / (deficit)</b>	<b>365</b>	<b>(44)</b>	<b>258</b>	<b>302</b>		
<b>Adjusted Underlying Result - %</b>	<b>3.3%</b>	<b>-0.4%</b>	<b>2.2%</b>			

Notes:

1. Allocating FAG to the year they relate

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

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

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

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

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

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

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

Project	Forecast	Actual	Change
	2023-24	2023-24	
	\$	\$	\$
Marine Coastal Management Plan (MCMP) and Vegetation Study*	60,000	59,425	575
Golightly Development Engagement Plan	50,000	12,100	37,900
Victoria Park - Development of a Tree Management Plan	23,000	9,187	13,813
Review of the Queenscliffe Planning Scheme	20,000	3,388	16,612
Reconciliation Action Plan Project	20,000	12,031	7,969
Wadawurrung Signage	20,000	5,145	14,855
Inception Digital Web based Door Locking System	18,000	-	18,000
Energy Efficiency Audit and Education Program	17,600	14,612	2,988
Cultural Heritage Awareness	15,000	20,518	(5,518)
Review of Council's Toilet Strategy	10,000	-	10,000
Disability Action Plan	10,000	-	10,000

Project	Forecast 2023-24	Actual 2023-24	Change
	\$	\$	\$
Bull Ring Tree Planting	7,500	-	7,500
Cultural Heritage Awareness Training	6,000	2,727	3,273
CERP Implementation Plan	5,000	2,085	2,915
Child/family services and facilities review	5,000	-	5,000
Database of Photos of the Borough	3,000	3,156	(156)
Gender Equality Actions	1,000	-	1,000
<b>Total</b>	<b>291,100</b>	<b>144,376</b>	<b>146,724</b>

### 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 cash result for the 2023-24 financial year shows a surplus of \$451,000, following the transfer of all unspent Council contributions for operating and capital expenditure projects to their respective reserve accounts. This actual cash result is \$233,000 higher than the forecasted cash result for the year, providing Council with an additional \$233,000 available for future projects.

Comprehensive Income Statement	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Surplus / (deficit) for the year</b>	<b>1,626</b>	<b>645</b>	<b>(601)</b>	<b>(1,247)</b>	<b>(193.2%)</b>	
<b>Removal of non cash transactions</b>						
Net gain on disposal of PPE and infrastructure	(110)	(35)	(99)	(64)	182.0%	
Depreciation	1,244	1,372	1,269	(103)	(7.5%)	
Share of net profits of associates	(0)	0	(21)	(21)	0.0%	
Reclassification of previous years's expenses	690	0	442	442	0.0%	
<b>Inclusion of other cash transactions</b>						
Proceeds from asset sales	3,504	75	100	25	33.2%	
Capital expenditure	(4,006)	(3,472)	(1,032)	2,440	(70.3%)	1
<b>Cash surplus / (deficit) from operations</b>	<b>2,948</b>	<b>(1,415)</b>	<b>58</b>	<b>1,472</b>	<b>(104.1%)</b>	
Transfer from reserves	939	988	383	(605)	(61.2%)	2
Transfer to reserves ( <i>for future year spending</i> )	(4,520)	(318)	(952)	(634)	199.7%	2
<b>Adjusted cash surplus / (deficit) for the year</b>	<b>(633)</b>	<b>(744)</b>	<b>(511)</b>	<b>233</b>	<b>(31.4%)</b>	
Accumulated cash surplus b/fwd from prior year	1,596	962	962	0	0%	
<b>Accumulated cash surplus</b>	<b>962</b>	<b>218</b>	<b>451</b>	<b>233</b>	<b>107.3%</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. Transfer from reserves and Transfer to reserves are detailed below.

Project	Reserve Transfer Type	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast
		\$	\$	\$
New Corporate System	Trf From	78,345	78,345	0
Public Waste Services	Trf From	84,614	74,549	(10,065)
Marine Coastal Management Plan	Trf From	60,000	59,425	(575)
Queenscliffe Cultural Hub	Trf From	60,392	50,051	(10,341)
Annual Asset Renewal - Motor Vehicles	Trf From	88,288	36,999	(51,289)
Restoration and Upgrade of P1 Hut at PL Lighthouse	Trf From	54,609	25,997	(28,612)
Hesse Street Link to Boatramp	Trf From	19,500	19,500	0
Energy Efficiency Audit and Education Program	Trf From	17,600	14,612	(2,988)
Victoria Park - Development of a Tree Management P	Trf From	22,667	9,187	(13,480)
Toch H toilet renewal	Trf From	180,000	6,000	(174,000)
Review of the Queenscliffe Planning Scheme	Trf From	20,000	3,388	(16,612)
Database of Photos of the Borough	Trf From	3,000	3,000	0
CERP Implementation Plan	Trf From	5,000	1,925	(3,075)
QMF Town Hall AV project	Trf From	57,900	0	(57,900)
Hesse Street Streetscape	Trf From	50,000	0	(50,000)
Murray Road land sale proceeds	Trf From	50,000	0	(50,000)
Tree management System	Trf From	50,000	0	(50,000)
Safety improvement work by DEECA at Narrows Beach	Trf From	40,000	0	(40,000)
Bike Track - concept design	Trf From	30,000	0	(30,000)
Review of Council's Toilet Strategy	Trf From	10,000	0	(10,000)
Queenscliffe Neighbourhood House Solar	Trf From	4,659	0	(4,659)
Gender Equality Actions	Trf From	1,000	0	(1,000)
<b>Sub total</b>		<b>987,574</b>	<b>382,978</b>	<b>(604,596)</b>
General Reserve - Additional Cash Surplus (2023-24 Budget)	Trf To	(259,438)	(259,438)	0
Upgrade of Town Hall - heating and cooling	Trf To		(180,000)	(180,000)
Annual Asset Renewal - Buildings	Trf To		(111,708)	(111,708)
Annual Asset Renewal - Drainage	Trf To		(68,220)	(68,220)
Kerbside Waste Services	Trf To	(48,026)	(60,468)	(12,442)
Annual Asset Renewal - Open Space and Reserves	Trf To		(51,910)	(51,910)
Murray Road Shared Path	Trf To	(10,000)	(42,100)	(32,100)

