

Budget

2022–23



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Contents

| | |
|--|----|
| Contents | 2 |
| Mayor's introduction | 3 |
| CEO's introduction | 4 |
| Executive summary | 5 |
| Financial Policy Statement (Financial Sustainability Indicators) | 15 |
| Crown land management | 17 |
| Budget influences (internal and external) | 18 |
| Economic assumptions | 20 |
| Budget reports | 21 |
| 1. Link to the Council Plan | 22 |
| 2. Services and initiatives and service performance outcome indicators | 25 |
| 3. Financial statements | 35 |
| 4. Notes to the financial statements | 44 |
| 5. Financial performance indicators | 74 |
| Appendix A: Fees and charges schedule | 76 |

Mayor's introduction

The first year of a Council term is often focused on planning, with an emphasis on developing strategies to guide investment over the coming years. With our Council Plan, Climate Emergency Response Plan and a number of other strategies now completed and endorsed by Council, I'm proud to say that the Borough of Queenscliffe budget for 2022-23 concentrates on delivering on these plans, including substantial investment in key strategic objectives.

Responding to the Climate Emergency is a priority for Council, and this budget delivers on our commitment to reduce our community's impact on the environment. Our friends at the Queenscliffe Neighbourhood House will benefit from an investment of \$42,000 to improve energy efficiency, allowing them to more sustainably deliver classes and community events. \$20,000 of funding will support an energy efficiency audit program for the Borough, which will provide our community with a greater understanding of how they can make changes at home to save energy and money. Continued funding support for Council's introduction of a kerbside food waste collection service will help reduce the environmental impact of household waste, and investment in water management planning will make the Borough more resilient to the impacts of climate change.

Our Council Plan also calls on us to improve the way we celebrate the Borough's diversity, and reconciliation with the Borough's Traditional Owners, the Wadawurrung people, is an overdue and important piece of work for Council. This budget contains \$20,000 of funding to work alongside the Wadawurrung on the development of a Reconciliation Action Plan, and a further \$20,000 for the installation of Wadawurrung signage and place names throughout our community. Celebrating our Wadawurrung history and creating a shared future together will add to the rich heritage that makes the Borough such a special place to live.

Our community can't be inclusive of everyone without being accessible to everyone, and through this budget, Council will invest in modern and accessible public facilities for the Borough. This year's budget funds \$350,000 of design and upgrade works at public toilets throughout Queenscliff, including constructing new facilities in Hobson Street, planning an upgrade to existing facilities in Princess Park, and designing a renewed toilet block for Weeroona Parade. Carried-over funding in this budget will also see new facilities completed as part of the improvements at the Queenscliffe Hub, the Queenscliff Sports and Recreation Precinct, and the Point Lonsdale Lighthouse Reserve.

This is the third budget I have overseen as Mayor of the Borough of Queenscliffe, and I want to close this introduction on a note of thanks. At every stage of the budget development process, I have been impressed by the way Councillors and Officers have worked together to create a budget that is financially responsible while delivering targeted investment on community priorities. While many people are involved in creating a budget, I particularly want to acknowledge Council's financial officers for their guidance, knowledge and care. Our community is fortunate to have such a dedicated team overseeing our ongoing financial security.

On behalf of Council, I am proud to present and to recommend our budget for 2022-23.

Cr Ross Ebbels

Mayor

CEO's introduction

Protecting the Borough from future challenges requires a budget designed for the long term. After prioritising stimulus and recovery during the most challenging years of the coronavirus pandemic, this year's budget delivers long-term financial stability and investment in strategic priorities.

While other governments have increasingly relied on borrowing to maintain their budgets, I'm proud to report that the 2022-23 Borough of Queenscliffe budget demonstrates a more sustainable outlook by continuing our zero-debt strategy. Borough residents and ratepayers can have confidence in Council's financial security with the knowledge that we have no loans on the books and a financial plan that does not rely on borrowing. Avoiding loans also saves money – with interest rates widely predicted to rise in the coming financial year, the Borough's fiscal discipline will see us avoid the pressures faced by other governments as the cost of servicing their debts increases over time.

Financial sustainability is also about ensuring our operations are as efficient as possible, and this year's budget targets a 1.6 per cent increase in recurrent expenses compared to the budget of the previous financial year. This marginal increase is achieved despite high inflationary pressures and costs, and falls substantially below the 3.5 per cent Consumer Price Index increase for the 2021 calendar year. As a result, Council has made a real reduction in expenses compared to the previous financial year after inflation is considered, demonstrating a focus on continuous improvement in even the most challenging circumstances.

Not all efficiencies are delivered through simply controlling costs, however – targeted investment is also required to ensure our workforce has the tools they need to work well. That's why this budget invests a further \$159,000 in the second stage of Council's IT transformation, which will give staff and Councillors better tools to work together and engage with our community. Additional investments in EBA consolidation and our Gender Equality Action Plan will also ensure the Borough remains an employer of choice for the well-credentialed and diverse workforce our community requires.

Financial sustainability must consider countering risks, and in a world where climate change is causing increasingly expensive disasters, budgets must invest in reducing emissions and preparing for climate change. Council's budget for the 2022-23 financial year includes a one-off \$227,900 investment to further reform Council's standard kerbside waste service, including completing the roll out of food waste collection and preparing for the separation of glass recycling. Composting our community's food waste will both reduce dangerous methane emissions and save around \$50,000 in avoided landfill taxes in the first year of operation alone. Combined with capital investments in energy efficiency and monitoring, this is a budget that demonstrates the financial benefits of climate action.

Risk management also requires honest communication with our stakeholders. Concerning, there is a trend towards infrastructure projects being funded by the Victorian and Commonwealth governments while ongoing maintenance is left to councils. In cases such as the Queenscliffe Hub and the Queenscliff Boat Ramp upgrade, Council will be obligated to maintain these expensive facilities but not provided with a revenue stream to do so. Council will continue to advocate to other levels of government to consider maintenance costs when new projects are being funded in our community.

Despite global economic challenges and an ongoing recovery from the coronavirus pandemic, this is a budget that demonstrates Council's adaptability and sound financial discipline. I am confident it will serve the Borough well over the coming financial year and beyond.

Martin Gill

Chief Executive Officer

Executive summary

2021–2025 Council Plan

Council has prepared a budget for the 2022–23 financial year that is aligned to the vision in the current Council Plan. This vision focuses on the following five key strategic objectives:

1. To support community wellbeing and encourage an active lifestyle;
2. To protect our environment and address climate change issues;
3. To support a prosperous and diverse local economy;
4. To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure; and
5. To provide a financially viable Council that is accountable, transparent and practices good governance.

2022–23 Budget

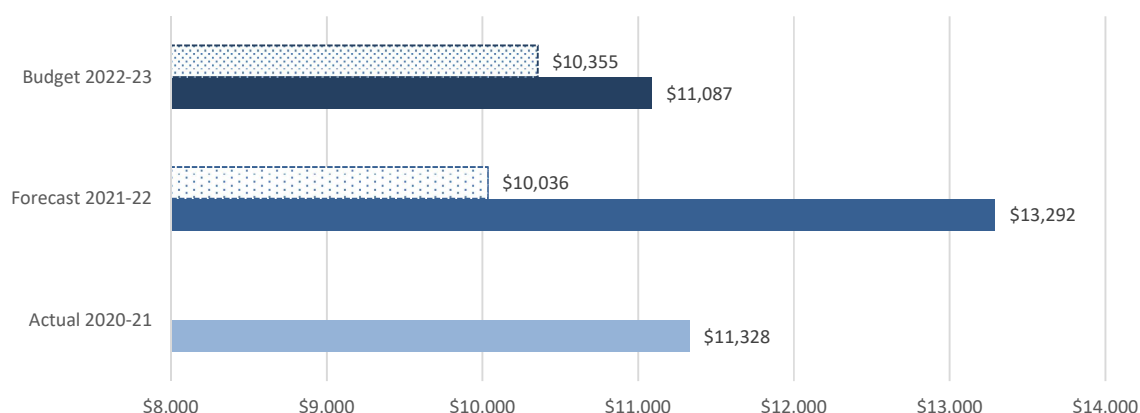
The budget details the resources required over the next year to fund the large range of services Council provides to the community. It also includes details of capital expenditure allocations to be spent on improving and renewing Council’s physical infrastructure, buildings and operational assets as well as funding a range of operating projects.

The current economic uncertainties fuelled by the spread of COVID-19 globally and the war in Ukraine make it difficult for local governments to formulate an accurate financial budget for 2022–23. The budget is prepared on several assumptions about the economic conditions and how they will affect the operation of the Borough. These assumptions will be refined and adjusted in quarterly forecast reviews as they emerge.

Operating income

Operating income for 2021–22 is highly inflated due to accounting profit from the sale of assets (mainly the sale of Murray Road land), early receipt of future Financial Assistance Grants (FAGs) including the 2022–23 allocation in full and part of the 2023–24 allocation, and non-recurrent operating grants received in 2021–22. Without the impact of non-recurrent income items, after adjusting for the timing for the FAGs and excluding income from waste management charges, there is a net increase of \$319,000 (3.2%) in operating income for 2022–23 on an ongoing basis (represented by data series with pattern fill in the below chart).

Operating Income (\$,000)



Rates

The budget includes a rate increase of 1.75%. This is in line with the State Government's rate capping framework, which has capped rate increases by Victorian councils. The additional income estimated due to the rate increase is \$119,000 (annualised basis). The total rates income for 2022–23 is \$6,921,000.

Charges

The income from waste management charges is estimated to increase by \$38,000 in 2022–23 to \$1,199,000. However, to comply with the full cost recovery strategy for waste services, total income from waste management charges would have needed to increase by \$183,000 in 2022–23. Council has decided to phase the recovery of the cost associated with the kerbside transition project over a number of financial years to minimise the impact on property owners. The total waste charges for 2022–23 will increase by the lesser amount.

The projected increase in waste management charges for a residential property is \$13.50 (3.5%) in 2022–23. Without the phasing of cost recovery, the waste management charges for a residential property would have increased by \$64.00 (16.5%) in 2022–23.

User fees

The fees from Council's tourist parks contribute the largest portion of the user fees budget, with a total anticipated income from tourist parks of \$1,652,000 for the 2022–23 financial year, which includes an estimated decrease of 1.4% due to the projected loss of income (approximately \$106,000 a year) from the recent closure of 26 sites in Victoria Park.

A further round of Council COVID support to businesses has not been included in the budget, and as a result, an increase in income from registration and other permits is projected.

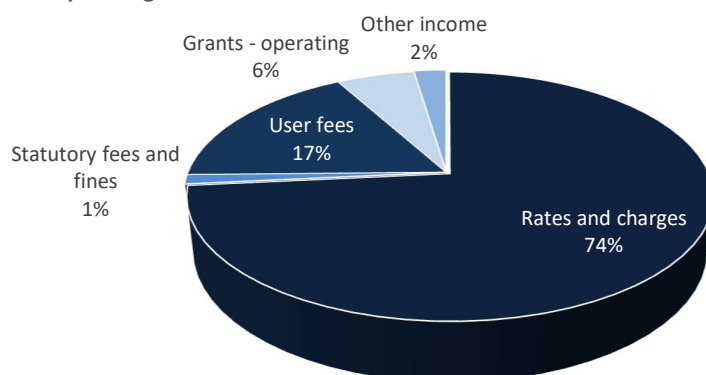
Operating grant

The total operating grant income for 2021–22 is highly inflated due to the early receipt of future FAGs and non-recurrent operating grants received in 2021–22. When excluding non-recurrent operating grants received and reallocating FAGs to the financial years to which they relate, there is no growth in operating grants in 2022–23 on an ongoing basis (recurrent operating grant).

Other income

An increase in income from the lease of Council properties is projected for 2022–23 as a further round of COVID support to users of Council facilities is not included in the budget. The predicted increase in the interest rate and an elevated cash balance due to sale proceeds from the Murray Road land will increase interest income from Council's term deposit investments in 2022–23.

Sources of Operating Income



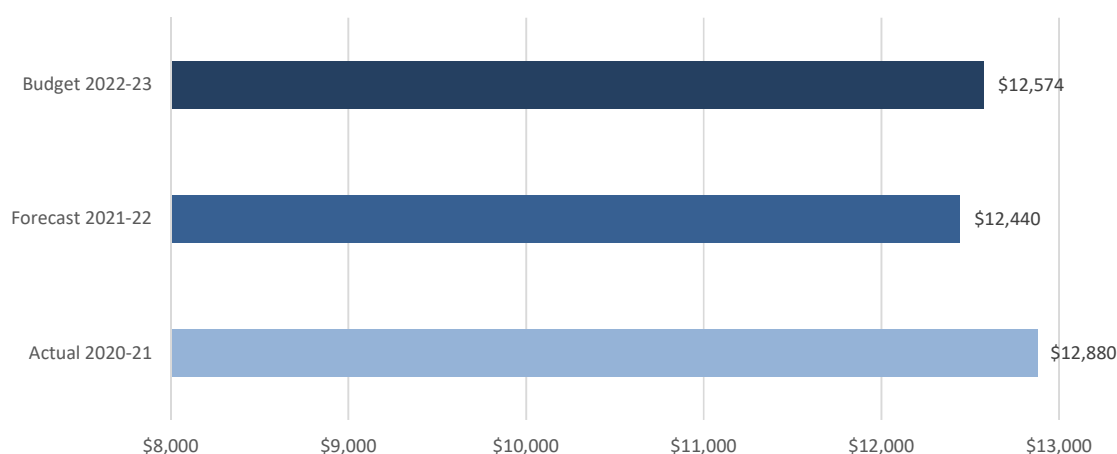
Operating expenses

Council has been initiating various projects to achieve operational efficiencies that contribute to Council's long-term financial sustainability.

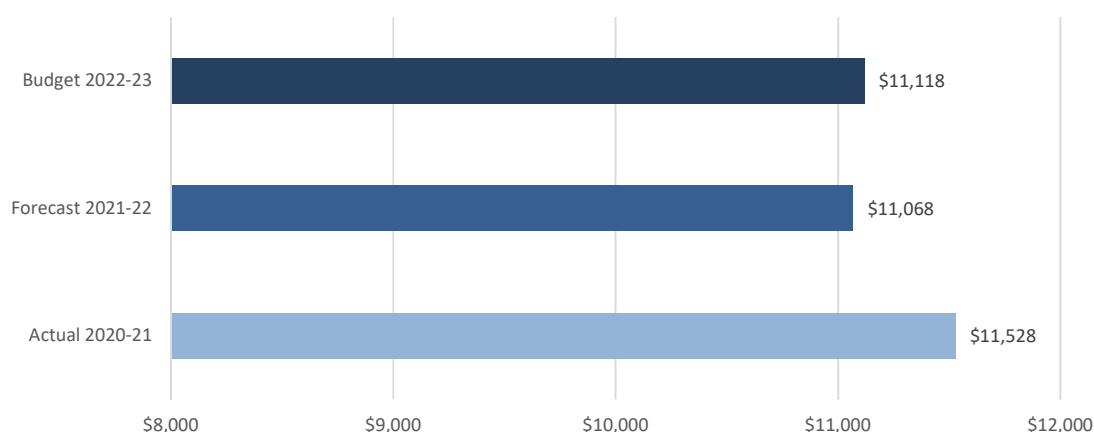
The proposed budget indicates a low growth of 1.07% (\$134,000) in total operating expenses compared to the 2021–22 financial year. However, temporary staff vacancies and cancelled events due to COVID restrictions have resulted in suppressed operating expenses for the 2021–22 financial year.

Excluding non-recurrent expense items, depreciation and waste management expenses (linked to waste management charges under the full cost recovery strategy), there is a \$191,000 (2.1%) increase in recurrent operating expenses (on an ongoing basis) in the 2022–23 proposed budget compared to the total operating expenses on the same basis as per the 2021–22 adopted budget.

Operating Expense incl. Depreciation (\$,000)



Operating Expense excl. Depreciation (\$,000)



Employee cost

The projected employee cost for the 2021–22 financial year is underestimated due to the impact of temporary staff vacancies. Employee cost is expected to increase by \$105,000 compared to the employee cost as per the 2021–22 adopted budget. This increase includes the impact of the reclassification of a contractor (senior planner) to a permanent part-time position. Excluding the impact of the senior planner reclassification, the total employee cost is estimated to be increased only

by \$45,000 (0.9%) despite an estimated 2.5% (\$118,000) increase in wages due to EBA and super guarantee increases compared to the 2021–22 adopted budget.

Council's decision to remove the newly created Municipal Health and Wellbeing Officer position from the organisational structure, restructuring of the aged care team, and the termination of a temporary position created for the 2021–22 financial year contributed to the marginal increase in employee cost compared to the 2021–22 adopted budget.

Materials and services

Materials and services (which includes waste management cost) are expected to decrease by \$263,000 (4.4%) compared with the 2021–22 financial year. However, this decrease is mainly due to the significant amount of grant-funded operating projects (non-recurrent) carried out in 2021–22.

Excluding waste management and non-recurrent operating expenses (rates-funded and grant-funded), there is a 0.6% (\$26,000) decrease in recurrent materials and services expenses.

Depreciation

Depreciation expense for the 2022–23 financial year is expected to increase by 6.1% due to the additional depreciation cost associated with significant capital projects (Queenscliffe Hub, Queenscliff Sports and Recreation Precinct, and upgraded Queenscliff Boat Ramp) expected to be completed in the early part of the 2022–23 financial year.

