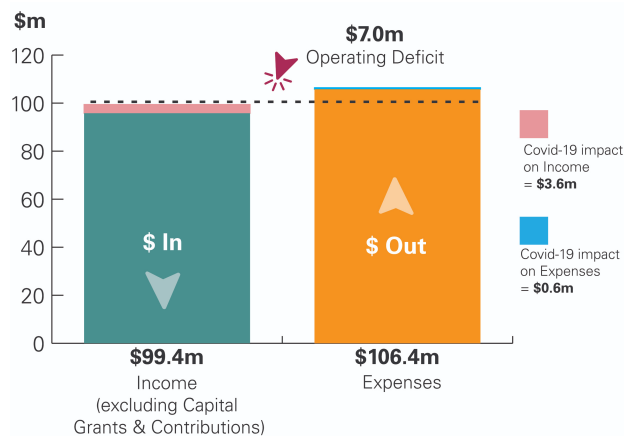


Quarterly Budget Review Update

September 2021

Council reports its financial results on a quarterly basis (in September, December and March) and revises its estimate of income and expenditure for that financial year. Council has completed the Quarterly Budget Review for September 2021. Our original budget for 2021-2022 anticipated an operating deficit result of \$4.1million. Following our September review we have revised this to an operating deficit result for the year of \$7 million.



Forecast operating deficit

Much of the increase in our operating deficit is due to reduced income from the impact of COVID-19 and the associated Stay At Home Orders. These include reduced rent from our commercial properties, reduced fees from outdoor dining areas, lower parking meter fees and car parking charges and a decrease in our fine income.

We have also reduced our interest income due to the continuing low interest rates and from 1 January 2022 we are no longer able to receive income from Compliance Levies following changes to legislation. Previously we received around \$0.65 million each year from these levies.

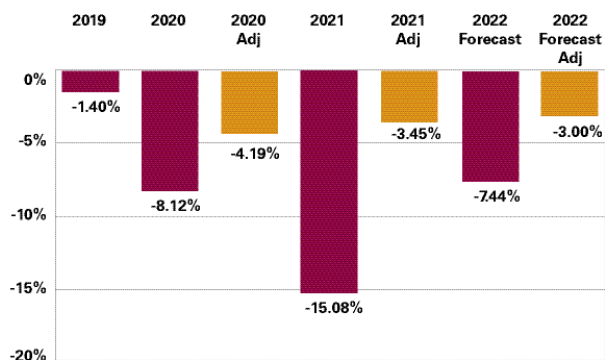
We have reduced some areas of expenditure, mainly due to COVID-19 including from the closure of our libraries and other venues during the period that the Stay At Home Orders were in place.

Our operating performance

There are a number of financial ratios which Council uses to monitor its financial health and performance. These are also required by the Office of Local Government (OLG) who have set benchmarks against which they are measured.

One of these ratios is the Operating Performance Ratio and is an indication of Council's continued capacity to meet on-going expenditure requirements. In other words it shows us if we have enough ongoing income to cover our ongoing expenses. The OLG benchmark is that it greater than 0%; currently, once we adjust for COVID-19 and the one-off loan re-financing costs in 2020/21, this was below the benchmark at -3.45%.

Whilst we have been able to use a range of cash reserves that we had in place, to enable us to minimise the impact of the deficit position and maintain our levels of service to the community, our cash reserves are limited, so we need to continue to take proactive action to improve our financial sustainability. We will provide you with an update on how we are progressing with these when we do our next review in December.





September 2021 progress reports

A detailed quarterly budget review report as at the end of September 2021 was presented Council in November 2021. This provides more detailed information of Council's revised budget for 2021-2022 including the changes that were made. A copy of the report can be found [here](#).

We have also included below a chart which shows the breakdown of our income and expenses following our September review. Over the coming months we will be expanding this information so you will be able to see more detail of how much we spend on each of key services that Council provides. Examples of these are our libraries, our environment, our parks, trees and recreation areas.

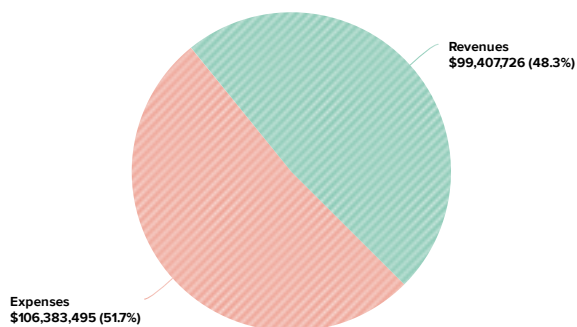
Council also reviews its Capital Budget each quarter and reports this together with an update on the progress of each project. These reports are available to view [here](#).

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