Project	Reserve Transfer Type	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast
		\$	\$	\$
AARP - ICT Equipment	Trf To		(33,730)	(33,730)
AARP - Open Space and Reserves - Other Assets	Trf To		(31,842)	(31,842)
Hesse Street Streetscape	Trf To		(24,450)	(24,450)
Beach Marker condition assessment report	Trf To		(19,529)	(19,529)
Inception Digital Web based Door Locking System	Trf To		(18,000)	(18,000)
Wadawurrung Signage	Trf To		(14,855)	(14,855)
Disability Action Plan	Trf To		(10,000)	(10,000)
Reconciliation Action Plan Project	Trf To		(7,969)	(7,969)
Bull Ring Tree Planting	Trf To		(7,500)	(7,500)
Child/family services and facilities review	Trf To		(5,000)	(5,000)
Bike Racks (ATS)	Trf To		(4,968)	(4,968)
<b>Sub total</b>		<b>(317,464)</b>	<b>(951,685)</b>	<b>(634,221)</b>
<b>Grand total</b>		<b>670,110</b>	<b>(568,707)</b>	<b>(1,238,817)</b>

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

## 1.2. Balance Sheet

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

Balance Sheet As at 30 June	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	3,568	7,054	1,790	(5,264)	(74.6%)	1
Other financial assets	7,593	2,500	8,780	6,280	251.2%	1
Trade and other receivables	230	300	443	142	47.5%	
Inventories	4	4	6	2	58.4%	
Other assets	643	243	401	158	65.0%	
<b>Total current assets</b>	<b>12,037</b>	<b>10,100</b>	<b>11,420</b>	<b>1,318</b>	<b>13.0%</b>	
<b>Non-current assets</b>						
Investments in associates	160	160	181	21	12.9%	
Other financial assets	0	0	1,058	1,058	0.0%	1
Property, infrastructure, plant and equipment	172,562	174,626	172,005	(2,625)	(1.5%)	
<b>Total non-current assets</b>	<b>172,722</b>	<b>174,787</b>	<b>173,241</b>	<b>(1,546)</b>	<b>(0.9%)</b>	
<b>Total assets</b>	<b>184,759</b>	<b>184,887</b>	<b>184,659</b>	<b>(228)</b>	<b>(0.1%)</b>	
<b>Liabilities</b>						
<b>Current liabilities</b>						
Trade and other payables	829	1,092	582	(510)	(46.7%)	
Trust funds and deposits	20	50	25	(25)	(50.1%)	
Provisions	935	959	1,002	44	4.6%	
Unearned income	844	0	1,356	1,356	0.0%	2
<b>Total current liabilities</b>	<b>2,628</b>	<b>2,101</b>	<b>2,965</b>	<b>865</b>	<b>41.2%</b>	

Balance Sheet As at 30 June	Actual 2022-23 \$'000	Forecast 2023-24 \$'000	Actual 2023-24 \$'000	Variance from the Final Forecast		
				\$'000	%	Notes
<b>Non-current liabilities</b>						
Provisions	98	100	142	42	42.5%	
<b>Total non-current liabilities</b>	<b>98</b>	<b>100</b>	<b>142</b>	<b>42</b>	<b>42.5%</b>	
<b>Total liabilities</b>	<b>2,725</b>	<b>2,201</b>	<b>3,107</b>	<b>908</b>	<b>41.2%</b>	
<b>Net assets</b>	<b>182,034</b>	<b>182,686</b>	<b>181,557</b>	<b>(1,136)</b>	<b>(0.6%)</b>	
<b>Equity</b>						
Accumulated surplus	99,424	100,743	98,251	(2,485)	(2.5%)	
Revaluation Reserve	74,278	74,278	74,402	124	0.2%	
Other reserves	8,332	7,665	8,904	1,239	16.2%	
<b>Total equity</b>	<b>182,034</b>	<b>182,686</b>	<b>181,557</b>	<b>(1,123)</b>	<b>(0.6%)</b>	

## Notes

1. Cash and Investments (including other financial assets): For a more accurate comparison of total cash and investments, all these line items should be reviewed together. Investments in term deposits have been categorised under these three-line items based on the maturity term of each deposit, in accordance with Local Government Reporting Guidelines.

The total cash and investment balance exceeds the forecasted amount primarily due to delays in commencing certain operating and capital expenditure projects.

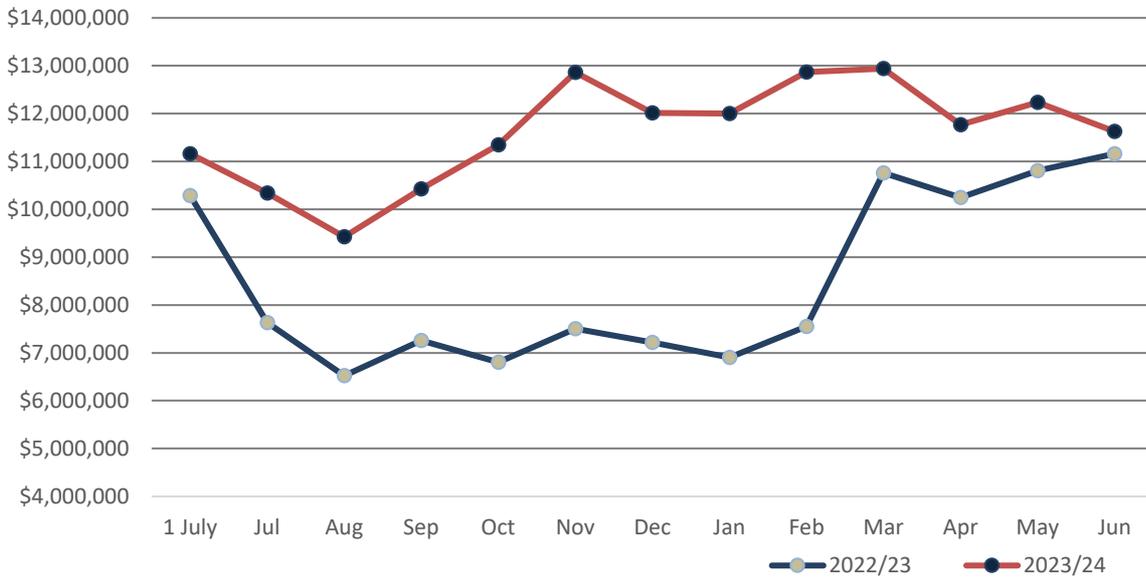
2. This balance primarily represents grant income related to specific operating and capital projects with defined performance obligations, which were received in advance. The performance obligations for these projects had not been met as of 30 June 2024.