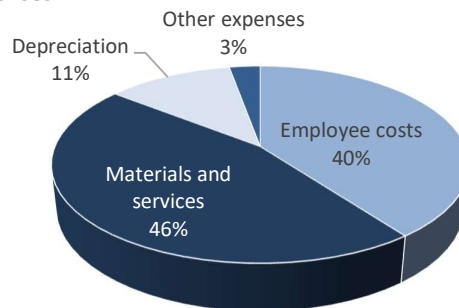
New initiatives and new operating cost commitments

The total value of new operating initiatives and new operating cost commitments included in the 2022–23 budget is \$439,000.

- \$210,000: Development of a Marine and Coastal Management Plan (carry forward from 2020–21 budget);
- \$107,000: Short-term actions to be implemented based on the Climate Emergency Response Plan (CERP);
 - \$42,000: Queenscliffe Neighbourhood House energy upgrades (Sustainability Victoria round 2 grant of 50% of the cost);
 - \$20,000: Biannual energy efficiency audit and education program (program to run every other year);
 - \$20,000: Reconciliation Action Plan (development and implementation), 5-year project and \$20,000 each year (subject to 50% grant funding);
 - \$20,000: Installation of signage that includes recognition of Wadawurrung Country and uses Wadawurrung language to identify places;
 - \$5,000: CERP monitoring and evaluation dashboards;
- \$42,000: Recurrent operational cost of the proposed new tree management system;
- \$40,000: Development of a tree management and planting schedule (including purchase and planting of trees) at Victoria Park;
- \$25,000: Consolidation of the Borough of Queenscliffe Enterprise Bargaining Agreement;
- \$7,000: Implementation of Gender Equality Action Plan;
- \$5,000: Finalisation of the scope of Integrated Water Management Plan (2022–23 finalise project scope / \$45,000 for implementation in 2023–24);
- \$3,000, Update Borough of Queenscliffe photo library (For use in publications, website, etc.).

The increase in annual recurrent expenses for the foreseeable future as a result of the above initiatives (including new operating cost commitments) is estimated to be approximately \$52,000.

Drivers of Operating Expenses



Underlying operating result

Underlying operating result is an indicator of the sustainable operating result required to enable Council to continue to provide core services and meet its Council Plan objectives. The underlying result is calculated by adjusting the operating surplus/(deficit) for the year by deducting non-recurrent capital funding (circa operating income minus operating expenses including depreciation).

However, in most instances, the reported underlying result is impacted by the timing of recurrent operating grants (especially FAGs), non-recurrent operating grants and non-recurrent operating expenses included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed excluding the impact of non-recurrent operating income and expense items, and adjusted for the timing of recurrent operating grants where applicable as defined in the Council Plan of the Borough.

The Local Government Performance Reporting Framework (LGPRF)-based underlying result for the 2022–23 year is a deficit of \$1,486,000 (-13.4%). However, after adjusting for the timing of recurrent operating grants, non-recurrent operating grants and non-recurrent operating expenses, a \$382,000 (-3.7%) underlying deficit (based on the Council Plan measure) is projected for 2022–23. A reconciliation of LGPRF based and Council Plan based underlying results are provided below.

| Underlying Result | Forecast Actual | Budget |
|--|-----------------|----------------|
| | \$'000 | \$'000 |
| Based on the LGPRF measure | | |
| Surplus / (deficit) for the year | 8,047 | 132 |
| Less: Grants - capital (non-recurrent) | (7,195) | (1,583) |
| Less: Contributions - monetary - capital | 0 | (35) |
| Adjusted underlying surplus / (deficit) | 852 | (1,486) |
| | | |
| Adjusted Underlying Result - % | 6.4% | -13.4% |

| Underlying Result | Forecast Actual | Budget |
|--|--------------------|----------------|
| | \$'000 | \$'000 |
| Based on the Council Plan measure | | |
| Adjusted underlying surplus / (deficit) - LGPRF | 852 | (1,486) |
| | | |
| Adjusted for; | | |
| Allocating FAG to the year they relate | (452) | 483 |
| Annualised Road to Recovery grant (R2R) | 40 | 40 |
| Removal of non-recurrent operating grant | (789) | (31) |
| Removal of non-recurrent operating project-related costs | 868 | 412 |
| Removal of waste management cost to be recovered in future years | 24 | 136 |
| Removal of employee cost of temporary staff | 92 | 64 |
| Removal of the impact of the sale of assets | (812) | 0 |
| | | |
| Adjusted underlying surplus / (deficit) | (177) | (382) |
| | | |
| Adjusted Underlying Result - % | -1.8% | -3.7% |

A cumulative underlying deficit of \$922,000 (based on the Council Plan measure) is projected for the next four years (2022–23 to 2025–26), which is an average \$231,000 deficit each year.

Loss of income from tourist parks due to the anticipated closure of 26 camping sites, additional operating cost and depreciation expenses associated with new and upgraded assets, operational cost associated with the proposed new tree management system and loss of income from boat ramp parking fees are the key influences of the projected underlying deficit for the next four years.

However, there may be some opportunities for Council to achieve operational efficiencies and additional ongoing income as a result of ongoing initiatives and projects (new operating model to manage tourist parks, BoQ ICT transformation, future investment in amenities in tourist parks to enhance visitor experience, etc.). Details of cost efficiencies and additional income figures are cannot be estimated until project plans and operational requirements are further developed.

Council needs to be careful when creating or acquiring new and significantly upgraded assets that will result in significant level of additional ongoing cost commitments. For instance, Council is now required to maintain and manage the upgraded Queenscliff Boat Ramp, which is in effect a regional asset.

The long-term financial outlook for Council will depend on careful and prudent planning, in particular when considering the need and ongoing management of new assets. The impacts of rate capping, limited opportunities for rate income growth, community expectations about service levels and the ongoing management of existing assets will continue to provide financial challenges for the Borough in the coming years.

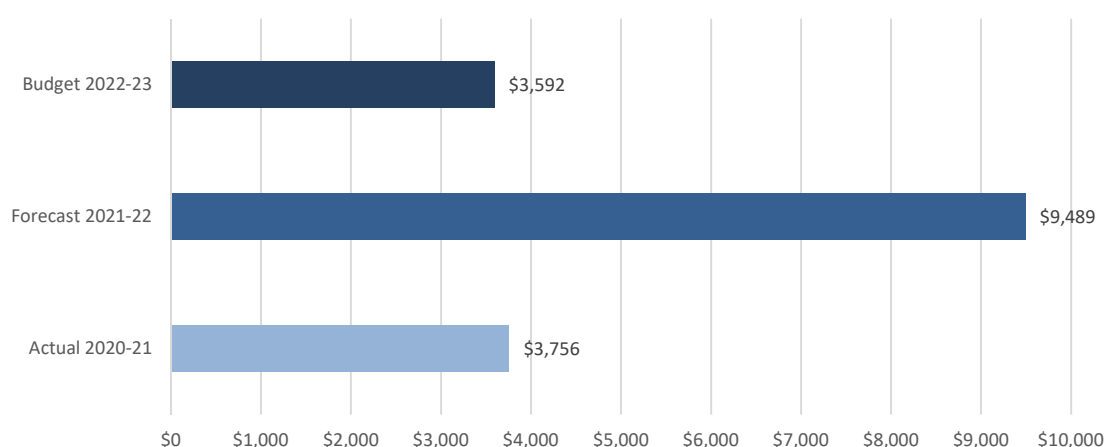
Capital expenditure

Council is committed to the continued investment in its property, plant and equipment, and infrastructure assets, both in terms of maintaining, renewing and upgrading its existing assets as well as creating new assets that will assist in the achievement of service delivery to the community.

Council will deliver \$3.6 million of capital works in 2022–23, including capital projects carried forward from 2021–22 totalling to \$2.3 million. This capital works budget also includes Council's commitment of \$728,000 to asset renewal funding based on asset management plans of Council.

In the 2022–23 budget, Council has allocated \$1.1 million of the total operating income for capital works, and a further \$0.9 million has been transferred from carry forward reserves. Council will use \$1.6 million in capital grants for the budgeted capital work.

Capital Expenditure (\$'000)



Carry forward capital projects

- \$963,000: Completion of Queenscliffe Hub (total project cost of \$6.1 million);
- \$761,000: Completion of Queenscliff Sports and Recreation Precinct development (total project cost of \$4.5 million);
- \$340,000: Completion of Point Lonsdale Lighthouse Reserve upgrade (total project cost of \$500,000);
- \$159,000: ICT transformation project phase 2 (3-to-4-year project, total project cost of \$542,000);
- \$60,000: Design stage of Princess Park kiosk toilet upgrade;
- \$40,000: Design stage of Weeroona Parade toilet renewal.

New capital projects

- \$250,000: New toilet in Hobson Street;
- \$120,000: Implementation of a new tree management system;
- \$40,000: New fence at Narrows Beach;
- \$15,000: Edgewater Close drainage upgrade.

The increase in annual recurrent operating expenses and asset renewal demands for the foreseeable future as a result of the new projects above are estimated to be approximately \$88,650.

How your rates are spent



Borrowings

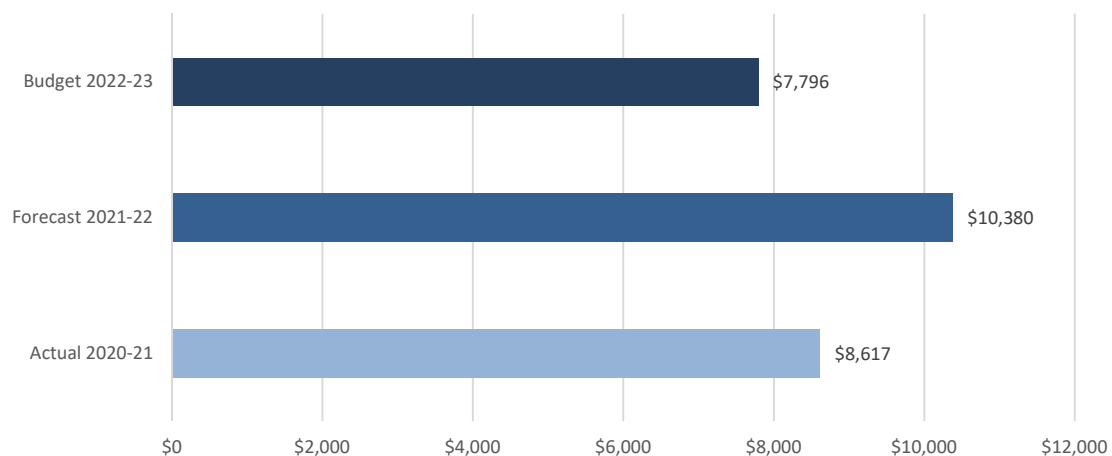
Council does not have any outstanding loans and no new loans are included in the 2022–23 budget.

Council continues to focus on efficient and financially responsible service delivery to achieve outcomes that are valued by our community. Council will continue to explore new approaches to provide services in a tighter fiscal environment.

Cash and investments

Cash and investments are expected to decrease by \$2.6 million during the year to \$7.8 million as Council delivers on project allocations, especially capital projects. \$3.5 million out of the \$7.8 million represents proceeds from the sale of Murray Road land, set aside in a reserve account until a potential project/s is identified in the future in line with Council Policy CP044: Sale, Exchange or Transfer of Council Land.

Cash and Investments (\$'000)



Financial snapshot

| Key Statistics | 2021–22 Forecast \$million | 2022–23 Budget \$million |
|--|---|---|
| <i>Total Operating Expenses</i> | \$12.4 | \$12.6 |
| <i>Comprehensive Operating Surplus</i> | \$8.0 | \$0.1 |
| <i>Underlying operating surplus / (deficit) – Council Plan based</i> | (\$0.2) | (\$0.4) |
| <i>Cash result</i> | \$0.8 | \$0.0 |
| <i>Capital Works Program</i> | \$9.4 | \$3.6 |
| <i>Funding the Capital Works Program</i> | | |
| <i>Council – Reporting year income</i> | \$1.3 | \$1.1 |
| <i>Council - Reserves</i> | \$0.9 | \$0.9 |
| <i>Borrowings</i> | \$0.0 | \$0.0 |
| <i>Grants</i> | \$7.2 | \$1.6 |
| <i>Cash and Investments</i> | \$10.4 | \$7.8 |
| <i>Budgeted Expenditure by Portfolio (excluding depreciation)</i> | <i>Budget \$million</i> | <i>Budget %</i> |
| <i>Portfolio 1 - Health and wellbeing</i> | \$3.2 | 29% |
| <i>Portfolio 2 – Environment</i> | \$2.0 | 19% |
| <i>Portfolio 3 – Local economy</i> | \$1.5 | 13% |
| <i>Portfolio 4 – Heritage, planning and infrastructure</i> | \$1.2 | 11% |
| <i>Portfolio 5 – Governance and finance</i> | \$3.2 | 29% |
| Total | \$11.1 | 100% |

Financial policy statement (Financial sustainability indicators)

The Council Plan has specified the following measures to demonstrate Council's financial sustainability to fund the aspirations of the Community Vision and the Council Plan.

| Policy statement | Measure | BoQ target | Comment |
|---|--|-------------------|--|
| Consistent operating results | Our adjusted underlying result: The difference between recurrent income and recurrent expenses | Greater than \$0 | Adjusted for the timing of recurring operating grants, one-off operating projects (including operating grants if applicable), assets write-offs and any other non-recurrent transactions |
| Ensure Council maintains sufficient working capital to meet its obligations as they fall due | Current assets vs current liabilities: The value of our current assets divided by our current liabilities | Greater than 1 | Excludes non-current assets classified as held for sale |
| Council maintains sufficient unrestricted cash to ensure ongoing liquidity as well as to address unforeseen cash imposts if required | Level of unrestricted cash reserve against current liabilities: Our current liabilities as a percentage of our unrestricted cash reserves (based on the remaining maturity) | Greater than 100% | Cash and cash equivalents include all items at call and short-term deposits with remaining maturity of less than three months |
| That Council applies loan funding to new capital and maintains total borrowings in line with rate income and growth of the municipality | Total borrowings against rate revenue: Our total borrowings as a percentage of our rate revenue | Less than 15% | Target is in line with Council Policy CP040: Borrowings |
| Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life | Asset renewal and upgrade expenses against depreciation: The financial investment in asset renewal and upgrade work divided by the cost of depreciation (based on a three-year rolling average) | Greater than 100% | Three-year rolling average takes into consideration BoQ's dependency on external funding for major capital projects |
| Council generates sufficient revenue from rates plus fees and charges to ensure a consistent funding for renewal capital | Council's contribution to asset renewal and upgrade: Council's contribution to asset renewal and upgrade expenses as a percentage of own-source revenue | Greater than 10% | Based on the net contribution from Council for asset renewal and upgrade work |

| Indicator | Target | Forecast Actual | Budget | Projections | | |
|--|--------|--------------------|---------|-------------|---------|---------|
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| Sustainable operating result | | | | | | |
| Our adjusted underlying result | > \$0 | -\$177 | -\$382 | -\$169 | -\$187 | -\$184 |
| Working capital | | | | | | |
| Current assets vs current liabilities | > 1.0 | 3.89 | 3.80 | 2.97 | 3.20 | 3.02 |
| Level of unrestricted cash reserve against current liabilities | > 100% | 366% | 357 | 282% | 299% | 279% |
| Borrowings | | | | | | |
| Total borrowings against rate revenue | < 15% | 0% | 0% | 0% | 0% | 0% |
| Commitment for asset renewals | | | | | | |
| Asset renewal and upgrade expenses against depreciation | > 100% | 288% | 300% | 292% | 166% | 171% |
| Council's contribution to asset renewal and upgrade | > 10% | 21% | 19% | 26% | 10% | 12% |

As per the above financial sustainability indicators, the budget 2022–23 satisfies the financial sustainability indicators specified in the Council Plan, except for the adjusted underlying result as explained in the previous section of this budget. These indicators have been estimated based on the economic assumptions detailed in the subsequent sections of this budget.

Crown land management

Except for very few assets, all buildings and infrastructure assets (including roads) used by Council to provide various services to the community are located or built on Crown land.

Based on the value of land Council manages, 60% is Crown land and 17% is land under roads. Only 23% of land is owned freehold by the Borough.

Council's current record-keeping and accounting systems are not designed to separate the expenditure associated with Crown land and other land types. However, indicative values provided below satisfy the requirement that revenue generated from Crown land is applied in full to meet expenditure requirements for managing Crown land.

| Description | 2021–22 Forecast | 2022–23 Budget | 2023–24 Projection | 2024–25 Projection | 2025–26 Projection |
|--|---------------------|-------------------|-----------------------|-----------------------|-----------------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Surplus projected from tourist parks | 720 | 699 | 760 | 781 | 802 |
| Lease income projected from Crown land properties | 108 | 124 | 127 | 131 | 134 |
| Net contribution from Crown land | 828 | 823 | 887 | 911 | 936 |
| Net projected net expenditure on asset management and appearance of public places on Crown land* | (925) | (835) | (878) | (902) | (924) |
| Net expenditure on coastal protection** | (25) | (249) | (254) | (259) | (265) |
| Net deficit funded via rates and operating grant | (122) | (261) | (244) | (250) | (253) |

**2021–22 forecast includes additional vegetation management expenses due to the storm event.*

***2021–22 forecast includes grant from Better Boating Victoria in lieu of loss of income due to abolition of boat ramp parking fees.*

The projected surplus from tourist parks includes the net contribution from Golightly Park as well. Council's current financial system is not designed to record the operating expenses of Golightly Park separately to ascertain the net contribution from Golightly Park alone. However, if apportioned based on the gross income, 22% of the projected surplus can be attributable to Golightly Park for 2022–23.

Projected net expenditure on asset management and appearance of public places on Crown land does not include any asset renewal and upgrade expenditure. Further, the projected net expenditure does not include any expenditure associated with road, drainage and footpath infrastructure.

Budget influences (internal and external)

This section sets out the key budget influences arising from the internal and external environment within which Council operates.

External influences

The four years represented within the Budget are 2022–23 through to 2025–26. In preparing the 2022–23 budget, a number of external influences have been taken into consideration. These are outlined below:

Location – The Borough of Queenscliffe is located at the eastern tip of the Bellarine Peninsula and opposite Point Nepean at Port Phillip Heads, in Victoria, Australia. It is bordered by water on three sides: Port Phillip Bay, Swan Bay and Bass Strait. The only land border is the City of Greater Geelong on its west. The Borough is located approximately 105km south-west of Melbourne and 35km east of Geelong.

Population growth – The Borough of Queenscliffe has a permanent population of around 3,000. This grows up to 17,120 in peak holiday times with the influx of non-permanent residents and visitors. Many property owners only holiday or live part-time in the Borough. The 55.9% of private dwellings unoccupied during the 2016 census is indicative of the large temporary population.

Superannuation – Council has an ongoing obligation to fund any investment shortfalls in the Defined Benefits Scheme, which historically was used by Councils across Victoria. The last call on local government was in the 2012–13 financial year, where Council was required to pay \$218,000 (including contributions tax) to top up its share of the Defined Benefits Scheme. The amount and timing of any liability is dependent on the global investment market. Based on the actuarial valuation of the Scheme as of 30 June 2021, the actuarial ratios are at a level that additional calls from local government are not expected in the next 12 months. Further, the Superannuation Guarantee is to be increased from 1 July 2022 by another 0.5% and at the same percentage in each year until 1 July 2025 (up to 12%).

Financial Assistance Grants (FAGs) – The largest source of government funding to Council is through the annual Victorian Grants Commission allocation. The overall state allocation is determined by the Federal Financial Assistance Grant. The quantum of the grant pool changes annually in line with changes in population and the Consumer Price Index. Though there has been an increase in the recent past, Queenscliffe receives the lowest FAG funding allocation in the state due to the low and stagnated permanent population of around 3,000.

Capital grant funding – Capital grant opportunities arise continually. The budget has been based on confirmed grants. Any subsequent grants would be reflected in the quarterly reviews.

Cost shifting – This occurs where local government provides a service to the community on behalf of the State and Federal governments. Over time, the funds received by local governments does not increase in line with real cost increases, such as school crossing or library services, resulting in a further reliance on rate revenue to meet service delivery expectations.

Government decisions – Decisions of the State and Federal governments impact operations of local governments. For instance, the State Government's decision to abolish boat ramp parking fees has resulted in a total income loss to ratepayers of \$1.25 million over ten years. At the same time, Council will have to manage ongoing maintenance and asset renewal requirements of the upgraded boat ramp, which will predominantly be used by non-ratepayers.

Enterprise Bargaining Agreement (EBA) – The current Borough of Queenscliffe Enterprise Bargaining Agreement, which expires on 30 June 2022, stipulates a wage increase of 2.0% or a percentage increase of 0.5% less than the official general rate cap for the financial year – whichever is the greater. The finalisation of a new EBA is scheduled to be completed in 2021–22. However, the outcome is not able to be predicted for its inclusion in the 2022–23 budget, and therefore the same wage increase in the current EBA is considered for the 2022–23 budget.

Rate capping – The State Government has continued to impose a cap on rate increases. The cap for 2022–23 has been set at 1.75%.

Supplementary rates – Supplementary rates are additional rates received after the budget is adopted each year for the part of the year when a property value increases in value (e.g. due to improvements made or change in land class), or when new residents become assessable. However, any material change in valuations during the year is very unlikely given the stagnated rates base of the Borough.

Waste disposal costs – The Environment Protection Agency (EPA) regulation has a sustained impact on Council with regards to compliance with existing and past landfills sites. Waste disposal costs are also impacted by industry changes such as increasing EPA landfill levies and negotiation of contracts e.g. recycling sorting and acceptance.

Coronavirus (COVID-19) – COVID-19 has presented a fast-evolving and significant challenge to businesses, households, and the economy worldwide. Council has acted in the interest of keeping our community, residents and workforce safe.

Internal influences

As well as external influences, there are a number of internal influences which are expected to impact the 2022–23 budget. These include:

Service planning – Reviewing services to ensure that they meet the community needs is an ongoing process. Balancing the needs of the community within the constraints of the funds available is an ongoing challenge for Council. Council needs to have a robust process for service planning and review to ensure all services continue to provide value for money and are in line with community expectations.

Own-source revenue streams – Council depends heavily on rates income and income from tourist parks in financing its annual budget. Council needs to explore more opportunities to optimise the revenue generating capacity of its tourist parks.

New ongoing cost commitments – New capital projects and some operational decisions result in new ongoing cost commitments for Council. Council needs to have a robust process in place to evaluate new capital projects and significant operational decisions while considering opportunities for Council to achieve operational efficiencies and new income streams as a result of the new capital projects and other key operational decisions, ensuring the financial sustainability of Council.

Cash – Council holds cash reserves to fund capital works, cash reserves allocated for specific purposes, and to meet operational needs. Cash must be managed to ensure that sufficient cash is available to meet Council's obligations as and when they come due.

Economic assumptions

| Key Elements | 2022–23 | 2023–24 | 2024–25 | 2026–26 |
|--|--|---------|---------|---------|
| Consumer Price Index (CPI) | 3.00 | 2.75 | 2.75 | 2.50 |
| | Based on Federal Budget 2022–23, economic assumptions. | | | |
| Rates cap – ESC recommended methodology | 1.75 | 2.25 | 2.50 | 2.50 |
| | Rates cap is linked to the CPI forecast from the Department of Treasury and Finance (2021–22 Budget Update in December 2021). However, there remains some uncertainty regarding the level of the rates cap in future years. | | | |
| Growth in the rate base | 0.38 | 0.49 | 0.45 | 0.20 |
| | No material growth in population is expected for the next 10 years. Predominantly, BoQ has a stagnated rate base. Have factored in potential property developments based on the development applications are being presented. | | | |
| User fees and charges – tourist parks income | -1.36 | 2.75 | 2.75 | 2.50 |
| | 2022–23 negative growth of 1.36% (11.36%) is due to the closure of 26 sites at Victoria Park. Revenue to grow at least in line with CPI from the year 2023–24 onwards. | | | |
| User fees and charges – others | Other user fees and charges are linked to the CPI. | | | |
| Interest income | 1.0 | 2.0 | 2.0 | 2.4 |
| | Council expects interest rates to rise closer to pre-COVID levels by the year 2023–24. | | | |
| Government grants | Ongoing grants are steady with CPI indexation. Capital grants are estimated based on funding requirements of major capital renewal/upgrade projects. | | | |
| Employee costs | 2.5 | 2.5 | 2.5 | 2.5 |
| | Current Enterprise Bargaining Agreement ends in the financial year 2021–22. New EBA not yet finalised. The budget assumes a minimum increase of 2% or 0.5% below the rates cap (which ever amount is higher) as per the current EBA. | | | |
| Insurance | 5.0 | 4.0 | 2.8 | 2.5 |
| | Insurance premium is predominantly influenced by the performance of the overall insurance industry. Financial Plan is based on historical increases and assuming hard market conditions to continue. | | | |
| Other operating cost | 3.00 | 2.75 | 2.75 | 2.50 |
| | Expenses linked to grow in line with CPI. | | | |
| Borrowing | Zero borrowings; new borrowing (if any) in the future only for projects that will generate additional revenue streams. | | | |
| Waste management charges (residential property) | 3.50 | 6.20 | 3.00 | 2.20 |
| | Continue with the full cost recovery strategy. The increase in charges are due to the implementation of kerbside waste management transition initiatives. Cost associated with the rollout of kerbside waste management transition will be recovered over a period of 5 years. | | | |
| Capital projects | Prioritised renewal and upgrade work. The exact scope and timing of capital projects will be finalised after community consultations as appropriate. | | | |
| Asset sales/proceeds | No new property sale is planned except for annual replacement of motor vehicles. Have not identified investment opportunities for sales proceeds from the Murray Road land in the Plan. | | | |

Budget reports

This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

1. Link to the Council Plan
2. Services and initiatives and service performance outcome indicators
3. Financial statements
4. Notes to the financial statements
5. Financial performance indicators
6. Other information

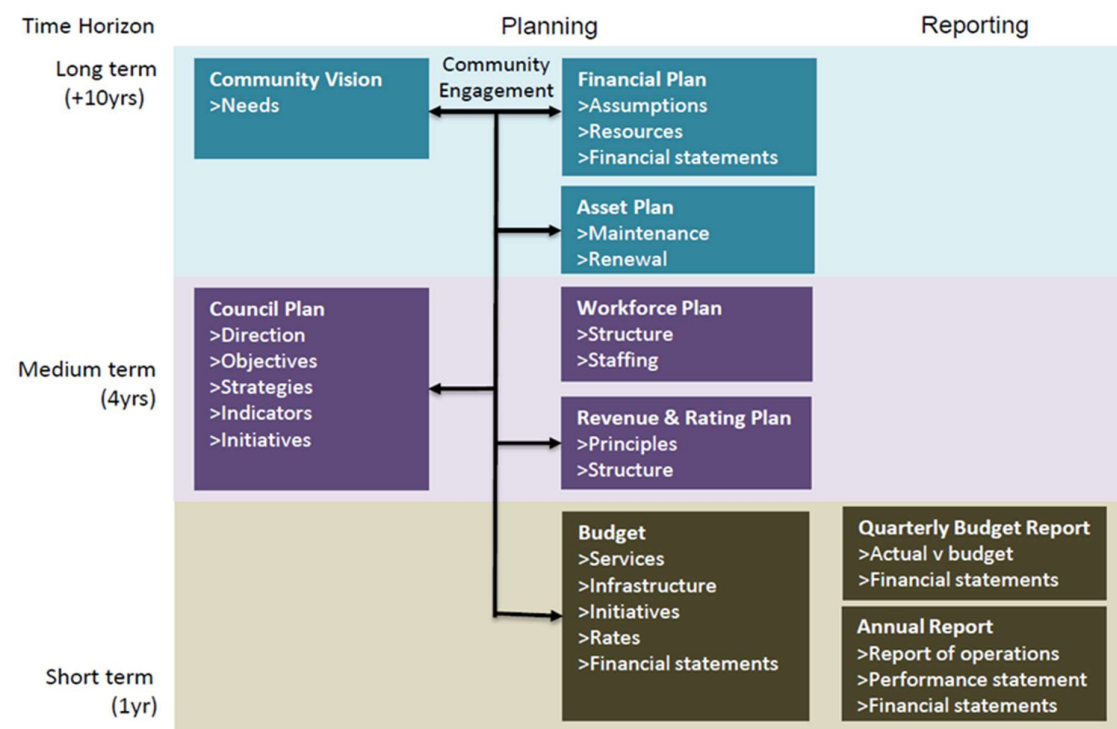
Figures in the 2022–23 budget have been rounded to the nearest thousand dollars. Figures in the budget may not equate due to rounding.

1. Link to the Council Plan

This section describes how the budget links to the achievement of the Community Vision and Council Plan within an overall integrated planning and reporting framework. This framework guides Council in identifying community needs and aspirations over the long term (Community Vision and Financial Plan), medium term (Council Plan, Workforce Plan, and Revenue and Rating Plan) and short term (Budget) and then holding itself accountable (Annual Report).

1.1 Legislative planning and accountability framework

The budget is a rolling four-year plan that outlines the financial and non-financial resources that Council requires to achieve the strategic objectives described in the Council Plan. The diagram below depicts the integrated planning and reporting framework that applies to local government in Victoria. At each stage of the integrated planning and reporting framework, there are opportunities for community and stakeholder input. This is important to ensure transparency and accountability to both residents and ratepayers.



Source: Mark Davies (Financial Professional Solutions)

The timing of each component of the integrated planning and reporting framework is critical to the successful achievement of the planned outcomes.

This Budget Report has been prepared with reference to the Local Government Better Practice Guide: Model Budget 2022–23, issued to Victorian councils by Local Government Victoria.

1.1.2 Key planning considerations

Service level planning

All councils have legislative responsibility for providing a range of services such as animal management, local roads, food safety and statutory planning. In addition, councils provide many other services under legal arrangements such as libraries and aged care services. For the Borough of Queenscliffe, legislative obligations and legal arrangements underpin the majority of services.

As the needs and expectations of communities can change, councils need to have robust processes for service planning and review, to ensure all services continue to provide value for money and are in line with community expectations. In doing so, councils should engage with communities to determine how to prioritise resources and balance service provision against other responsibilities such as asset maintenance and capital works.

1.2 Our purpose

Statio Tutissima Nautis

The Borough of Queenscliffe was established in 1863. Proudly independent, it is the nation's only Borough and the only council in Victoria whose boundary predates the restructure of local government in the mid-1990s. Whilst its small size presents some of Queenscliffe's key challenges, it also remains its greatest strength and positions the Borough well as a place to pilot new ideas and innovate in many fields.

Overlooking the treacherous Rip at the entrance to Port Phillip, the iconic lighthouses at Queenscliff and Point Lonsdale reflect the essence of the Borough's Latin motto – *Statio Tutissima Nautis* – translated as 'the safest anchorage for seafarers'.

The 'safest anchorage' theme inspires Council's vision, in that just as it is a safe haven for mariners, the Borough has an enduring role to play in conserving our extraordinary natural beauty with ecological values of global significance, rich architectural heritage and military history fundamental to Australia's defence. Respectful custodianship maintains Queenscliffe as a special, restorative place for an involved and caring community and the many visitors we welcome.

Our Vision

"The Borough is a special and restorative place, renowned for its distinctive coast, rich living heritage and vibrant culture.

Our community caring and welcoming to visitors.

We have a deep respect for the Wadawurrung People and are taking action to protect Country"

Our Values

The way Councillors and Council staff work and serve the Queenscliffe community is guided by the following values:

- **Integrity** – We take ownership and responsibility for our decisions and are accountable for all that we do.
 - **Respect** – We treat everyone with dignity, fairness and empathy, look out for the safety and wellbeing of others, and nurture positive and inclusive relationships.
 - **Community Focus** – We always work with our community's experience in mind and take pride in supporting our community.
 - **Sustainability** – We place climate change risks at the core of our decision-making, and take extensive action to protect our natural environment.
-

- **Openness** – We actively engage with our community and are transparent in our decision-making.

1.3 Strategic objectives

To ensure the Borough remains a safe haven for locals and visitors alike; where history, culture and the natural environment meet in ways that delight and surprise; and an involved and caring community, Council’s decision-making and priorities focus around five portfolios as set out in the Council Plan for the years 2021–2025.

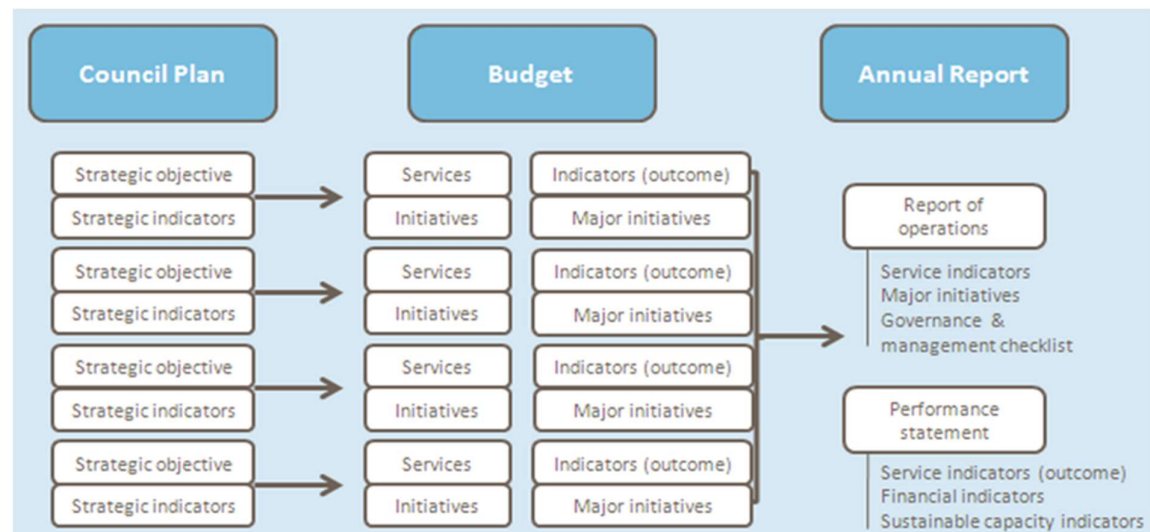
Council delivers services and initiatives under 25 major service categories. Each contributes to the achievement of strategic objectives set out under each portfolio.