### Cash & Cash Equivalents and Other Financial Assets

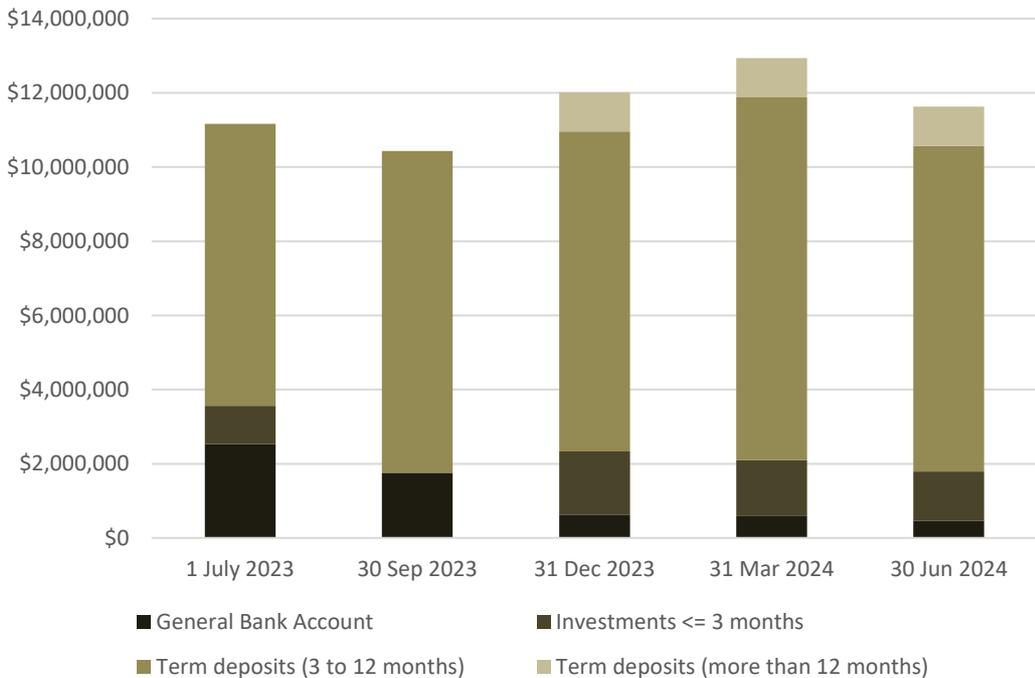
Council’s cash and cash equivalents includes short term investments with maturities of less than 90 days, other financial assets represent investments with maturities more than three months.

Councils total cash and investments as at 30 June 2024 was \$11.7 million.

**Cash balance - prior year comparison**



**Cash and investments**

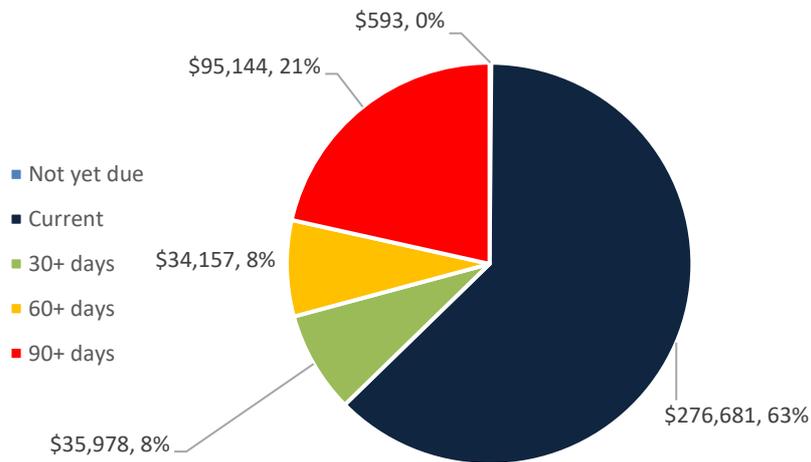


**Trade and other receivables**

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

Other debtors, including unpaid infringements, government grants, property leases, aged services and tourist park fees, are followed up by finance in conjunction with the relevant program area.

**Trade and other receivables ageing analysis.**



There is considerable rise in rates debtors due to a delay in settling the 2023-24 rates (may be because of the cost of living crisis). However, only \$23,000 of rates from years prior to 2023-24 FY are outstanding.

### 1.3. Statement of Changes in Equity

Other reserves held by Council include annual asset renewal, carry forwards, waste management, defined benefits superannuation fund liability and unallocated cash surpluses from previous years. Funds are generally transferred out of reserves following the completion of carry forward projects and/or by Council resolution to allocate funds to projects.

Statement of Changes in Equity	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast	
	\$'000	\$'000	\$'000	\$'000	%
<b>Accumulated Surplus</b>					
<b>Opening Balance 1st July</b>	<b>101,376</b>	<b>99,421</b>	<b>99,421</b>	<b>0</b>	<b>0.0%</b>
Surplus / (deficit) for the year	1,626	645	(601)	(1,247)	(193.2%)
Transfer to other reserves	(4,520)	(318)	(952)	(634)	199.7%
Transfer from other reserves	939	988	383	(605)	(61.2%)
<b>Closing Balance 30th June - Accumulated Surplus</b>	<b>99,421</b>	<b>100,736</b>	<b>98,251</b>	<b>(2,485)</b>	<b>(2.5%)</b>
<b>Revaluation Reserve</b>					
<b>Opening Balance 1st July</b>	<b>76,675</b>	<b>74,278</b>	<b>74,278</b>	<b>0</b>	<b>0.0%</b>
Net asset revaluation increment/(decrement)	(2,397)	0	124	124	0.0%
<b>Closing Balance 30th June - Revaluation Reserve</b>	<b>74,278</b>	<b>74,278</b>	<b>74,402</b>	<b>124</b>	<b>0.2%</b>
<b>Other Reserves</b>					
<b>Opening Balance 1st July</b>	<b>4,754</b>	<b>8,335</b>	<b>8,335</b>	<b>0</b>	<b>0.0%</b>
Transfer to other reserves	4,520	318	952	634	199.7%
Transfer from other reserves	(939)	(988)	(383)	605	(61.2%)
<b>Closing Balance 30th June - Other Reserves</b>	<b>8,335</b>	<b>7,665</b>	<b>8,904</b>	<b>1,239</b>	<b>16.2%</b>
<b>Total Equity</b>					
<b>Opening Balance 1st July</b>	<b>182,805</b>	<b>182,034</b>	<b>182,034</b>	<b>0</b>	<b>0.0%</b>
Surplus / (deficit) for the year	1,626	645	(601)	(1,247)	(193.2%)
Net asset revaluation increment/(decrement)	(2,397)	0	124	124	0.0%
<b>Closing Balance 30th June - Total Equity</b>	<b>182,034</b>	<b>182,679</b>	<b>181,557</b>	<b>(1,123)</b>	<b>(0.6%)</b>

## 1.4. Statement of Cash Flows

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

Statement of Cash Flows	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast		
	\$'000	\$'000	\$'000	\$'000	%	Notes
<b>Cash flows from operating activities</b>						
<i>Receipts</i>						
Rates and charges	8,203	8,365	8,419	54	0.6%	
Statutory fees and fines	201	114	129	15	13.4%	
User fees	2,035	1,930	2,016	86	4.4%	
Grants - Operating	1,457	1,603	1,837	234	14.6%	
Grants - Capital	1,686	1,116	735	(381)	(34.1%)	
Interest received	132	466	420	(46)	(9.8%)	
Other receipts	263	443	391	(53)	(11.9%)	
<b>Total receipts</b>	<b>14,098</b>	<b>14,075</b>	<b>14,025</b>	<b>(50)</b>	<b>(0.4%)</b>	
<i>Payments</i>						
Employee costs	(4,883)	(5,503)	(5,176)	327	(5.9%)	
Materials and services	(5,786)	(6,406)	(6,545)	(139)	2.2%	
Short-term, low value and variable lease payments	(13)	(1)	(1)	(0)	20.0%	
Other payments	(473)	(617)	(802)	(185)	30.0%	
<b>Total payments</b>	<b>(11,198)</b>	<b>(12,527)</b>	<b>(12,523)</b>	<b>3</b>	<b>(0.0%)</b>	
<b>Net cash provided by operating activities</b>	<b>2,900</b>	<b>1,548</b>	<b>1,501</b>	<b>(47)</b>	<b>(3.1%)</b>	
<b>Cash flows from investing activities</b>						
Payments for property, infrastructure, plant and equipment	(5,527)	(3,231)	(1,134)	2,097	(64.9%)	
Proceeds from sale of property, infrastructure, plant and equipment	3,504	75	100	25	33.2%	
Net proceeds from movement of investments	(1,087)	5,093	(2,245)	(7,338)	(144.1%)	1
<b>Net cash provided by / (used in) investing activities</b>	<b>(3,110)</b>	<b>1,937</b>	<b>(3,279)</b>	<b>(5,216)</b>	<b>(269.3%)</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>0.0%</b>	
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(210)</b>	<b>3,485</b>	<b>(1,778)</b>	<b>(5,264)</b>	<b>(151.0%)</b>	
Cash and cash equivalents at the beginning of the financial year	3,778	3,568	3,568	0	0.0%	
<b>Cash and cash equivalents at the end of the financial year</b>	<b>3,568</b>	<b>7,054</b>	<b>1,790</b>	<b>(5,264)</b>	<b>(74.6%)</b>	

Notes:

1. This is primarily due to the investment in term deposits with maturity periods exceeding three months, aimed at securing a higher return.

## 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 Council has spent \$1.0 million out of the projected \$3.5 million in capital expenditure for the year. A key reason for this underspend is the Point Lonsdale Maritime & Defence Precinct development project, which has only utilised \$89,000 of its \$1,000,000 budget allocation.

Any unspent Council-contributed funds remaining at year-end have been transferred to future years through specific reserve accounts for priority capital projects, as well as the asset renewal reserve for annual asset renewal allocations.

Statement of Capital Works	Budget	Forecast	Actual	Variance from the Final Forecast		
	2023-24 \$'000	2023-24 \$'000	2023-24 \$'000	\$'000	%	Notes
<b>Priority capital works</b>						
Queenscliffe cultural hub	0	60	50	(10)	(17.1%)	
PL lighthouse reserve upgrade - P1 huts	0	55	26	(29)	(52.4%)	1
ICT transformation project	147	225	0	(225)	(100.0%)	2
Toch H toilet renewal - design and construct	130	180	6	(174)	(96.7%)	3
Electronic vehicle charging stations	0	38	40	2	5.5%	
New tree management system	0	50	0	(50)	(100.0%)	4
Local roads and community infrastructure program - phase 2 and 3	0	66	72	6	8.6%	
Town Hall AV upgrade project (QMF)	0	58	0	(58)	(100.0%)	5
Hesse street streetscape	0	80	6	(74)	(93.0%)	6
Hesse Street link to boat ramp	0	50	116	66	132.0%	7
Safety improvement work by DEECA at Narrows Beach	150	150	0	(150)	(100.0%)	8
New bike track - concept design	16	30	0	(30)	(98.7%)	
Upgrade of Town Hall - heating and cooling	180	180	0	(180)	(100.0%)	9
Murray Road Shared Path	50	40	8	(32)	(80.3%)	10
Point Lonsdale Maritime & Defence Precinct	1,000	1,000	89	(911)	(91.1%)	11
Queenscliffe Rec Reserve - lighting upgrade	160	160	4	(156)	(97.3%)	12
Bike Racks (ATS)	10	10	0	(10)	(100.0%)	
Boat ramp upgrade project	0	0	4	4	0.0%	
Office layout improvements	0	0	6	6	0.0%	
<b>Total priority capital works</b>	<b>1,843</b>	<b>2,432</b>	<b>427</b>	<b>(2,005)</b>	<b>(82.4%)</b>	
<b>Annual asset renewal program</b>	<b>829</b>	<b>915</b>	<b>605</b>	<b>(310)</b>	<b>(33.8%)</b>	<b>13</b>
<b>Staff cost capitalised</b>	<b>124</b>	<b>125</b>	<b>0</b>	<b>(125)</b>	<b>(100.0%)</b>	<b>14</b>
<b>Total capital works expenditure</b>	<b>2,797</b>	<b>3,472</b>	<b>1,032</b>	<b>(2,440)</b>	<b>(70.3%)</b>	
<b>Represented by:</b>						
New asset expenditure	304	596	184	(411)	(69.1%)	
Asset renewal expenditure	1,664	1,812	657	(1,154)	(63.7%)	
Asset upgrade expenditure	829	1,065	191	(874)	(82.1%)	
<b>Total capital works expenditure</b>	<b>2,797</b>	<b>3,472</b>	<b>1,032</b>	<b>(2,440)</b>	<b>(70.3%)</b>	