This section provides a brief description of the services and initiatives funded in the Budget for the 2022–23 year and how these will contribute to achieving the strategic objectives outlined in the Council Plan under each portfolio.

| Portfolio | Strategic Objective |
|--|---|
| 1. Health and wellbeing | To support community wellbeing and encourage an active lifestyle. |
| 2. Environment | To protect our environment and address climate change issues. |
| 3. Local economy | To support a prosperous and diverse local economy. |
| 4. Heritage, planning and infrastructure | To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure. |
| 5. Governance and finance | To provide a financially viable Council that is accountable, transparent and practices good governance. |

2. Services and initiatives and service performance outcome indicators

This section provides a description of the services and initiatives to be funded in the Budget for the 2022–23 year and details how these will contribute to achieving the strategic objectives outlined in the Council Plan. It also describes several initiatives and service performance outcome indicators for key areas of Council’s operations. Council is required by legislation to identify major initiatives, initiatives and service performance outcome indicators in the Budget and report against them in their Annual Report to support transparency and accountability. The relationship between these accountability requirements in the Council Plan, the Budget and the Annual Report is shown below.



Source: Department of Jobs, Precincts and Regions

2.1 Portfolio 1: Health and wellbeing: To support community wellbeing and encourage an active lifestyle.

To achieve our objective of enhancing community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives, initiatives and service performance indicators for each program area are described below.

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 \$'000 | Forecast Actual 2021–22 \$'000 | Budget 2022–23 \$'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. | Inc | 684 | 597 | 596 |
| | | Exp | (851) | (738) | (722) |
| | | Surplus/ (deficit) | (167) | (141) | (127) |
| 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. | Inc | 0 | 3 | 13 |
| | | Exp | (151) | (137) | (153) |
| | | Surplus/ (deficit) | (151) | (134) | (140) |
| 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. | Inc | 15 | 22 | 7 |
| | | Exp | (124) | (190) | (191) |
| | | Surplus/ (deficit) | (109) | (169) | (185) |
| 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. | Inc | 58 | 58 | 59 |
| | | Exp | (73) | (75) | (75) |
| | | Surplus/ (deficit) | (16) | (17) | (16) |
| Kindergarten | Kindergarten assists in supporting the wellbeing of pre-school children and providing a safe learning environment to enable children to gain early life skills and knowledge and assist their transition to school. | Inc | 35 | 0 | 0 |
| | | Exp | (1) | (5) | (1) |
| | | Surplus/ (deficit) | 34 | (5) | (1) |
| Environmental Health | The Environmental Health program monitors and maintains a safe environment for public health and wellbeing. | Inc | 36 | 23 | 43 |
| | | Exp | (141) | (135) | (115) |
| | | Surplus/ (deficit) | (106) | (112) | (73) |
| 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. | Inc | 115 | 142 | 27 |
| | | Exp | (1,271) | (1,391) | (1,265) |
| | | Surplus/ (deficit) | (1,156) | (1,249) | (1,238) |
| 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. | Inc | 67 | 67 | 68 |
| | | Exp | (299) | (332) | (326) |
| | | Surplus/ (deficit) | (232) | (265) | (258) |

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 \$'000 | Forecast Actual 2021–22 \$'000 | Budget 2022–23 \$'000 |
|------------------|---|-------------------------------|-----------------------------|---|-----------------------------|
| Street Lighting | The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists. | Inc | 0 | 0 | 0 |
| | | Exp | (28) | (32) | (32) |
| | | Surplus/ (deficit) | (28) | (32) | (32) |
| 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. | Inc | 0 | 0 | 0 |
| | | Exp | (30) | (51) | (51) |
| | | Surplus/ (deficit) | (30) | (51) | (51) |
| Library | The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. | Inc | 0 | 0 | 0 |
| | | Exp | (301) | (237) | (238) |
| | | Surplus/ (deficit) | (301) | (237) | (238) |
| TOTAL | Income | | 1,009 | 910 | 811 |
| | Expenditure | | (3,270) | (3,322) | (3,170) |
| | Surplus/ (deficit) | | (2,260) | (2,412) | (2,359) |

Major Initiatives

- Completion of the new Queenscliffe Hub;
- Completion of Queenscliff Sports and Recreation Precinct development;
- Completion of Point Lonsdale Lighthouse Reserve upgrade;
- Commencement of construction of a new toilet in Hesse Street; and
- Commencement of construction of a fence at Narrwos Beach.

Other Initiatives

- Continue with asset renewal design work of Weeroona Parade toilet;
- Continue with Princess Park kiosk toilet upgrade design work;
- Commencement of Edgewater Close drainage upgrade work;
- Commencement of development of an Integrated Water Management Plan; and

Service Performance Outcome Indicators

| Service | Indicator * | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 | Note |
|---------------------------------|-------------------------------------|-------------------|-------------------------------|-------------------|------|
| Maternal and Child Health (MCH) | Participation | 69% | 70% | 100% | 1 |
| | Participation (Aboriginal children) | 100% | 100% | 100% | 1 |
| Food safety | Health and safety | 100% | 100% | 100% | 2 |
| Roads | Satisfaction | 66 | 66 | 66 | 3 |
| Animal management | Health and safety | 0% | 0% | 0% | 4 |
| Libraries | Participation | 31% | 35% | 35% | 5 |

Note:

1. The Budget 2022–23 target is 100%, as Council always seeks full utilisation of its MCH service, although it is recognised that not every child enrolled in the MCH service will necessarily attend at least once in each financial year (e.g. if they are enrolled but then later move out of the area).
2. Forecast 2021–22 is based on the six-month progress review, as included in the December 2021 quarterly financial report to Council.
3. Both the Forecast 2021–22 and the Budget 2022–23 target is to be at least equal to the last Community Satisfaction Survey result achieved by Council, noting the current year's survey results are not expected to be provided to Council until June 2022.
4. Both the Forecast 2021–22 and the Budget 2022–23 target is zero as Council aims for animal management issues to be resolved before reaching the prosecution stage.
5. Budget 2022–23 target is to be at least equal to the current year's forecast result.

* the table at the end of section 2.5 explains the calculation of Service Performance Outcome Indicators.

2.2 Portfolio 2: Environment: To protect our environment and address climate change issues.

To achieve our objective of playing our part in protecting the local, national and globally significant values within our natural environment for future generations, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives, initiatives and service performance outcome indicators for each program area are described below.

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 |
|------------------------------|---|-------------------------------|-------------------|-------------------------------|-------------------|
| | | | \$'000 | \$'000 | \$'000 |
| Environmental Sustainability | The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations. | Inc Exp | 0 (145) | 0 (227) | 31 (307) |
| | | Surplus/ (deficit) | (145) | (227) | (276) |
| 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. | Inc Exp | 378 (293) | 443 (468) | 159 (408) |
| | | Surplus/ (deficit) | (85) | (25) | (249) |

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 |
|--------------------------------------|---|-------------------------------|-------------------|-------------------------------|-------------------|
| | | | \$'000 | \$'000 | \$'000 |
| 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. | Inc | 999 | 1,245 | 1,224 |
| | | Exp | (1,087) | (1,268) | (1,361) |
| | | Surplus/ (deficit) | (88) | (24) | (136) |
| TOTAL | Income | | 1,377 | 1,688 | 1,414 |
| | Expenditure | | (1,526) | (1,964) | (2,075) |
| | Surplus/ (deficit) | | (149) | (276) | (661) |

Major Initiatives

- Commencement of implementation of actions based on the Climate Emergency Response Plan (CERP);
 - Queenscliffe Neighbourhood House energy upgrades;
 - Biannual energy efficiency audit and education program (program to run every other year);
 - Reconciliation Action Plan (development and implementation), 5-year project;
 - Installation of signage that includes recognition of Wadawurrung Country and uses Wadawurrung language to identify places;
 - CERP monitoring and evaluation dashboards;
- Implementation of a new tree management system;
- Continue with kerbside waste service transition project (phase 2).

Other Initiatives

- Commencement of development of a tree management and planting schedule (including purchase and planting of trees) for Victoria Park.

Service Performance Outcome Indicators

| Service | Indicator * | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 | Note |
|------------------|-----------------|-------------------|-------------------------------|-------------------|------|
| Waste collection | Waste diversion | 56% | 56% | 57% | 1 |

Note:

1. Forecast is based on the six month progress review in the current year and the Budget is based on achieving a result better than the current year forecast result with the implementation of the kerbside transition project

* the table at the end of section 2.5 explains the calculation of Service Performance Outcome Indicators.

2.3 Portfolio 3: Local economy: To support a prosperous and diverse local economy.

To achieve our objective of fostering a diverse and vibrant local economy, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives, initiatives and service performance outcome indicators for each program area are described below.

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 |
|--|--|-------------------------------|-------------------|-------------------------------|-------------------|
| | | | \$'000 | \$'000 | \$'000 |
| Tourist Parks | The Tourist Parks program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy. | Inc | 1,551 | 1,675 | 1,652 |
| | | Exp | (844) | (955) | (953) |
| | | Surplus/ (deficit) | 707 | 720 | 699 |
| Visitor Information Centre | The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses with dissemination of information to build a diverse and vibrant local economy. | Inc | 30 | 79 | 81 |
| | | Exp | (213) | (287) | (334) |
| | | Surplus/ (deficit) | (183) | (208) | (253) |
| Tourism and Economic Development | The Tourism and Economic Development program seeks to build on the Borough's unique heritage, rich culture and significant natural environment to strengthen the diversity and vibrancy of the local economy. | Inc | 251 | 290 | 0 |
| | | Exp | (433) | (485) | (211) |
| | | Surplus/ (deficit) | (182) | (195) | (211) |
| TOTAL | Income | | 1,832 | 2,044 | 1,733 |
| | Expenditure | | (1,490) | (1,727) | (1,497) |
| | Surplus/ (deficit) | | 342 | 317 | 235 |

Major Initiatives

- Continue with operational improvements to tourist parks.

Service Performance Outcome Indicators

There are no mandatory performance indicators to be reported for the local economy Strategic Objective.

2.4 Portfolio 4: Heritage, planning and infrastructure: To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure.

To achieve our objective of preserving and enhancing the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives, initiatives and service performance outcome indicators for each program area are described below.

| Service area | Key service objective/s | Income/ Expenses | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 |
|-------------------------------|--|---------------------------|-------------------|-------------------------------|-------------------|
| | | | \$'000 | \$'000 | \$'000 |
| Design and Project Management | The Design and Project Management program seeks to achieve excellence of design and delivery of projects which enhance the Borough as a special place. | Inc | 0 | 0 | 0 |
| | | Exp | (276) | (329) | (355) |
| | | Surplus/ (deficit) | (276) | (329) | (355) |
| 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. | Inc | 124 | 90 | 92 |
| | | Exp | (337) | (462) | (768) |
| | | Surplus/ (deficit) | (213) | (372) | (677) |
| Heritage Conservation Advice | The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form. | Inc | 0 | 0 | 0 |
| | | Exp | (3) | (35) | (20) |
| | | Surplus/ (deficit) | (3) | (35) | (20) |
| Building Control | The Building Control program ensures that building construction and maintenance is such that the community remains safe. | Inc | 29 | 24 | 24 |
| | | Exp | (32) | (33) | (33) |
| | | Surplus/ (deficit) | (4) | (9) | (9) |
| TOTAL | Income | | 152 | 114 | 116 |
| | Expenditure | | (648) | (859) | (1,176) |
| | Surplus/ (deficit) | | (496) | (745) | (1,060) |

Major Initiatives

- Complete development of Marine and Coastal Management Plan.

Service Performance Outcome Indicators

| Service | Indicator * | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 | Note |
|--------------------|-----------------|-------------------|-------------------------------|-------------------|------|
| Statutory planning | Decision making | 0% | 100% | 100% | 1 |

Note

1. Forecast 2021–22 is based on the six month progress review, as included in the December 2021 quarterly financial report to Council. Budget 2022–23 target is 100%, as Council seeks to have all its planning decisions which are referred to VCAT upheld (i.e. no decisions overturned by VCAT).

* the table at the end of section 2.5 explains the calculation of Service Performance Outcome Indicators.

2.5 Portfolio 5: Governance and finance: To provide a financially viable Council that is accountable, transparent and practices good governance.

To achieve our objective of maintaining a cohesive, well governed, financially sustainable and independent Borough, we will continue to plan, deliver and improve high quality, cost effective, accessible and responsive services. The services, major initiatives, initiatives and service performance outcome indicators for each program area are described below.

| Service area | Description of services provided | Income/ Expenses | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 |
|--|---|-------------------------------|-------------------|-------------------------------|-------------------|
| | | | \$'000 | \$'000 | \$'000 |
| Council Governance | The Council Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed Borough. | Inc | 0 | 0 | 0 |
| | | Exp | (267) | (208) | (248) |
| | | Surplus/ (deficit) | (267) | (208) | (248) |
| 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. | Inc | 193 | 874 | 0 |
| | | Exp | (1,274) | (1,237) | (883) |
| | | Surplus/ (deficit) | (1,082) | (362) | 883 |
| 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. | Inc | 0 | 0 | 0 |
| | | Exp | (555) | (557) | (740) |
| | | Surplus/ (deficit) | (555) | (557) | (740) |
| Financial and Risk Management | The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough. | Inc | 6,764 | 7,663 | 7,015 |
| | | Exp | (2,970) | (2,548) | (2,786) |
| | | Surplus/ (deficit) | (3,794) | (5,115) | (4,229) |
| TOTAL | Income | | 6,956 | 8,537 | 7,013 |
| | Expenditure | | (5,066) | (4,569) | (4,655) |
| | Surplus/ (deficit) | | (1,891) | 3,967 | 2,358 |

Major Initiatives

- Continue with ICT transformation project, a new electronic document and record management system, a new corporate system, Office 365, and enhanced ICT security.

Other Initiatives

- Commencement of consolidation of BoQ Enterprise Bargaining Agreement;
- Commencement of implementation of Gender Equality Action Plan;
- Update BoQ photo library (to use in publications, website, etc.).

Service Performance Outcome Indicators

| Service | Indicator * | Actual 2020–21 | Forecast Actual 2021–22 | Budget 2022–23 | Note |
|------------|--------------|-------------------|-------------------------------|-------------------|------|
| Governance | Satisfaction | 59 | 60 | 60 | 1 |

Note

1. Both the Forecast and Budget are based on achieving a result at least a percentage better than the last Community Satisfaction Survey results achieved by Council (current year survey not released until June 2022).

* the table on the following page explains the calculation of Service Performance Outcome Indicators.

Service Performance Outcome Indicators

| Service | Indicator | Performance Measure | Computation |
|----------------------------------|-------------------|---|---|
| Maternal and Child Health | Participation | Participation in the MCH service. (Percentage of children enrolled who participate in the MCH service) | [Number of children who attend the MCH service at least once (in the financial year) / Number of children enrolled in the MCH service] x100 |
| | | Participation in the MCH service by Aboriginal children. (Percentage of Aboriginal children enrolled who participate in the MCH service) | [Number of Aboriginal children who attend the MCH service at least once (in the financial year) / Number of Aboriginal children enrolled in the MCH service] x100 |
| Food safety | Health and safety | Critical and major non-compliance notifications (Percentage of critical and major non-compliance notifications that are followed up by Council) | [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about food premises] x 100 |
| Roads | Satisfaction | Satisfaction with sealed local roads (Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads) | Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads |
| Animal management | Health and safety | Animal management prosecutions (Percentage of animal management prosecutions which are successful) | [Number of successful animal management prosecutions / Total number of animal management prosecutions] x 100 |
| Libraries | Participation | Active library borrowers. (Percentage of the population that are active library borrowers) | [The sum of the number of active library borrowers in the last 3 financial years / The sum of the population in the last 3 financial years] x100 |
| Waste collection | Waste diversion | Kerbside collection waste diverted from landfill (Percentage of recyclables and green organics collected from kerbside bins that is diverted from landfill) | [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x 100 |
| Statutory planning | Decision making | Council planning decisions upheld at VCAT (Percentage of planning application decisions subject to review by VCAT and that were not set aside) | [Number of VCAT decisions that did not set aside Council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x 100 |
| Governance | Satisfaction | Satisfaction with Council decisions (Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community) | Community satisfaction rating out of 100 with how Council has performed in making decisions in the interests of the community |
| Aquatic facilities* | Utilisation | Utilisation of aquatic facilities (Number of visits to aquatic facilities per head of population) | Number of visits to aquatic facilities / Population |

*Aquatic facilities are not provided by the Borough of Queenscliffe.