Notes:

1. The Aboriginal sculptural signage has been completed and the Council is waiting on relevant approvals to install on-site.
2. A total of \$106,000 was spent during the year and expensed as the expenditure was incurred on SaaS platforms.
3. The project is delayed due to delays in receiving the required approvals.
4. A system was implemented using in-house resources. Annual licensing costs are considered ongoing expenses separately.
5. The progress of this project is dependent on the completion of remediation of structural deficiencies identified in the existing stage ceiling arrangements. The project carried forward from the 2022-23 FY is set to be completed in the 2024-25 FY.
6. The installation of garden beds within two Hesse Street roundabouts will progress following the completion of necessary street lighting works by Powercor. The procurement process for the streetscape works has been completed, with the project expected to be finished in Q2 of the 2024-25 financial year.
7. Tendered costs to construct the footpath were approx. 35% higher than estimated. Cost estimates for the rail crossing were made prior to resolving negotiations on the rail crossing arrangements with the rail authority and were based on the existing passive arrangement. The agreed nonstandard rail crossing significantly exceeded original estimates.
8. Grant funding for this project was awarded in late 2023-24 FY. The necessary approvals to begin the project have been obtained. However, the project will undergo a review following the storm damage sustained to existing assets in September 2024
9. The project is scheduled for commencement in the 2024-25 FY.
10. The project will continue in the 2024-25 FY, focusing on design and community consultation.
11. This 100% grant-funded project has been delayed due to changes in the initial project scope and delays in obtaining required approvals. Completion is expected in the 2025-26 FY.
12. Project to be completed in the 2024-25 FY.
13. General annual asset renewal allocations and unspent funding have been transferred to asset renewal reserves for future use.
14. Staff efforts on individual projects were not significant in the 2023-24 FY, so all staff costs are expensed for the 2023-24 FY.

## 1.5.2. Asset Type Wise

Statement of Capital Works	Budget 2023-24	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast	
	\$'000	\$'000	\$'000	\$'000	%
<b>Property</b>					
Buildings	331	471	137	(334)	(70.9%)
Building improvements	180	238	0	(238)	(100.0%)
<b>Total buildings</b>	<b>511</b>	<b>709</b>	<b>143</b>	<b>(566)</b>	<b>(79.8%)</b>
<b>Total property</b>	<b>511</b>	<b>709</b>	<b>143</b>	<b>(566)</b>	<b>(79.8%)</b>
<b>Plant and equipment</b>					
Plant, machinery and equipment	210	299	246	(53)	(17.7%)
Fixtures, fittings and furniture	10	10	41	31	301.0%
Computers and telecommunications	193	321	13	(309)	(96.1%)
<b>Total plant and equipment</b>	<b>414</b>	<b>630</b>	<b>299</b>	<b>(331)</b>	<b>(52.5%)</b>
<b>Infrastructure</b>					
Roads	113	139	139	0	0.0%
Footpaths and cycleways	71	181	228	47	26.1%
Drainage	103	90	22	(68)	(75.8%)
Recreational, leisure and community facilities	176	181	34	(147)	(81.2%)
Waste management	0	0	0	0	0.0%
Parks, open space and streetscapes	1,095	1,175	104	(1,070)	(91.1%)
Off street car parks	5	5	0	(5)	(100.0%)
Other infrastructure	160	198	49	(150)	(75.5%)
Other Assets	151	165	14	(151)	(91.6%)
<b>Total infrastructure</b>	<b>1,872</b>	<b>2,133</b>	<b>589</b>	<b>(1,544)</b>	<b>(72.4%)</b>
<b>Total capital works expenditure</b>	<b>2,797</b>	<b>3,472</b>	<b>1,032</b>	<b>(2,440)</b>	<b>(70.3%)</b>
<b>Represented by:</b>					
New asset expenditure	304	596	184	(411)	(69.1%)
Asset renewal expenditure	1,664	1,812	657	(1,154)	(63.7%)
Asset upgrade expenditure	829	1,065	191	(874)	(82.1%)
<b>Total capital works expenditure</b>	<b>2,797</b>	<b>3,472</b>	<b>1,032</b>	<b>(2,440)</b>	<b>(70.3%)</b>
<b>Funding sources represented by:</b>					
Grants	1,417	1,513	224	(1,290)	(85.2%)
Council cash	1,380	1,959	808	(1,150)	(58.7%)
<b>Total capital works expenditure</b>	<b>2,797</b>	<b>3,472</b>	<b>1,032</b>	<b>(2,440)</b>	<b>(70.3%)</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 2023-24 financial year.

Strategic Objective	Actual 2022-23	Forecast 2023-24	Actual 2023-24
	\$'001	\$'000	\$'000
<b>Portfolio 1 Health and wellbeing</b>			
Direct funding	771	868	857
Expenses	(1,933)	(2,089)	(1,914)
<b>Surplus/ (deficit)</b>	<b>(1,162)</b>	<b>(1,221)</b>	<b>(1,056)</b>
<b>Portfolio 2 Environment</b>			
Direct funding	1,387	1,489	1,486
Expenses	(1,857)	(2,252)	(2,277)
<b>Surplus/ (deficit)</b>	<b>(470)</b>	<b>(763)</b>	<b>(791)</b>
<b>Portfolio 3 Local economy</b>			
Direct funding	1,975	1,862	1,815
Expenses	(1,295)	(1,395)	(1,250)
<b>Surplus/ (deficit)</b>	<b>680</b>	<b>468</b>	<b>565</b>
<b>Portfolio 4 Heritage, planning and infrastructure</b>			
Direct funding	174	995	956
Expenses	(2,623)	(3,444)	(3,555)
<b>Surplus/ (deficit)</b>	<b>(2,449)</b>	<b>(2,449)</b>	<b>(2,599)</b>
<b>Portfolio 5 Governance and finance</b>			
Direct funding	480	647	920
Expenses	(3,205)	(3,493)	(3,422)
<b>Surplus/ (deficit)</b>	<b>(2,725)</b>	<b>(2,847)</b>	<b>(2,502)</b>
<b>Total - surplus/ (deficit)</b>	<b>(6,126)</b>	<b>(6,811)</b>	<b>(6,384)</b>
<b>Expenses/other income added in:</b>			
Depreciation	(1,244)	(1,372)	(1,269)

Strategic Objective	Actual 2022-23	Forecast 2023-24	Actual 2023-24
	\$'001	\$'000	\$'000
Expenditure not meeting capitalisation criteria / threshold	(773)	0	(562)
Net gain/losses on disposal of property, infrastructure, plant and equipment	110	35	99
<b>Surplus/(deficit) before funding sources</b>	<b>(8,033)</b>	<b>(8,148)</b>	<b>(8,117)</b>
<b>Funding sources added in:</b>			
Rates revenue	6,958	7,252	7,263
Financial Assistance Grant - General Purpose	469	29	29
Capital grants	2,232	1,513	224
<b>Total funding sources</b>	<b>9,659</b>	<b>8,794</b>	<b>7,515</b>
<b>Surplus/(deficit) for the year as per the Comprehensive Income Statement</b>	<b>1,626</b>	<b>645</b>	<b>(601)</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		Actual 2022-23	Forecast 2023-24	Actual 2023-24	Variance from the Final Forecast	
			\$'001	\$'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	547	623	599	(25)	(4.0%)
		Exp	(773)	(773)	(686)	88	(11.3%)
		<b>Surplus/(deficit)</b>	<b>(226)</b>	<b>(150)</b>	<b>(87)</b>	<b>63</b>	<b>(41.9%)</b>
Recreation, Arts, Culture and Community	The Recreation, Arts, Culture and Community program promotes community wellbeing by supporting people and communities to be involved, healthy and active.	D/funding	0	0	0	0	0.0%
		Exp	(70)	(61)	(57)	4	(6.1%)
		<b>Surplus/(deficit)</b>	<b>(70)</b>	<b>(61)</b>	<b>(57)</b>	<b>4</b>	<b>(6.1%)</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	18	27	31	4	13.1%
		Exp	(357)	(321)	(306)	15	(4.7%)
		<b>Surplus/(deficit)</b>	<b>(339)</b>	<b>(294)</b>	<b>(275)</b>	<b>19</b>	<b>(6.4%)</b>
Maternal and Child Health (MCH)	The Maternal and Child Health program (MCH) plays a key role in supporting and monitoring the health and wellbeing of local families with children from birth to school age.	D/funding	69	79	71	(8)	(10.1%)
		Exp	(80)	(79)	(77)	3	(3.5%)
		<b>Surplus/(deficit)</b>	<b>(11)</b>	<b>0</b>	<b>(5)</b>	<b>(5)</b>	<b>0.0%</b>
		D/funding	38	69	68	(0)	(0.6%)

Service area	Key service objective/s		Actual	Forecast	Actual	Variance from	
			2022-23	2023-24	2023-24	the Final	
			\$'001	\$'000	\$'000	\$'000	%
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing.	Exp	(104)	(201)	(164)	37	(18.4%)
		<b>Surplus/ (deficit)</b>	<b>(66)</b>	<b>(133)</b>	<b>(96)</b>	<b>37</b>	<b>(27.6%)</b>
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	99	70	88	19	27.0%
		Exp	(305)	(392)	(381)	12	(3.0%)
		<b>Surplus/ (deficit)</b>	<b>(206)</b>	<b>(323)</b>	<b>(292)</b>	<b>31</b>	<b>(9.5%)</b>
Library	The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting.	D/funding	0	0	0	0	0.0%
		Exp	(245)	(261)	(243)	18	(6.8%)
		<b>Surplus/ (deficit)</b>	<b>(245)</b>	<b>(261)</b>	<b>(243)</b>	<b>18</b>	<b>(6.8%)</b>
<b>TOTAL</b>	<b>Income</b>		<b>771</b>	<b>868</b>	<b>857</b>	<b>(11)</b>	<b>(1.2%)</b>
	<b>Expenditure</b>		<b>(1,933)</b>	<b>(2,089)</b>	<b>(1,914)</b>	<b>175</b>	<b>(8.4%)</b>
	<b>Surplus/ (deficit)</b>		<b>(1,162)</b>	<b>(1,221)</b>	<b>(1,056)</b>	<b>165</b>	<b>(13.5%)</b>

## Portfolio 2: Environment.

To protect our environment and address climate change issues. The key service objectives for each program area are described below.