2.6 Reconciliation with budgeted operating result

| Strategic Objectives / Portfolios | Surplus / (deficit) \$'000 | Expenditure \$'000 | Income \$'000 |
|---|----------------------------------|-----------------------|------------------|
| Portfolio 1 – Health and wellbeing | (2,359) | (3,170) | 811 |
| Portfolio 2 – Environment | (1,859) | (2,075) | 216 |
| Portfolio 3 – Local economy | 235 | (1,497) | 1,733 |
| Portfolio 4 – Heritage, planning and infrastructure | (1,060) | (1,176) | 116 |
| Portfolio 5 – Governance and finance | (3,121) | (3,199) | 78 |
| Total | (8,164) | (11,118) | 2,953 |
| Expenses/other income added in: | | | |
| Depreciation | (1,456) | | |
| Surplus/(deficit) before funding sources | (9,620) | | |
| Funding sources added in: | | | |
| Rates and charges revenue | 6,936 | | |
| Waste charges revenue | 1,199 | | |
| Capital grants | 1,583 | | |
| Capital contributions – monetary | 35 | | |
| Total funding sources | 9,752 | | |
| Operating surplus/(deficit) for the year | 132 | | |
| Less: | | | |
| Grants – capital (non-recurrent) | (1,583) | | |
| Contributions – monetary – capital | (35) | | |
| Underlying surplus/(deficit) for the year | (1,486) | | |
| Less: | | | |
| Additional rates funded capex beyond depreciation | (2,136) | | |
| Transfers to reserves from operating budget | (22) | | |
| Add back: | | | |
| Capital grants | 1,583 | | |
| Contributions – monetary – capital | 35 | | |
| Proceeds from asset sales | 29 | | |
| Transfers from reserves to operating budget | 1,184 | | |
| Accumulated cash surplus brought forward | 813 | | |
| Break-even cash result | 0 | | |

3. Financial statements

This section presents information in regard to the Financial Statements and Statement of Human Resources. The budget information for the year 2022–23 has been supplemented with projections to 2025–26.

This section includes the following financial statements prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

- 3.1 Comprehensive Income Statement
- 3.2 Balance Sheet
- 3.3 Statement of Changes in Equity
- 3.4 Statement of Cash Flows
- 3.5 Statement of Capital Works
- 3.6 Statement of Human Resources

3.1 Comprehensive Income Statement

For the four years ending 30 June 2026:

| Description | Notes | Forecast Actual | Budget | Projections | | |
|--|--------|--------------------|---------------|---------------|---------------|---------------|
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Income | | | | | | |
| Rates and charges | 4.1.1 | 7,952 | 8,134 | 8,374 | 8,622 | 8,850 |
| Statutory fees and fines | 4.1.2 | 129 | 134 | 138 | 141 | 145 |
| User fees | 4.1.3 | 1,909 | 1,910 | 1,963 | 2,016 | 2,067 |
| Grants – operating | 4.1.4 | 2,274 | 649 | 1,040 | 1,174 | 1,166 |
| Grants – capital | 4.1.4 | 7,195 | 1,583 | 555 | 1,261 | 1,580 |
| Contributions – monetary – capital | 4.1.5 | 0 | 35 | 0 | 0 | 0 |
| Other income | 4.1.6 | 217 | 261 | 373 | 362 | 394 |
| Net gain on disposal of PPE and infrastructure | | 812 | 0 | 0 | 0 | 0 |
| Total income | | 20,487 | 12,705 | 12,441 | 13,578 | 14,202 |
| Expenses | | | | | | |
| Employee costs | 4.1.7 | 4,658 | 4,978 | 5,039 | 5,165 | 5,294 |
| Materials and services | 4.1.8 | 6,043 | 5,780 | 5,623 | 5,489 | 5,628 |
| Depreciation | 4.1.9 | 1,373 | 1,456 | 1,394 | 1,420 | 1,459 |
| Bad and doubtful debts | 4.1.10 | 3 | 3 | 3 | 3 | 3 |
| Other expenses | 4.1.12 | 363 | 357 | 366 | 376 | 386 |
| Share of net losses of associates | | 0 | 0 | 0 | 0 | 0 |
| Total expenses | | 12,440 | 12,573 | 12,425 | 12,452 | 12,770 |
| Surplus / (deficit) for the year | | 8,047 | 132 | 15 | 1,125 | 1,431 |
| Other comprehensive income | | | | | | |
| Net asset revaluation increment / (decrement) | 4.1.13 | 0 | 0 | 0 | 0 | 0 |
| Total comprehensive result | | 8,047 | 132 | 15 | 1,125 | 1,431 |

3.2 Balance Sheet

For the four years ending 30 June 2026:

| Description | Notes | Forecast Actual | Budget | Projections | | |
|---|-------|--------------------|----------------|----------------|----------------|----------------|
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Assets | | | | | | |
| Current assets | | | | | | |
| Cash and cash equivalents | 4.2.1 | 9,380 | 6,796 | 4,720 | 4,740 | 4,817 |
| Other financial assets | 4.2.1 | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Trade and other receivables | 4.2.1 | 255 | 255 | 330 | 330 | 330 |
| Inventories | 4.2.1 | 5 | 5 | 5 | 5 | 5 |
| Other assets | 4.2.1 | 225 | 225 | 225 | 225 | 225 |
| Total current assets | | 10,865 | 8,281 | 6,280 | 6,300 | 6,377 |
| Non-current assets | | | | | | |
| Investments in associates | 4.2.1 | 165 | 165 | 165 | 165 | 165 |
| Property, infrastructure, plant and equipment | 4.2.1 | 141,190 | 143,294 | 145,248 | 146,378 | 147,708 |
| Total non-current assets | | 141,355 | 143,459 | 145,413 | 146,378 | 147,873 |
| Total assets | | 152,220 | 151,740 | 151,693 | 152,679 | 154,250 |
| Liabilities | | | | | | |
| Current liabilities | | | | | | |
| Trade and other payables | 4.2.2 | 1,589 | 948 | 856 | 685 | 793 |
| Trust funds and deposits | 4.2.2 | 47 | 47 | 47 | 47 | 47 |
| Provisions | 4.2.2 | 1,077 | 1,104 | 1,131 | 1,159 | 1,188 |
| Unearned income | 4.2.2 | 80 | 80 | 80 | 80 | 80 |
| Total current liabilities | | 2,793 | 2,178 | 2,114 | 1,971 | 2,108 |
| Non-current liabilities | | | | | | |
| Provisions | 4.2.2 | 106 | 109 | 112 | 115 | 117 |
| Total non-current liabilities | | 106 | 109 | 112 | 115 | 117 |
| Total liabilities | | 2,899 | 2,287 | 2,225 | 2,086 | 2,226 |
| Net assets | | 149,321 | 149,453 | 149,468 | 150,593 | 152,025 |
| Equity | | | | | | |
| Accumulated surplus | 4.3.1 | 98,674 | 99,967 | 101,939 | 102,978 | 104,390 |
| Revaluation Reserve | 4.3.1 | 43,498 | 43,498 | 43,498 | 43,498 | 43,498 |
| Other reserves | | 7,149 | 5,988 | 4,032 | 4,117 | 4,136 |
| Total equity | | 149,321 | 149,453 | 149,468 | 150,593 | 152,025 |

3.3 Statement of Changes in Equity

For the four years ending 30 June 2026:

| Description | Notes | Forecast Actual | Budget | Projections | | |
|--|-------|--------------------|----------------|----------------|----------------|----------------|
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Accumulated Surplus | | | | | | |
| Opening Balance 1st July | | 93,114 | 98,674 | 99,967 | 101,939 | 102,978 |
| Adjustment on change in accounting policy | | | | | | |
| Surplus / (deficit) for the year | | 8,047 | 132 | 15 | 1,125 | 1,431 |
| Transfer to other reserves | | (3,895) | (22) | 0 | (86) | (86) |
| Transfer from other reserves | | 1,409 | 1,184 | 1,956 | 0 | 67 |
| Closing Balance 30th June – Accumulated Surplus | 4.3.1 | 98,674 | 99,967 | 101,939 | 102,978 | 104,390 |
| Revaluation Reserve | | | | | | |
| Opening Balance 1st July | | 43,498 | 43,498 | 43,498 | 43,498 | 43,498 |
| Net asset revaluation increment/(decrement) | | 0 | 0 | 0 | 0 | 0 |
| Closing Balance 30th June – Revaluation Reserve | 4.3.1 | 43,498 | 43,498 | 43,498 | 43,498 | 43,498 |
| Other Reserves | | | | | | |
| Opening Balance 1st July | | 4,663 | 7,149 | 5,988 | 4,032 | 4,117 |
| Transfer to other reserves | | 3,895 | 22 | 0 | 86 | 86 |
| Transfer from other reserves | | (1,409) | (1,184) | (1,956) | 0 | (67) |
| Closing Balance 30th June – Other Reserves | 4.3.1 | 7,149 | 5,988 | 4,032 | 4,117 | 4,136 |
| Total Equity | | | | | | |
| Opening Balance 1st July | | 141,274 | 149,321 | 149,453 | 149,468 | 150,593 |
| Surplus / (deficit) for the year | | 8,047 | 132 | 15 | 1,125 | 1,431 |
| Closing Balance 30th June – Total Equity | 4.3.1 | 149,321 | 149,453 | 149,468 | 150,593 | 152,025 |

3.4 Statement of Cash Flows

For the four years ending 30 June 2026:

| Description | Notes | Forecast | Budget | Projections | | |
|---|-------|-----------------|-----------------|-----------------|-----------------|-----------------|
| | | Actual | | | | |
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Cash flows from operating activities | | | | | | |
| Receipts | | | | | | |
| Rates and charges | | 7,923 | 8,134 | 8,274 | 8,622 | 8,850 |
| Statutory fees and fines | | 122 | 134 | 138 | 141 | 145 |
| User fees | | 1,904 | 1,910 | 1,963 | 2,016 | 2,067 |
| Grants – operating | | 2,129 | 649 | 1,065 | 1,174 | 1,166 |
| Grants – capital | | 5,348 | 1,583 | 555 | 1,261 | 1,580 |
| Contributions – monetary – capital | | 0 | 35 | 0 | 0 | 0 |
| Interest received | | (6) | 30 | 136 | 119 | 145 |
| Other receipts | | 388 | 231 | 237 | 243 | 249 |
| Total receipts | 4.4.1 | 17,808 | 12,705 | 12,366 | 13,578 | 14,202 |
| Payments | | | | | | |
| Employee costs | | (4,809) | (4,949) | (5,008) | (5,134) | (5,262) |
| Materials and services | | (5,730) | (5,788) | (5,620) | (5,483) | (5,595) |
| Short-term, low value and variable lease payments | | (15) | (18) | (18) | (19) | (19) |
| Other payments | | (327) | (357) | (365) | (375) | (385) |
| Total payments | 4.4.1 | (10,881) | (11,112) | (11,012) | (11,011) | (11,261) |
| Net cash provided by operating activities | 4.4.1 | 6,928 | 1,593 | 1,353 | 2,566 | 2,940 |
| Cash flows from investing activities | | | | | | |
| Payments for property, infrastructure, plant and equipment | | (8,694) | (4,207) | (3,480) | (2,576) | (2,864) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 3,529 | 29 | 52 | 30 | 0 |
| Proceeds from sale of investments | | 6,075 | 0 | 0 | 0 | 0 |
| Net cash provided by / (used in) investing activities | 4.4.2 | 911 | (4,178) | (3,429) | (2,546) | (2,864) |
| Cash flows from financing activities | | | | | | |
| Net cash provided by / (used in) financing activities | | 0 | 0 | 0 | 0 | 0 |
| Net increase / (decrease) in cash and cash equivalents | 4.4.3 | 7,838 | (2,585) | (2,076) | 20 | 76 |
| Cash and cash equivalents at the beginning of the financial year | | 1,542 | 9,380 | 6,796 | 4,720 | 4,740 |
| Cash and cash equivalents at the end of the financial year | 4.2.1 | 9,380 | 6,796 | 4,720 | 4,740 | 4,817 |

3.5 Statement of Capital Works

For the four years ending 30 June 2026:

| Description | Notes | Forecast Actual | Budget | Projections | | |
|--|-------|--------------------|--------------|--------------|--------------|--------------|
| | | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Property | | | | | | |
| Land improvements | | 11 | 0 | 0 | 0 | 0 |
| Total land | | 11 | 0 | 0 | 0 | 0 |
| Buildings | | 4,118 | 1,947 | 1,190 | 767 | 774 |
| Total buildings | 4.5.1 | 4,118 | 1,947 | 1,190 | 767 | 774 |
| Total property | 4.5.1 | 4,129 | 1,947 | 1,190 | 767 | 774 |
| Plant and equipment | | | | | | |
| Plant, machinery and equipment | | 50 | 126 | 267 | 180 | 11 |
| Fixtures, fittings and furniture | | 64 | 5 | 5 | 5 | 5 |
| Computers and telecommunications | | 289 | 324 | 185 | 48 | 49 |
| Total plant and equipment | 4.5.1 | 403 | 455 | 458 | 232 | 65 |
| Infrastructure | | | | | | |
| Roads | | 692 | 133 | 113 | 116 | 119 |
| Footpaths and cycleways | | 148 | 20 | 104 | 701 | 360 |
| Drainage | | 172 | 115 | 103 | 206 | 158 |
| Recreational, leisure and community facilities | | 516 | 496 | 936 | 103 | 1,186 |
| Parks, open space and streetscapes | | 356 | 417 | 79 | 81 | 83 |
| Off street car parks | | 425 | 0 | 0 | 0 | 0 |
| Other infrastructure | | 2,647 | 10 | 420 | 211 | 211 |
| Total infrastructure | 4.5.1 | 4,957 | 1,190 | 1,755 | 1,418 | 2,118 |
| Total capital works expenditure | 4.5.1 | 9,489 | 3,592 | 3,403 | 2,418 | 2,957 |
| Represented by: | | | | | | |
| New asset expenditure | | 2,047 | 1,116 | 988 | 231 | 231 |
| Asset renewal expenditure | | 2,236 | 1,036 | 1,909 | 1,389 | 1,238 |
| Asset upgrade expenditure | | 5,206 | 1,440 | 506 | 798 | 1,488 |
| Total capital works expenditure | 4.5.1 | 9,489 | 3,592 | 3,403 | 2,418 | 2,957 |
| Funding sources represented by: | | | | | | |
| Grant | | 7,195 | 1,583 | 555 | 1,261 | 1,580 |
| Contributions | | 0 | 35 | 0 | 0 | 0 |
| Council reserves | | 750 | 838 | 1,260 | 0 | 67 |
| Council cash | | 1,544 | 1,137 | 1,588 | 1,157 | 1,310 |
| Total capital works expenditure | 4.5.1 | 9,489 | 3,592 | 3,403 | 2,418 | 2,957 |

3.6 Statement of Human Resources

For the four years ending 30 June 2026:

| Description | Forecast | Budget | Projections | | |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Actual | | | | |
| | 2021–22 \$'000 | 2022–23 \$'000 | 2023–24 \$'000 | 2024–25 \$'000 | 2025–26 \$'000 |
| Staff expenditure | | | | | |
| Employee costs – operating | 4,658 | 4,978 | 5,039 | 5,165 | 5,294 |
| Employee costs – capital | 108 | 116 | 119 | 122 | 125 |
| Total staff expenditure | 4,766 | 5,094 | 5,158 | 5,287 | 5,419 |
| | | | | | |
| | FTE | FTE | FTE | FTE | FTE |
| Staff numbers | | | | | |
| Employees | 42.8 | 45.3 | 44.8 | 44.8 | 44.8 |
| Total staff numbers | 42.8 | 45.3 | 44.8 | 44.8 | 44.8 |

A summary of human resources expenditure categorised according to the organisational structure of Council is included below:

| Department | Comprises | | | | |
|--|-------------------|---------------------|---------------------|------------|------------|
| | Budget | Permanent | | Casual | Temporary |
| | 2022–23 \$'000 | Full Time \$'000 | Part time \$'000 | \$'000 | \$'000 |
| Health and Wellbeing | 1,198 | 379 | 703 | 57 | 59 |
| Environment | 313 | 168 | 81 | 0 | 64 |
| Local Economy | 731 | 436 | 191 | 105 | 0 |
| Heritage, Planning and Infrastructure | 851 | 651 | 165 | 35 | 0 |
| Governance and Finance | 1,841 | 1,100 | 686 | 55 | 0 |
| Total permanent staff expenditure | 4,934 | 2,733 | 1,826 | 252 | 123 |
| Other employee related expenditure | 45 | | | | |
| Capitalised labour costs | 116 | | | | |
| Total expenditure | 5,094 | | | | |

A summary of the number of full time equivalent (FTE) Council staff in relation to the above expenditure is included below:

| Department | Comprises | | | | |
|---------------------------------------|-------------|-------------|-------------|------------|------------|
| | Budget | Permanent | | Casual | Temporary |
| | 2022–23 | Full Time | Part time | | |
| Health and Wellbeing | 12.7 | 3.3 | 8.4 | 0.6 | 0.5 |
| Environment | 2.9 | 1.5 | 0.8 | - | 0.6 |
| Local Economy | 7.2 | 4.1 | 2.3 | 0.8 | - |
| Heritage, Planning and Infrastructure | 7.1 | 5.5 | 1.3 | 0.3 | - |
| Governance and Finance | 15.5 | 8.0 | 6.9 | 0.6 | - |
| Total staff | 45.3 | 22.4 | 19.7 | 2.2 | 1.1 |

For the four years ending 30 June 2026, a summary of human resources expenditure, categorised according to the organisational structure of Council, is included below:

| Description | 2022–23 \$'000 | 2023–24 \$'000 | 2024–25 \$'000 | 2025–26 \$'000 |
|--|-------------------|-------------------|-------------------|-------------------|
| Health and Wellbeing | | | | |
| Permanent – Full time | 379 | 388 | 398 | 408 |
| Women | 46 | 47 | 48 | 49 |
| Men | 272 | 278 | 285 | 292 |
| Vacant/new positions | 61 | 63 | 64 | 66 |
| Permanent – Part time | 703 | 783 | 802 | 822 |
| Women | 678 | 757 | 776 | 795 |
| Men | 25 | 26 | 26 | 27 |
| Total Health and Wellbeing | 1,081 | 1,171 | 1,200 | 1,230 |
| Environment | | | | |
| Permanent – Full time | 168 | 172 | 176 | 181 |
| Men | 57 | 59 | 60 | 62 |
| Vacant/new positions | 110 | 113 | 116 | 119 |
| Permanent – Part time | 81 | 83 | 85 | 87 |
| Women | 81 | 83 | 85 | 87 |
| Total Environment | 249 | 255 | 261 | 268 |
| Local Economy | | | | |
| Permanent – Full time | 436 | 447 | 458 | 469 |
| Women | 320 | 328 | 336 | 344 |
| Vacant/new positions | 116 | 119 | 122 | 125 |
| Permanent – Part time | 191 | 195 | 200 | 205 |
| Women | 115 | 117 | 120 | 123 |
| Men | 76 | 78 | 80 | 82 |
| Total Local Economy | 626 | 642 | 658 | 674 |
| Heritage, Planning and Infrastructure | | | | |
| Permanent – Full time | 651 | 667 | 684 | 701 |
| Women | 136 | 139 | 143 | 146 |
| Men | 219 | 224 | 230 | 236 |
| Vacant/new positions | 296 | 304 | 311 | 319 |
| Permanent – Part time | 165 | 169 | 173 | 178 |
| Women | 66 | 68 | 70 | 72 |
| Men | 98 | 101 | 103 | 106 |
| Total Heritage, Planning and Infrastructure | 816 | 837 | 857 | 879 |
| Governance and Finance | | | | |
| Permanent – Full time | 1,100 | 1,128 | 1,156 | 1,185 |
| Women | 415 | 425 | 436 | 447 |
| Men | 685 | 703 | 720 | 738 |
| Permanent – Part time | 686 | 703 | 721 | 739 |
| Women | 572 | 587 | 601 | 616 |
| Vacant/new positions | 114 | 116 | 119 | 122 |
| Total Governance and Finance | 1,786 | 1,831 | 1,877 | 1,924 |
| Casuals, temporary and other expenditure | 419 | 303 | 311 | 319 |
| Capitalised labour costs | 116 | 119 | 122 | 125 |
| Total staff expenditure | 5,094 | 5,158 | 5,287 | 5,419 |

* Council currently do not have any staff members identified as a persons of self-described gender.

A summary of the number of full time equivalent (FTE) Council staff in relation to human resources expenditure, categorised according to the organisational structure of Council, is included below:

| Description | 2022–23 FTE | 2023–24 FTE | 2024–25 FTE | 2025–26 FTE |
|--|----------------|----------------|----------------|----------------|
| Health and Wellbeing | | | | |
| Permanent – Full time | 3.3 | 3.3 | 3.3 | 3.3 |
| Women | 0.3 | 0.3 | 0.3 | 0.3 |
| Men | 2.5 | 2.5 | 2.5 | 2.5 |
| Vacant/new positions | 0.5 | 0.5 | 0.5 | 0.5 |
| Permanent – Part time | 8.4 | 8.9 | 8.9 | 8.9 |
| Women | 8.0 | 8.6 | 8.6 | 8.6 |
| Men | 0.3 | 0.3 | 0.3 | 0.3 |
| Total Health and Wellbeing | 11.7 | 12.2 | 12.2 | 12.2 |
| Environment | | | | |
| Permanent – Full time | 1.5 | 1.5 | 1.5 | 1.5 |
| Men | 0.5 | 0.5 | 0.5 | 0.5 |
| Vacant/new positions | 1.0 | 1.0 | 1.0 | 1.0 |
| Permanent – Part time | 0.8 | 0.8 | 0.8 | 0.8 |
| Women | 0.8 | 0.8 | 0.8 | 0.8 |
| Total Environment | 2.3 | 2.3 | 2.3 | 2.3 |
| Local Economy | | | | |
| Permanent – Full time | 4.1 | 4.1 | 4.1 | 4.1 |
| Women | 3.1 | 3.1 | 3.1 | 3.1 |
| Vacant/new positions | 1.0 | 1.0 | 1.0 | 1.0 |
| Permanent – Part time | 2.3 | 2.3 | 2.3 | 2.3 |
| Women | 1.3 | 1.3 | 1.3 | 1.3 |
| Men | 1.0 | 1.0 | 1.0 | 1.0 |
| Total Local Economy | 6.4 | 6.4 | 6.4 | 6.4 |
| Heritage, Planning and Infrastructure | | | | |
| Permanent – Full time | 4.5 | 4.5 | 4.5 | 4.5 |
| Women | 1.0 | 1.0 | 1.0 | 1.0 |
| Men | 1.5 | 1.5 | 1.5 | 1.5 |
| Vacant/new positions | 2.0 | 2.0 | 2.0 | 2.0 |
| Permanent – Part time | 1.3 | 1.3 | 1.3 | 1.3 |
| Women | 0.7 | 0.7 | 0.7 | 0.7 |
| Men | 0.6 | 0.6 | 0.6 | 0.6 |
| Total Heritage, Planning and Infrastructure | 5.8 | 5.8 | 5.8 | 5.8 |
| Governance and Finance | | | | |
| Permanent – Full time | 8.0 | 8.0 | 8.0 | 8.0 |
| Women | 4.0 | 4.0 | 4.0 | 4.0 |
| Men | 4.0 | 4.0 | 4.0 | 4.0 |
| Vacant/new positions | 0.0 | 0.0 | 0.0 | 0.0 |
| Permanent – Part time | 6.9 | 6.9 | 6.9 | 6.9 |
| Women | 5.7 | 5.7 | 5.7 | 5.7 |
| Vacant/new positions | 1.2 | 1.2 | 1.2 | 1.2 |
| Total Governance and Finance | 14.9 | 14.9 | 14.9 | 14.9 |
| Casuals, temporary and other expenditure | 3.3 | 2.2 | 2.2 | 2.2 |
| Capitalised labour costs | 1.0 | 1.0 | 1.0 | 1.0 |
| Total staff expenditure | 45.3 | 44.8 | 44.8 | 44.8 |

* Council currently do not have any staff members identified as a persons of self-described gender.

4. Notes to the financial statements

This section presents detailed information on material components of the financial statements.

The Borough of Queenscliffe has adopted a materiality threshold of 10% or a dollar amount of \$100,000. Notes have not been provided for budgets below the materiality threshold, unless the amount is considered to be material because of its nature.

This section includes notes to the financial statements for each of the following items:

- 4.1 Comprehensive Income Statement
 - 4.1.1 Rates and charges
 - 4.1.2 Statutory fees and fines
 - 4.1.3 User fees
 - 4.1.4 Grants
 - 4.1.5 Contributions
 - 4.1.6 Other income
 - 4.1.7 Employee costs
 - 4.1.8 Materials and services
 - 4.1.9 Bad and doubtful debts
 - 4.1.10 Depreciation
 - 4.1.11 Borrowing costs
 - 4.1.12 Other expenses
 - 4.1.13 Net asset revaluation increment
- 4.2 Balance Sheet
 - 4.2.1 Assets
 - 4.2.2 Liabilities
 - 4.2.3 Interest-bearing liabilities
- 4.3 Statement of Changes in Equity
 - 4.3.1 Reserves
 - 4.3.2 Equity
- 4.4 Statement of Cash Flows
 - 4.4.1 Net cash provided by operating activities
 - 4.4.2 Net cash used in investing activities
 - 4.4.3 Net cash provided by/ (used in) financing activities
- 4.5 Capital works program
 - 4.5.1 Summary
 - 4.5.2 Current Budget
 - 4.5.3 Works carried forward from the 2021–22 year

4.1 Comprehensive Income Statement

4.1.1 Rates and charges

Rates and charges are required by the Act and the Regulations to be disclosed in Council's budget.

As per the *Local Government Act 2020* (the Act), Council is required to have a Revenue and Rating Plan which is a four year plan for how Council will generate income to deliver the Council Plan, program and services and capital works commitments over a four-year period.

In developing the budget, rates and charges were identified as an important source of revenue. Planning for future rate increases has therefore been an important component of the financial planning process. The Fair Go Rates System (FGRS) sets out the maximum amount councils may increase rates in a year. For 2022–23 the FGRS cap has been set at 1.75%. The cap applies to both general rates and municipal charges and is calculated on the basis of Council's average rates and charges.

The level of required rates and charges has been considered in this context, with reference to Council's other sources of income and the planned expenditure on services and works to be undertaken for the community.

To achieve these objectives while maintaining service levels and to invest in required capital work programs, the average general rate will increase by 1.75% in line with the rate cap.

The Valuer-General reviews the value of every property in the municipality annually, and these property values are used to calculate individual property rates. This annual revaluation does not result in a net gain or loss of revenue to Council. Ratepayers may see rate increases that differ from the average 1.75% increase because of changes to their property values relative to that of other ratepayers' properties (average change in property values).

The Act allows councils to calculate a separate charge for the collection and disposal of waste management services. This enables recovery of all waste management costs, which the State Government acknowledges to be a user pay service with typical cost increases significantly higher than CPI.

4.1.1(a) The reconciliation of the total rates and charges to the Comprehensive Income Statement is as follows:

| Descriptions | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|-------------|
| | \$ | \$ | \$ | % |
| General rates * | 6,777,300 | 6,920,907 | 143,607 | 2.1% |
| Municipal charge * | 0 | 0 | 0 | 0.0% |
| Waste management charges | 1,160,528 | 1,198,854 | 38,325 | 3.3% |
| Supplementary rates | 10,000 | 10,175 | 175 | 1.8% |
| Cultural and recreational rates | 3,705 | 3,353 | (353) | (9.5%) |
| Interest on rates and charges | 4,000 | 5,000 | 1,000 | 25.0% |
| Less: rebate (properties of environmental interest) | (3,782) | (4,490) | (707) | 18.7% |
| Total rates and charges | 7,951,752 | 8,133,798 | 182,047 | 2.3% |

* These items are subject to the rate cap established under the FGRS.

4.1.1(b) The rate in the dollar to be levied as general rates under Section 158 of the Act for each type or class of land compared with the previous financial year

| Type or class of land | 2021–22 | 2022–23 | Change |
|---|-------------|-------------------|---------|
| | cents/\$CIV | cents/\$CIV | |
| General rate for rateable residential properties | 0.19801704 | 0.14915340 | (24.7%) |
| General rate for rateable residential vacant land properties | 0.24752129 | 0.18644176 | (24.7%) |
| General rate for rateable commercial properties | 0.25742214 | 0.19389943 | (24.7%) |
| General rate for rateable tourist accommodation properties | 0.21781874 | 0.16406875 | (24.7%) |
| Rate concession for rateable cultural and recreational properties | 0.04950541 | 0.03729356 | (24.7%) |

4.1.1(c) The estimated total amount to be raised by general rates in relation to each type or class of land, and the estimated total amount to be raised by general rates, compared with the previous financial year

| Type or class of land | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|-------------|
| | \$ | \$ | \$ | % |
| Residential | 5,583,585 | 5,778,136 | 194,550 | 3.5% |
| Residential vacant land | 146,892 | 141,537 | (5,354) | (3.6%) |
| Commercial | 320,027 | 258,716 | (61,311) | (19.2%) |
| Tourist accommodation | 726,796 | 742,518 | 15,722 | 2.2% |
| Total amount to be raised by general rates | 6,777,300 | 6,920,907 | 143,607 | 2.1% |

| Description | 2021–22 | 2022–23 | Change | |
|--------------------------|------------------|------------------|----------------|--------------|
| | \$ | \$ | \$ | % |
| Annualised rates* | 6,802,550 | 6,920,907 | 119,032 | 1.75% |

*Capped rates increase is based on the annualised rates income. The forecast for 2021–22 has been adjusted annualising the impact of supplementary rates during the 2021–22 financial year.

4.1.1(d) The number of assessments in relation to each type of class of land, and the total number of assessments, compared with the previous financial year

| Type or class of land | 2021–22 | 2022–23 | Change | |
|------------------------------------|--------------|--------------|-----------|-------------|
| | Number | Number | Number | % |
| Residential | 2,545 | 2,565 | 20 | 0.8% |
| Residential vacant land | 59 | 60 | 1 | 1.7% |
| Commercial | 159 | 153 | (6) | (3.8%) |
| Tourist accommodation | 334 | 331 | (3) | (0.9%) |
| Cultural and recreational | 6 | 5 | (1) | -16.7% |
| Total number of assessments | 3,103 | 3,114 | 11 | 0.4% |

4.1.1(e) The basis of valuation to be used is the Capital Improved Value (CIV)

4.1.1(f) The estimated total value of each type or class of land, and the estimated total value of land, compared with the previous financial year

| Type or class of land | 2021–22 | 2022–23 | Change | |
|----------------------------|----------------------|----------------------|----------------------|--------------|
| | \$ | \$ | \$ | % |
| Residential | 2,832,395,000 | 3,873,955,000 | 1,041,560,000 | 36.8% |
| Residential vacant land | 57,615,000 | 75,915,000 | 18,300,000 | 31.8% |
| Commercial | 121,213,000 | 133,428,000 | 12,215,000 | 10.1% |
| Tourist accommodation | 339,405,000 | 452,565,000 | 113,160,000 | 33.3% |
| Cultural and recreational | 8,575,000 | 8,990,000 | 415,000 | 4.8% |
| Total value of land | 3,359,203,000 | 4,544,853,000 | 1,185,650,000 | 35.3% |

4.1.1(g) \$Nil municipal charge is to be levied under Section 159 of the Act (2021–22 \$nil).

4.1.1(h) The rate or unit amount to be levied for each type of service rate or charge under Section 162 of the Act compared with the previous financial year

| Type of Charge | Per Rateable Property | Per Rateable Property | Change | |
|---|-----------------------|-----------------------|--------|------|
| | 2021–22 | 2022–23 | | |
| | \$ | \$ | \$ | % |
| Kerbside waste | 216.30 | | | |
| Green waste | 70.40 | | | |
| Standard kerbside waste* | 286.70 | 296.00 | 9.30 | 3.2% |
| | | | | |
| Additional set of bins (2 bins) | 239.30 | | | |
| One extra bin | 119.60 | | | |
| Green waste charge – optional | 70.40 | | | |
| An additional kerbside bin (per any bin)* | | 125.00 | | |
| | | | | |
| Public waste | 99.80 | 104.00 | 4.20 | 4.2% |

* The type of waste charge has changed for 2022–23 with the implementation of the FOGO system.

4.1.1(i) The estimated total amount to be raised by each type of service rate or charge, and the estimated total amount to be raised by service rates and charges, compared with the previous financial year

| Type of Charge | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------------------------|-------------------------------|-------------------|---------------|-------------|
| | \$ | \$ | \$ | % |
| Kerbside waste | 621,389 | | | |
| Green waste | 202,675 | | | |
| Standard kerbside waste | 824,064 | 851,619 | 27,555 | 3.3% |
| | | | | |
| Additional set of bins | 16,987 | | | |
| One extra bin | 2,670 | | | |
| Green waste charge – optional | 2,127 | | | |
| Additional kerbside bins | 21,784 | 23,750 | | |
| | | | | |
| Public waste | 314,681 | 323,484 | 8,804 | 2.8% |
| | | | | |
| Total waste management charges | 1,160,528 | 1,198,854 | 38,325 | 3.3% |

4.1.1(j) The estimated total amount to be raised by all rates and charges compared with the previous financial year

| Descriptions | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|-------------|
| | \$ | \$ | \$ | % |
| General rates | 6,777,300 | 6,920,907 | 143,607 | 2.1% |
| Municipal charge | 0 | 0 | 0 | 0.0% |
| Waste management charges | 1,160,528 | 1,198,854 | 38,325 | 3.3% |
| Supplementary rates and rate adjustments | 10,000 | 10,175 | 175 | 1.8% |
| Cultural and recreational rates | 3,705 | 3,353 | (353) | (9.5%) |
| Interest on rates and charges | 4,000 | 5,000 | 1,000 | 100.0% |
| Less: rebate (properties of environmental interest) | (3,782) | (4,490) | (707) | 18.7% |
| Total rates and charges | 7,951,752 | 8,133,798 | 182,047 | 2.3% |

4.1.1(k) Fair Go Rates System Compliance

The Borough of Queenscliffe is required to comply with the State Government's Fair Go Rates System (FGRS). The table below details the budget assumptions, consistent with the requirements of the Fair Go Rates System.

| Descriptions | Budget 2021–22 | Budget 2022–23 |
|--|-------------------|--------------------|
| Total Rates (annualised) | \$6,672,223 | \$6,801,875 |
| Number of rateable properties | 3,097 | 3,109 |
| Base Average Rate | \$2,154.41 | \$2,187.80 |
| Maximum Rate Increase (set by the State Government) | 1.50% | 1.75% |
| Capped Average Rate | \$2,186.73 | \$2,226.09 |
| Maximum General Rates and Municipal Charges Revenue | \$6,772,306 | \$6,920,907 |
| Budgeted General Rates and Municipal Charges Revenue | \$6,772,300 | \$6,920,907 |

4.1.1(l) Any significant changes that may affect the estimated amounts to be raised by rates and charges

There are no known significant changes which may affect the estimated amounts to be raised by rates and charges. However, the total amount to be raised by rates and charges may be affected by:

- The making of supplementary valuations (2022–23: estimated \$10,175);
- The variation of returned levels of value (e.g. valuation appeals);
- Changes in use of land such that rateable land becomes non-rateable land and vice versa;
- Changes in use of land such that residential land becomes commercial land and vice versa; and/or
- Changes in use of land such that residential land becomes tourist accommodation land and vice versa.