Service area	Key service objective/s		Actual	Forecast	Actual	Variance from	
			2022-23	2023-24	2023-24	the Final	
			\$'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	14	19	16	(3)	(17.4%)
		Exp	(209)	(277)	(256)	21	(7.4%)
		<b>Surplus/ (deficit)</b>	<b>(195)</b>	<b>(258)</b>	<b>(241)</b>	<b>17</b>	<b>(6.7%)</b>
Coastal Protection	The Coastal Protection program seeks to preserve and enhance the Borough's globally significant, highly-valued coast as an iconic environmental asset for current and future generations.	D/funding	193	194	167	(27)	(13.7%)
		Exp	(382)	(662)	(704)	(42)	6.3%
		<b>Surplus/ (deficit)</b>	<b>(188)</b>	<b>(468)</b>	<b>(537)</b>	<b>(69)</b>	<b>14.6%</b>
Waste Management and Recycling	The Waste Management and Recycling program seeks to promote local action in order to protect the environment for future generations. Note full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy.	D/funding	1,180	1,276	1,303	27	2.1%
		Exp	(1,266)	(1,313)	(1,317)	(4)	0.3%
		<b>Surplus/ (deficit)</b>	<b>(86)</b>	<b>(37)</b>	<b>(14)</b>	<b>23</b>	<b>(61.5%)</b>
<b>TOTAL</b>	<b>Income</b>		<b>1,387</b>	<b>1,489</b>	<b>1,486</b>	<b>(3)</b>	<b>(0.2%)</b>
	<b>Expenditure</b>		<b>(1,857)</b>	<b>(2,252)</b>	<b>(2,277)</b>	<b>(26)</b>	<b>1.1%</b>
	<b>Surplus/ (deficit)</b>		<b>(470)</b>	<b>(763)</b>	<b>(791)</b>	<b>(29)</b>	<b>3.8%</b>

### Portfolio 3: Local economy.

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

Key service objective/s		Actual	Forecast	Actual	Variance from the Final Forecast	
		2022-23	2023-24	2023-24		
		\$'001	\$'000	\$'000	\$'000	%
The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy.	D/funding	1,807	1,778	1,798	20	1.1%
	Exp	(745)	(971)	(872)	99	(10.2%)
	<b>Surplus/ (deficit)</b>	<b>1,062</b>	<b>807</b>	<b>926</b>	<b>119</b>	<b>14.8%</b>
The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses with dissemination of information to build a diverse and vibrant local economy.	D/funding	121	85	17	(67)	(79.6%)
	Exp	(348)	(316)	(232)	84	(26.5%)
	<b>Surplus/ (deficit)</b>	<b>(227)</b>	<b>(231)</b>	<b>(215)</b>	<b>16</b>	<b>(7.1%)</b>
The Tourism and Economic Development program seeks to build on the Borough's unique heritage, rich culture and significant natural environment to strengthen the diversity and vibrancy of the local economy.	D/funding	48	0	0	0	0.0%
	Exp	(203)	(108)	(146)	(39)	35.9%
	<b>Surplus/ (deficit)</b>	<b>(155)</b>	<b>(108)</b>	<b>(146)</b>	<b>(39)</b>	<b>35.9%</b>
<b>Income</b>		<b>1,975</b>	<b>1,862</b>	<b>1,815</b>	<b>(48)</b>	<b>(2.6%)</b>
<b>Expenditure</b>		<b>(1,295)</b>	<b>(1,395)</b>	<b>(1,250)</b>	<b>144</b>	<b>(10.4%)</b>
<b>Surplus/ (deficit)</b>		<b>680</b>	<b>468</b>	<b>565</b>	<b>97</b>	<b>20.7%</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		Actual	Forecast	Actual	Variance from the Final Forecast	
			2022-23	2023-24	2023-24		
			\$'001	\$'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	133	150	95	(55)	(36.7%)
		Exp	(595)	(580)	(489)	91	(15.7%)
		<b>Surplus/ (deficit)</b>	<b>(463)</b>	<b>(430)</b>	<b>(394)</b>	<b>36</b>	<b>(8.4%)</b>
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe.	D/funding	29	28	33	5	18.1%
		Exp	(35)	(243)	(228)	15	(6.2%)
		<b>Surplus/ (deficit)</b>	<b>(6)</b>	<b>(215)</b>	<b>(195)</b>	<b>20</b>	<b>(9.4%)</b>
Asset Management and Appearance of Public Places	The Asset Management and Appearance of Public Places program ensures the safety and functionality of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings.	D/funding	13	817	828	11	1.3%
		Exp	(1,885)	(2,547)	(2,776)	(229)	9.0%
		<b>Surplus/ (deficit)</b>	<b>(1,872)</b>	<b>(1,730)</b>	<b>(1,949)</b>	<b>(218)</b>	<b>12.6%</b>

Service area	Key service objective/s		Actual	Forecast	Actual	Variance from	
			2022-23	2023-24	2023-24	the Final	
						Forecast	
			\$'001	\$'000	\$'000	\$'000	%
Powerline Safety	The Powerline Safety program assists in the provision of a safe environment and protection of the Borough's significant vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation.	D/funding	0	0	0	0	0.0%
		Exp	(108)	(74)	(62)	12	(16.2%)
		<b>Surplus/ (deficit)</b>	<b>(108)</b>	<b>(74)</b>	<b>(62)</b>	<b>12</b>	<b>(16.2%)</b>
<b>TOTAL</b>	<b>Income</b>		<b>174</b>	<b>995</b>	<b>956</b>	<b>(39)</b>	<b>(3.9%)</b>
	<b>Expenditure</b>		<b>(2,623)</b>	<b>(3,444)</b>	<b>(3,555)</b>	<b>(111)</b>	<b>3.2%</b>
	<b>Surplus/ (deficit)</b>		<b>(2,449)</b>	<b>(2,449)</b>	<b>(2,599)</b>	<b>(150)</b>	<b>6.1%</b>