4.1.1(m) Differential rates

Rates to be levied

The rate and amount of rates payable in relation to land in each category of differential are:

- A general rate of 0.149167% (0.149167 cents in the dollar of CIV) for all rateable residential properties.
- A general rate of 0.186459% (0.186459 cents in the dollar of CIV) for all rateable residential vacant land properties.
- A general rate of 0.193917% (0.193917 cents in the dollar of CIV) for all rateable commercial properties including properties with six or more bedrooms which are rented out as holiday accommodation.
- A general rate of 0.164084% (0.164084 cents in the dollar of CIV) for all rateable tourist accommodation properties, that is properties having five or less bedrooms which are rented out as holiday accommodation.

- A general (concessional) rate of 0.037297% (0.037297 cents in the dollar of CIV) for all rateable cultural and recreational properties.

Each differential rate will be determined by multiplying the Capital Improved Value of rateable land (categorised by the characteristics described below) by the relevant percentages indicated above.

Council believes each differential rate will contribute to the equitable and efficient carrying out of council functions.

Details of the objectives of each differential rate, the types of classes of land which are subject to each differential rate and the uses of each differential rate are set out in Council's revenue and rating plan.

4.1.1(n) Waste management charges

An important component of Council's 2022–23 budget process is Council's continuing commitment to three key principles stated in its revenue and rating plan, in relation to funding waste management services:

1. Full cost recovery of all waste management services except for administration costs (administration cost associated with waste management services has not been considered in determining waste management charges for 2022–23);
2. Clear identification of the waste management cost streams and specifying these on the rate notice where applicable. However, Council will no longer identify a separate green waste service. The green waste service will be replaced with the FOGO waste service, which will become a part of the standard kerbside waste service
3. Disclosure of all costs associated with each of the waste management streams. In its revenue and rating plan, Council has determined the most equitable method of full waste cost recovery as follows:
 - Standard kerbside waste (which now includes FOGO waste), applicable to residential and tourist accommodation properties only, is charged at a fixed amount; and
 - Public waste, applicable to all rateable properties, is charged at a fixed amount.

The *Local Government Act 1989* permits Council to raise separate service charges for the recovery of waste management services, rather than include this in general rates. Separating out waste management charges from general rates to achieve full cost recovery remains the most financially responsible option available to Council given the State Government's rate capping legislation.

Waste management costs (net of government grants)

The following is a list of all waste management cost streams and waste management charges included in the 2022–23 budget, summarised by waste charge type.

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Increase/(decrease) | |
|---|-------------------------------|-------------------|---------------------|--------------|
| | | | \$ | % |
| Landfill and recycling waste collection (inc. hard waste) | 302,000 | 160,000 | (142,000) | (47.0%) |
| Landfill disposal including landfill levy | 205,000 | 171,550 | (33,450) | (16.3%) |
| FOGO waste – pickup & disposal of waste | 161,000 | 284,000 | 123,000 | 76.4% |
| Additional pensioner concession offered by BOQ | 43,440 | 44,222 | 782 | 1.8% |
| Recycling disposal (income)/expenditure | 77,000 | 94,100 | 17,100 | 22.2% |
| Roadside e waste collection | 7,000 | 7,000 | 0 | 0.0% |
| Waste collection bin renewal | 15,000 | 15,000 | 0 | 0.0% |
| Regional waste management group | 2,407 | 2,449 | 42 | 1.7% |
| Waste & litter education | 1,000 | 1,018 | 18 | 1.8% |
| Total standard kerbside waste costs – operational | 813,847 | 779,339 | (34,508) | (4.2%) |
| Kerbside transition project | 120,000 | 241,300 | 121,300 | 101.1% |
| Kerbside transition – roll out grant funding | (72,000) | (13,400) | 58,600 | (81.4%) |
| Sub-total: Standard kerbside waste costs | 861,847 | 1,007,239 | 145,392 | 16.9% |
| Public waste – pickup & disposal of waste | 173,400 | 176,435 | 3,035 | 1.8% |
| Fixed price contract – street cleaning and sweeping | 120,360 | 122,466 | 2,106 | 1.8% |
| Fixed price contract – beach cleaning | 38,495 | 39,169 | 674 | 1.7% |
| Illegal waste dumping | 2,000 | 2,035 | 35 | 1.8% |
| Beach cleaning subsidy | (12,000) | (12,210) | (210) | 1.8% |
| Sub-total: Public waste costs | 322,255 | 327,894 | 5,639 | 1.7% |
| Total: Waste management costs | 1,184,102 | 1,335,133 | 151,031 | 12.8% |

Total waste management costs in 2022–23 (net of government grants) is budgeted to increase by \$151,000 (12.8%) compared with the 2021–22 financial year. This increase mainly comprises:

- \$145,000 cost (net of government grant) associated with the kerbside transition project which involves implementation of the following waste services;
 - I. Weekly kerbside FOGO service 240ltr (provided on current collection day)
 - II. Fortnightly kerbside landfill service 120ltr (provided on current collection day)
 - III. Fortnightly kerbside comingled recyclables service 240ltr (provided on current collection day)
 - IV. Future four-weekly kerbside glass service 140ltr proposed to be introduced in 2023–24 (provided on a Friday)
- \$17,000 increase in recycling disposal expenses;
- With the implementation of the FOGO waste service, there will be an increase in FOGO waste pickup and disposal expenses. However, once the projected diversion rate of 70% is achieved, a significant reduction in landfill waste collection and disposal cost is projected for 2022–23.

Waste management charges

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------------------------|-------------------------------|-------------------|---------------|-------------|
| | \$ | \$ | \$ | % |
| Kerbside waste | 621,389 | | | |
| Green waste | 202,675 | | | |
| Standard kerbside waste | 824,064 | 851,619 | 27,555 | 3.3% |
| | | | | |
| Additional set of bins | 16,987 | | | |
| One extra bin | 2,670 | | | |
| Green waste charge – optional | 2,127 | | | |
| Additional kerbside bins | 21,784 | 23,750 | | |
| | | | | |
| Public waste | 314,681 | 323,484 | 8,804 | 2.8% |
| | | | | |
| Total waste management charges | 1,160,528 | 1,198,854 | 38,325 | 3.3% |

Before calculating waste charges to be applied in the 2022–23 financial year, Council is budgeting to utilise surplus funds forecast to be held in public waste reserve amounting to \$4,000. Further, Council is budgeting to recover a forecasted deficit of \$13,000 for the financial year 2021–22 in the kerbside waste reserve account. This deficit mainly reflects the cost associated with the rolling out of the FOGO system not included in the 2021–22 waste charges.

To comply with the full cost recovery strategy for waste services, total income from waste management charges should have increased by \$183,000 in 2022–23. However, Council has decided to phase the recovery of \$145,000 (net cost) associated with the kerbside transition project to future financial years. This amount will temporarily be financed through the unallocated cash reserve of the Borough. As a result, the net increase in waste management charges for 2022–23 is expected to be \$38,000.

The fixed amount to be levied for each type of property

| Type of Property | Actual 2021–22 | Budget 2022–23 | Change | |
|-------------------------|-------------------|-------------------|--------|------|
| | \$ | \$ | \$ | % |
| Residential | 386.50 | 400.00 | 13.50 | 3.5% |
| Residential vacant land | 99.80 | 104.00 | 4.20 | 4.2% |
| Commercial | 99.80 | 104.00 | 4.20 | 4.2% |
| Tourist accommodation | 386.50 | 400.00 | 13.50 | 3.5% |

Waste management reserve funds

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Increase/(decrease) | |
|---|-------------------------------|-------------------|---------------------|-----------------|
| | | | \$ | % |
| Kerbside waste reserve fund | | | | |
| Opening balance | 3,089 | (12,911) | (16,000) | (517.9%) |
| Transfers to reserve | 43,801 | 0 | (43,801) | (100.0%) |
| Transfers from reserve | (59,801) | (131,870) | (72,069) | 120.5% |
| Closing balance | (12,911) | (144,781) | (131,870) | 1021.4% |
| | | | | |
| Public waste reserve fund | | | | |
| Opening balance | 11,984 | 4,410 | (7,574) | (63.2%) |
| Transfers to reserve | 0 | 0 | 0 | 0.0% |
| Transfers from reserve | (7,574) | (4,410) | 3,164 | (41.8%) |
| Closing balance | 4,410 | 0 | (4,410) | (100.0%) |
| | | | | |
| Total: Waste management reserve funds | (8,500) | (144,780) | (136,280) | 1603.2% |
| | | | | |
| Net waste reserve transfers for the financial year | (23,574) | (136,280) | 112,706 | (478.1%) |

An annual reconciliation is completed at each financial year-end to determine the surplus/ (deficit) between waste management charges collected from ratepayers and the actual waste costs incurred by Council for the year. Reserve funds are held on the Balance Sheet to record any net surplus achieved, so Council can then determine that amount which will be allocated towards meeting the cost of waste services in the next financial year, while retaining part of the surplus as a contingency to address emerging risks with respect to waste management services in future years.

In preparing the waste management budget, a set of assumptions has been made about the estimated costs of the waste management services in 2022–23. Given the widely fluctuating nature of waste services, these annual budget assumptions will be monitored, with any variance to be reported to Council via quarterly financial reports during the 2022–23 year as necessary.

4.1.2 Statutory fees and fines

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------------------------|-------------------------------|-------------------|----------|-------------|
| | | | \$'000 | % |
| Town planning fees | 90 | 92 | 2 | 1.8% |
| Building, pool and spa fees | 24 | 24 | 0 | 1.7% |
| Permits | 10 | 10 | 0 | 1.8% |
| Land information certificates | 3 | 4 | 1 | 35.7% |
| Infringements and costs | 2 | 4 | 2 | 100.9% |
| Total statutory fees and fines | 129 | 134 | 5 | 4.1% |

Statutory fees and fines relate mainly to fees and fines levied in accordance with legislation. Infringements income is predominantly from parking fines, with minor fines issued for animals and local laws infringements. A detailed listing of statutory fees is included in Appendix A.

4.1.3 User fees

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------|-------------|
| | \$'000 | \$'000 | \$'000 | % |
| Tourist park fees | 1,675 | 1,652 | (23) | (1.4)% |
| Aged services | 176 | 179 | 3 | 1.8% |
| Registration and other permits | 41 | 59 | 18 | 45.0% |
| Tourism | 9 | 9 | 0 | 1.8% |
| Other fees and charges (<\$10,000 each) | 9 | 11 | 2 | 25.2% |
| Total user fees | 1,909 | 1,910 | 1 | 0.0% |

User charges relate mainly to the recovery of service delivery costs through the charging of fees to users of Council's services, consistent with principles in Council Policy CP047: User Fees and Charges. In setting the budget, the key principle for determining the level of user charges is that increases reflect CPI or market levels.

User charges are projected to remain static compared with the 2021–22 financial year.

The fees from Council's tourist parks contribute the largest portion of the user fees budget, with a total budget of \$1,652,000 for the 2022–23 financial year. The decrease is due to the projected loss of income (approximately \$106,000 a year) due to the recent closure of 26 sites in Victoria Park.

Council is considering changes to the current operating model of its tourist parks and the budget has been finalised under the assumption that the new operating model will not further constrain the income-generating capacity of its tourist parks.

The increase in registration and other permits fees represents the environmental health fees and charges Council waived in 2021–22 as a part of the additional COVID-19 reliefs.

A detailed listing of user fees is included in Appendix A.

4.1.4 Grants

Operating and capital government grants include all monies received from Victorian and Commonwealth Government sources for the purposes of funding the delivery of Council's services and projects.

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Grants are received in respect of the following: | | | | |
| Summary of grants: | | | | |
| Commonwealth funded grants | 2,912 | 370 | (2,541) | (87%) |
| State government funded grants | 6,592 | 1,806 | (4,786) | (73%) |
| Other funded grants | 6 | 8 | 2 | 37% |
| Total grants received | 9,509 | 2,184 | (7,325) | (77%) |
| (a) Operating grants | | | | |
| Recurrent – Commonwealth government | | | | |
| Financial assistance grants | 956 | 17 | (939) | (98%) |
| Aged services | 359 | 370 | 11 | 3% |

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|--|-------------------------------|-------------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Recurrent – State government | | | | |
| Maternal and child health | 58 | 59 | 1 | 1% |
| Aged services | 62 | 46 | (16) | (25%) |
| Fire services property levy administration | 42 | 41 | (0) | (0%) |
| School crossing supervision | 31 | 32 | 1 | 2% |
| Beach cleaning | 12 | 12 | (0) | (2%) |
| Walk to School | 0 | 10 | 10 | 0% |
| Other (<\$10,000 each) | 9 | 9 | 0 | 2% |
| Recurrent – Other | | | | |
| Tobacco activity program | 5 | 8 | 3 | 72% |
| Total recurrent operating grants | 1,533 | 605 | (928) | (61%) |
| Non-recurrent – State government | | | | |
| Sustainability Victoria | 0 | 21 | 21 | 0% |
| Waste management and recycling | 72 | 13 | (59) | (81%) |
| Reconciliation action plan | 0 | 10 | 10 | 0% |
| Coastal protection | 311 | 0 | | |
| Outdoor eating and entertainment | 200 | 0 | | |
| Business concierge and hospitality support program | 90 | 0 | | |
| Natural disaster support | 51 | 0 | | |
| Events recovery support | 15 | 0 | | |
| Other (<\$10,000 each) | 1 | 0 | | |
| Total non-recurrent operating grants | 741 | 44 | (697) | (94%) |
| Total operating grants | 2,274 | 649 | (1,625) | (71%) |
| (b) Capital grants | | | | |
| Non-recurrent – Commonwealth government | | | | |
| Roads | 399 | 0 | | |
| Buildings | 1,157 | 0 | | |
| Non-recurrent – State government | | | | |
| Parks, open space and streetscapes | 60 | 340 | 280 | 467% |
| Other infrastructure | 3,603 | 0 | | |
| Buildings | 3,218 | 0 | | |
| Footpaths and cycleways | 40 | 0 | | |
| Total non-recurrent capital grants | 7,195 | 1,583 | (5,612) | (78%) |
| Total capital grants | 7,195 | 1,583 | (5,612) | (78%) |
| Total grants | 9,469 | 2,232 | (7,237) | (76%) |

Operating grants include all monies received from State and Federal government and community sources for the purposes of funding the delivery of Council's services to ratepayers.

Total recurrent operating grants are budgeted to decrease by \$928,000 (61%) compared to the 2021–22 financial year. This is due to the receipt of the 97.3% of 2022–23 Financial Assistance Grants (FAGs)

and a part of the 2023–24 FAG in advance in 2021–22. There is a 0.8% reduction in the amount of 2022–23 FAG allocation for the Borough compared to the 2021–22 grant allocation.

| Grant Allocation Year | Grant Payment Year | | | Total |
|---------------------------|--------------------|----------------|---------|---------|
| | 2020-21 | 2021-22 | 2022-23 | |
| 2021-22 Allocation | 126,470 | 377,188 | - | 503,658 |
| 2022-23 Allocation | | 482,780 | 16,697 | 499,477 |
| 2023-24 Allocation (part) | | 96,242 | | |
| Total | | 956,210 | | |

Non-recurrent operating grants of \$44,000 are estimated to be received in 2022–23 to support the implementation of energy upgrades at Queenscliffe Neighbourhood House, the kerbside waste management transition program and the Borough’s Reconciliation Action Plan. Any additional non-recurrent operating grant funding opportunities that Council may be successful in securing will be updated in the quarterly forecast reviews to be reported to Council during the 2022–23 financial year.

Capital grants include all monies received from State and Federal government for the purposes of funding the capital works program.

Capital grants for 2022–23 represent the grant income already received for the Point Lonsdale Lighthouse Reserve development project. Considering the revised project timelines, grant income is recognised in the year 2022–23.

Any additional non-recurrent capital grant funding opportunities that Council may be successful in securing will be updated in the quarterly forecast reviews and will be reported to Council during the 2022–23 financial year.

4.1.5 Contributions

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|----------------------------|----------------------------|-------------------|-------------|---------------|
| | \$'000 | \$'000 | \$'000 | % |
| Monetary – operating | 0 | 0 | 0 | 0% |
| Monetary – capital | 35 | 0 | (35) | (100%) |
| Non-monetary | 0 | 0 | 0 | 0% |
| Total contributions | 35 | 0 | (35) | (100%) |

Contributions relate to monies paid by non-government third parties for the purpose of funding the delivery of Council’s services to ratepayers (operating) and/or provision of buildings and facilities (capital). Contributions can also be non-monetary, with an in-kind donation of physical assets to Council. All contributions are typically non-recurrent and the amount will vary from year to year, thus a comparison by financial year is meaningless.

No monetary or non-monetary contribution is recognised in the 2022–23 budget.