### Portfolio 5: Governance and finance.

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

Service area	Description of services provided		Actual	Forecast	Actual	Variance from	
			2022-23	2023-24	2023-24	the Final	
						Forecast	
			\$'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	0	0.0%
		Exp	(245)	(478)	(471)	7	(1.5%)
		<b>Surplus/ (deficit)</b>	<b>(245)</b>	<b>(478)</b>	<b>(471)</b>	<b>7</b>	<b>(1.5%)</b>
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	49	34	36	2	4.4%
		Exp	(1,121)	(648)	(624)	24	(3.6%)
		<b>Surplus/ (deficit)</b>	<b>(1,072)</b>	<b>(614)</b>	<b>(589)</b>	<b>25</b>	<b>(4.1%)</b>
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	3	0	1	1	300.0%
		Exp	(496)	(709)	(605)	104	(14.6%)
		<b>Surplus/ (deficit)</b>	<b>(493)</b>	<b>(709)</b>	<b>(605)</b>	<b>104</b>	<b>(14.7%)</b>
Financial and Risk Management	The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough.	D/funding	428	612	883	271	44.2%
		Exp	(1,343)	(1,658)	(1,721)	(63)	3.8%
		<b>Surplus/ (deficit)</b>	<b>(915)</b>	<b>(1,046)</b>	<b>(838)</b>	<b>208</b>	<b>(19.9%)</b>
<b>TOTAL</b>	<b>Income</b>		<b>480</b>	<b>647</b>	<b>920</b>	<b>273</b>	<b>42.2%</b>
	<b>Expenditure</b>		<b>(3,205)</b>	<b>(3,493)</b>	<b>(3,422)</b>	<b>71</b>	<b>(2.0%)</b>
	<b>Surplus/ (deficit)</b>		<b>(2,725)</b>	<b>(2,847)</b>	<b>(2,502)</b>	<b>344</b>	<b>(12.1%)</b>

## **2.2. Governance and Management Checklist**

The Governance and Management Checklist measures whether a council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making. It includes 24 qualitative measures against which Council is assessed each financial year. An update against the checklist is presented a half yearly basis (with December and June quarterly financial reports).

An update against the checklist for 2023–24 is included as a separate agenda item.

## **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).

The performance statement for 2023–24 is included as a separate agenda item.

## Appendix A – Projected Reserve balances as at 30 June 2024.

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

Other Reserves	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Change from 2022-23	
	\$	\$	\$	\$'000	%
<b>Sales proceeds from assets sales</b>					
Murray Road land sale proceeds	3,500,000	3,450,000	,500,000	-	0.0%
<b>Total - sales proceeds from assets sales</b>	<b>3,500,000</b>	<b>3,450,000</b>	<b>3,500,000</b>	-	0.0%
<b>Carry forward capital expenditure reserve</b>					
Royal park oval upgrade	360,000	360,000	360,000	-	0.0%
ICT transformation project	312,743	234,398	234,398	(78,345)	(25.1%)
New bike track/park	195,900	165,900	195,900	-	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	-	0.0%
Hesse Street streetscape	50,000	-	74,450	24,450	48.9%
Weeroona Parade toilet	40,000	40,000	40,000	-	0.0%
Queenscliffe Cultural Hub	60,392	-	10,341	(50,051)	(82.9%)
Toc H Toilet upgrade	180,000	-	174,000	(6,000)	(3.3%)
Queenscliffe CBD 24-hour toilet	250,000	240,000	250,000	-	0.0%
Safety improvement work by DEECA at Narrows Beach	40,000	-	40,000	-	0.0%
Implementation of a tree management system	50,000	-	50,000	-	0.0%
PL Lighthouse Reserve upgrade (P1 huts)	54,609	-	28,612	(25,997)	(47.6%)
Hesse Street link to boatramp	19,500	-	-	(19,500)	(100.0%)
Murray Road Shared Path	-	10,000	42,100	42,100	-
Upgrade of Town Hall - heating and cooling	-	-	180,000	180,000	-
Bike Racks (ATS)	-	-	4,968	4,968	-
<b>Total - carry forward capital expenditure reserve</b>	<b>1,731,044</b>	<b>1,110,298</b>	<b>1,802,669</b>	<b>71,625</b>	<b>4.1%</b>
<b>Carry forward operating expenditure reserve</b>					
Marine coastal management plan	176,200	116,200	116,775	(59,425)	(33.7%)
Review of planning scheme (Heritage Provisions)	94,591	74,591	91,203	(3,388)	(3.6%)
Wadawurrung signage	-	-	14,855	14,855	-
Development of a Tree Management Plan (Victoria Park )	24,630	1,963	15,443	(9,187)	(37.3%)
Database of Photos of the Borough	3,000	-	-	(3,000)	(100.0%)
Queenscliffe Neighbourhood House Solar	4,659	-	4,659	0	0.0%
Biannual Energy Efficiency Audit and Education Program	17,600	-	2,988	(14,612)	(83.0%)
CERP monitoring and evaluation dashboards	5,000	-	3,075	(1,925)	(38.5%)
Gender Equality Actions	5,953	4,953	5,953	0	0.0%
Reconciliation Action Plan Project	-	-	7,969	7,969	-
Beach Marker condition assessment report	-	-	19,529	19,529	-
Bull Ring Tree Planting	-	-	7,500	7,500	-
Child/family services and facilities review	-	-	5,000	5,000	-
Disability Action Plan	-	-	10,000	10,000	-

Other Reserves	Actual 2022-23	Forecast 2023-24	Actual 2023-24	Change from 2022-23	
	\$	\$	\$	\$'000	%
Inception Digital Web based Door Locking System	-	-	18,000	18,000	-
<b>Total - carry forward operating expenditure reserve</b>	<b>331,634</b>	<b>197,708</b>	<b>322,949</b>	<b>125,241</b>	<b>37.8%</b>
<b>Asset replacement reserve</b>	1,666,199	1,577,911	1,926,609	260,411	16%
<b>Defined Benefits Superannuation Liability</b>	40,000	40,000	40,000	0	0%
<b>Standard kerbside waste reserve</b>	(81,603)	(33,577)	(21,135)	60,468	-74%
<b>Public waste reserve</b>	24,067	(60,547)	(50,482)	(74,549)	-310%
<b>Unallocated cash reserves / general reserve</b>	1,123,660	1,383,098	1,383,098	259,438	23%
<b>Total</b>	<b>8,335,000</b>	<b>7,664,890</b>	<b>8,903,707</b>	<b>568,707</b>	<b>6.8%</b>