4.1.6 Other income

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|-----------|------------|
| | \$'000 | \$'000 | \$'000 | % |
| Other rent – lease of Crown Land properties | 100 | 110 | 10 | 10% |
| Contribution from volunteers | 70 | 72 | 2 | 3% |
| Other rent – lease of Council properties | 32 | 49 | 18 | 56% |
| Interest – investment of available funds | 15 | 30 | 15 | 100% |
| Total other income | 217 | 261 | 44 | 20% |

A significant movement in cash and investments is projected to occur in the 2022–23 financial year with the settlement of the sale of Murray Road land and completion of ongoing capital projects. However, due to the timing of these events, the average investment in term deposits is expected to be around \$7.5 million during the year 2022–23. Under the assumption that the average interest rate is to be between 0.5% to 0.75% for the 2022–23 financial year, a \$15,000 increase in interest income is projected in the budget.

The value of the contribution provided by volunteers which may otherwise has been paid by Council is estimated be \$72,000 for 2022–23.

The increase in other rent income represents the lease rental fees that Council waived in 2021–22 as a part of the additional COVID-19 reliefs.

4.1.7 Employee costs

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------------|-------------------------------|-------------------|------------|-----------|
| | \$'000 | \$'000 | \$'000 | % |
| Wages and salaries | 4,053 | 4,322 | 268 | 7% |
| Superannuation | 390 | 438 | 48 | 12% |
| Overtime | 59 | 65 | 6 | 10% |
| Workcover premium | 60 | 63 | 3 | 5% |
| FBT Expense | 48 | 48 | 0 | 0% |
| Other | 49 | 44 | (5) | (10%) |
| Total other income | 4,658 | 4,978 | 320 | 7% |

Employee costs include all labour related expenditure, including wages, salaries and on-costs such as allowances, leave entitlements (annual leave and long service leave), employer superannuation, rostered days off and time-in-lieu owed to employees, workcover premium and fringe benefits tax.

Employee costs are expected to increase by \$320,000 (7%) compared to 2021–22. However, employee costs for 2021–22 are understated approximately by \$83,000 due to temporary staff vacancies. If there had not been any temporary staff vacancies in 2021–22, the increase in employee cost for 2022–23 would have been \$237,000 (5.0%) due to the following key reasons:

- \$94,000: Impact of 2% increase in wages (the current EBA of the Borough expires on 30 June 2022 and it is assumed wages increase as per the new EBA will be in line with the existing EBA);
- \$24,000: Impact of super guarantee increase by 0.5%;

- \$66,000: Incremental cost of restructuring of the planning team, replacing a part-time planner with a casual planner and convert contracted senior planner to a permanent part-time employee (savings of \$60,000 in material and services);
- \$26,000: Incremental cost of replacing a permanent full-time role in the financial and corporate services team with two part-time roles (one at a senior level);
- \$21,000: Incremental cost of changing a permanent part-time role into a permanent full-time role in the financial and corporate services team;
- \$7,000: Converting school crossing supervisor positions to part-time positions from casual positions.

The projected increase in employee cost from the 2021–22 adopted budget is \$105,000 which includes the impact of the reclassification of the contracted senior planner to a permanent part-time position. Excluding the impact of the senior planner reclassification, the employee cost is estimated to be increased by \$45,000 (0.9%) compared to the 2021–22 adopted budget. Council’s decision of removing the newly created Municipal Health and Wellbeing Officer position from the organisational structure, restructuring of the aged care team, and the termination of a temporary position created for the 2021–22 financial year contributed to the marginal increase in employee cost compared to the 2021–22 adopted budget.

A summary of human resources expenditure, categorised according to the organisational structure of Council, is provided for both costs (\$) and staff numbers (FTE) directly following the Statement of Human Resources at Section 3.6 of this report.

4.1.8 Materials and services

Materials and services includes payments to contractors for provision of services, waste management, asset maintenance, the purchases of consumables, utility costs and expensed capital works (expensed capital works are works associated with Council assets and major projects that do not meet the definition of asset expenditure under Australian Accounting Standards).

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|--|-------------------------------|-------------------|--------------|---------------|
| | \$'000 | \$'000 | \$'000 | % |
| Waste management | 1,268 | 1,361 | 93 | 7% |
| General service delivery | 710 | 779 | 68 | 10% |
| Roads, parks and reserves maintenance | 660 | 658 | (2) | (0%) |
| Non-recurrent operating projects (rates funded) | 238 | 397 | 159 | 67% |
| Utilities | 285 | 320 | 36 | 13% |
| Insurance | 268 | 282 | 13 | 5% |
| Foreshore and open space maintenance | 383 | 278 | (105) | (27%) |
| Information technology software and maintenance agreements | 178 | 280 | 102 | 58% |
| Labour contracts (information technology, building surveyor, heritage advisor and specialist backfill) | 360 | 283 | (77) | (22%) |
| Cleaning of Council buildings, amenities and BBQs | 226 | 247 | 21 | 9% |
| Contribution to Geelong Regional Library Corporation | 221 | 225 | 4 | 2% |
| Office administration | 229 | 206 | (23) | (10%) |
| Buildings, works, plant and equipment maintenance | 182 | 157 | (25) | (14%) |
| Drainage maintenance | 114 | 99 | (14) | (13%) |
| Maternal and Child Health | 75 | 75 | 0 | 0% |
| Aged care services | 58 | 58 | 0 | 0% |
| Training and staff development | 59 | 54 | (5) | (8%) |
| Non-recurrent operating projects (grant funded) | 503 | 14 | (489) | (97%) |
| Valuation services | 27 | 7 | (20) | (74%) |
| Total materials and services | 6,043 | 5,780 | (263) | (4.4%) |

Materials and services are budgeted to decrease by \$263,000 (4.4%) compared with the 2021–22 financial year. However, this decrease is mainly due to the significant amount of grant-funded operating projects (non-recurrent) carried out in 2021–22.

Excluding waste management cost (explained in note “4.1.1(n) Waste management charges”) and non-recurrent operating expenses (rates-funded and grant-funded), there is a 0.6% (\$26,000) decrease in recurrent expenses despite increases in some expense items as explained below.

The most significant decreases estimated in recurrent materials and services in the 2022–23 financial year include:

- \$77,000: Labour contracts, mainly due to the conversion of the contracted senior planner to a permanent part-time employee (refer to note 4.1.7), decrease in estimated hours of heritage consultancy services, and not budgeting for consultants as backfills (all current vacancies are expected to be filled before the end of the 2021–22 financial year). The reported reduction has been partly offset by \$30,000, the cost associated with the contract agreement with an arborist to undertake inspections, monitoring and input of data to the new tree management system.

- \$105,000: Foreshore and open space maintenance, mainly due to the expenditure incurred in 2021–22 for storm clean-up work (2021–22 expenses are inflated due to cost associated with storm clean-up work).

The most significant increases estimated in recurrent materials and services in the 2022–23 financial year include:

- \$102,000: Information technology software and maintenance agreements, mainly due to the cost associated with the parallel running of new and existing systems for planned system changeovers (implementation to begin during the 2nd quarter of the 2022–23 financial year) and annual licence fee of the new tree management system;
- \$68,000: General service delivery, 2021–22 expenses are underestimated due to the cancellation of the Low Light Winter Arts Festival (\$60,000);
- \$36,000: Utilities, mainly due to the incremental cleaning cost of the new Queenscliffe Hub facility;
- \$21,000: Cleaning of Council buildings, amenities and BBQs, mainly due to the incremental cleaning cost of the new Queenscliffe Hub facility.

Non-recurrent operating projects (rates funded) in the 2022–23 budget include:

- \$210,000: Development of a Marine and Coastal Management Plan (carry forward from 2021–22 budget);
- \$107,000: Short-term actions to be implemented based on the Climate Emergency Response Plan (CERP);
 - \$42,000: Queenscliffe Neighbourhood House energy upgrades (Sustainability Victoria round 2 grant of 50% of the cost);
 - \$20,000: Biannual energy efficiency audit and education program (program to run every other year);
 - \$20,000: Reconciliation Action Plan (development and implementation), 5-year project and \$20,000 each year (subject to 50% grant funding);
 - \$20,000: Installation of signage that includes recognition of Wadawurrung Country and uses Wadawurrung language to identify places.
 - \$5,000: CERP monitoring and evaluation dashboards;
- \$40,000: Development of a tree management and planting schedule (including purchase and planting of trees) for Victoria Park;
- \$25,000: Consolidation of the Borough of Queenscliffe Enterprise Bargaining Agreement;
- \$7,000: Implementation of Gender Equality Action Plan;
- \$5,000, Finalisation of the scope of Integrated Water Management Plan (2022–23 finalise project scope / \$45,000 for implementation in 2023–24);
- \$3,000: Update Borough of Queenscliffe photo library (For use in publications, website, etc.).

4.1.9 Depreciation

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------------|-------------------------------|-------------------|-----------|-----------|
| | \$'000 | \$'000 | \$'000 | % |
| Property | 462 | 470 | 8 | 2% |
| Plant and equipment | 134 | 141 | 7 | 5% |
| Infrastructure | 776 | 845 | 69 | 9% |
| Total depreciation | 1,373 | 1,456 | 83 | 6% |

Depreciation is an accounting measure which attempts to allocate the value of an asset over its useful life for Council's property (buildings), plant and equipment, and infrastructure assets (such as roads and drains).

The increase in depreciation expenses mainly reflects the additional depreciation expenses associated with the new Queenscliffe Hub facility and upgraded boat ramp infrastructure expected to be completed at the beginning of the 2022–23 financial year.

The revaluation of land and building assets (property) is scheduled to be completed in 2021–22. The outcome of this revaluation and its impact on the depreciation expenses is not able to be predicted for inclusion in the 2022–23 budget.

4.1.10 Bad and doubtful debts

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|-------------------------------------|-------------------------------|-------------------|----------|-----------|
| | \$'000 | \$'000 | \$'000 | % |
| Infringements debtors | 3 | 3 | 0 | 0% |
| Total bad and doubtful debts | 3 | 3 | 0 | 0% |

A provision of \$3,000 p.a. for bad and doubtful debts is included in Council's budget, largely relating to infringements.

4.1.11 Borrowing costs

Council does not have any outstanding loans and no new loans are included in the 2022–23 budget.

4.1.12 Other expenses

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|-----------------------------------|-------------------------------|-------------------|------------|-------------|
| | \$'000 | \$'000 | \$'000 | % |
| Councillors' allowances | 154 | 187 | 33 | 22% |
| Cost of volunteers | 70 | 72 | 2 | 3% |
| Auditors' remuneration – VAGO | 45 | 45 | 0 | 0% |
| Operating lease rentals | 15 | 18 | 3 | 20% |
| Auditors' remuneration – Internal | 16 | 16 | 0 | 0% |
| Other | 58 | 13 | (45) | (78%) |
| Audit fees – other | 6 | 6 | 0 | 0% |
| Total other expenses | 363 | 357 | (7) | (2%) |

Other expenses relate to a range of unclassified items including Mayoral and Councillor allowances, internal and external audit fees, photocopier lease expense, asset write-offs and other miscellaneous expenditure.

Increase in Councillors' allowances is in line with the determination made by the Victorian Independent Remuneration Tribunal.

Expenses under “Other” for 2021–22 is inflated mainly due to the settlement of BoQ’s share of unclaimed liabilities arising from the cessation of the MAV WorkCare scheme.

The cost of the expenditure which may otherwise have been paid by Council in the absence of any contribution from volunteers is estimated be \$72,000 for 2022–23 (\$70,000 in 2021–22).

4.1.13 Net asset revaluation increment

The revaluation of land and building assets is scheduled to be completed in 2021–22. The outcome of this revaluation is not able to be predicted for inclusion in the 2022–23 budget.

4.2 Balance Sheet

4.2.1 Assets

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|---------------|
| | \$'000 | \$'000 | \$'000 | % |
| Cash and cash equivalents | 9,380 | 6,821 | (2,560) | (27%) |
| Trade and other receivables | 255 | 255 | 0 | 0% |
| Other financial assets | 1,000 | 1,000 | 0 | 0% |
| Inventories | 5 | 5 | 0 | 0% |
| Other assets | 225 | 225 | 0 | 0% |
| Total current assets | 10,865 | 8,306 | (2,560) | (24%) |
| Investment in an associate | 165 | 165 | 0 | 0% |
| Property, infrastructure, plant and equipment | 141,190 | 143,294 | 2,104 | 2% |
| Total non-current assets | 141,355 | 143,459 | 2,104 | 2% |
| Total assets | 152,220 | 151,765 | (455) | (0.3%) |

Current assets are those assets which are able to be converted to cash within 12 months. These assets are expected to decrease by \$2,560,000 (27%) compared with the 2021–22 financial year, as cash is used to pay for projects carried forward from 2021–22 when they are completed.

No movement in other financial assets, trade and other receivables, inventories and other assets (prepaid expenses and accrued income) is budgeted for 2022–23. Variances to this assumption are adjusted in the forecast when known.

Non-current assets are those assets which are not expected to be converted to cash within 12 months. Property, infrastructure, plant and equipment is the largest component. These assets are expected to increase by \$2,104,000 (1%) compared with the 2021–22 financial year, as capital works are progressed or completed during the 2022–23 financial year.

Council recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on the Borough's underlying interest in the net assets of the service disclosed in its audited financial statements each year. The Borough's share of the net assets is calculated on the same ratio as it contributes to the operating costs of the service. Both the 2021–22 forecast and 2022–23 budget assume no movement in library equity, with adjustments in equity advised by the Geelong Regional Library Corporation to be reported at year-end and the 2022–23 forecast adjusted accordingly. Annual contributions to Geelong Regional Library Corporation are included as expenditure in the Income Statement.

4.2.2 Liabilities

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|--------------------------------------|-------------------------------|-------------------|--------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Trade and other payables | 1,589 | 973 | (617) | (39%) |
| Trust funds and deposits | 47 | 47 | 0 | 0% |
| Provisions | 1,077 | 1,104 | 27 | 2% |
| Other liabilities | 80 | 80 | 0 | 0% |
| Total current liabilities | 2,793 | 2,203 | (590) | (21%) |
| Provisions | 106 | 109 | 3 | 2% |
| Total non-current liabilities | 106 | 109 | 3 | 2% |
| Total liabilities | 2,899 | 2,312 | (587) | (20%) |

Current liabilities are those obligations Council must pay within the next 12 months. These liabilities are expected to decrease by \$590,000 (21%) compared with the 2021–22 financial year, largely due to more capital expenditure projected for the 2021–22 financial year compared to the 2022–23 financial year, leading to an expected increase in the value of creditor invoices due at 30 June 2022.

Provisions (employee cost provisions for accrued long service leave, annual leave, rostered days off and time-in-lieu owing to employees) are budgeted to increase by \$30,000 (\$27,000 current and \$3,000 non-current), in accordance with the Enterprise Bargaining Agreement and increase in super guarantee with effect from 1 July 2022. Active management of leave balances may result in some forecast savings during the year, and this will be adjusted in 2022–23 should a positive outcome be achieved.

No movement in trust funds and deposits (e.g. tender deposits and bonds paid to Council for future hall hire) and other liabilities (income received in advance for tourist park seasonal package fees and accrued expenses) is budgeted for 2022–23. Variances to this assumption are adjusted in the forecast when known.

Non-current liabilities are those obligations Council is not expected to pay within the next 12 months.

4.2.3 Borrowings

Council continues to focus on efficient and financially responsible service delivery to achieve outcomes that are valued by our community. Council will continue to explore new approaches to provide services in a tighter fiscal environment.

Council currently has a debt-free balance sheet and no new borrowing is included in the 2022–23 budget.

4.2.4 Leases by category

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of \$10,000), including IT equipment.

Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

4.3 Statement of Changes in Equity

4.3.1 Equity

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|----------------------------|-------------------------------|-------------------|------------|-------------|
| | \$'000 | \$'000 | \$'000 | % |
| Accumulated surplus | 98,674 | 99,967 | 1,293 | 1% |
| Asset revaluation reserves | 43,498 | 43,498 | 0 | 0% |
| Other reserves | 7,149 | 5,988 | (1,162) | (16%) |
| Total equity | 149,321 | 149,453 | 132 | 0.1% |

Total equity always equals net assets and is made up of the following components:

- Accumulated surplus, which is the value of all net assets less reserves that have accumulated over time;
- Asset revaluation reserves, which represent the difference between the previously recorded value of non-current assets (property, infrastructure, plant and equipment) and their current valuations; and
- Other reserves, which are funds Council wishes to separately identify as being set aside to meet a specific purpose in the future and for which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council and separately disclosed.

\$132,000 of the \$1,293,000 (1%) increase in **accumulated surplus** results directly from the projected surplus for the year. The balance of \$1,162,000 is budgeted to be transferred from **other reserves** to accumulated surplus. This reflects the usage of cash to partly fund the 2022–23 capital and operating works program as explained in the note 4.3.2. This is a transfer between equity items and does not impact the total equity.

No change is included in the 2022–23 budget with respect to the **asset revaluation reserve**. While Council's land and building assets are scheduled to be revalued in 2021–22, the outcome of this revaluation will not be known until late June 2022.

4.3.2 Other reserves

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|--|-------------------------------|-------------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Accumulated unallocated cash reserve (general reserve) | 1,264 | 973 | (291) | (23%) |
| Asset replacement reserve – allocated | 955 | 977 | 22 | 2% |
| Future calls on defined benefits superannuation | 40 | 40 | 0 | 0% |
| Funds carried forward to future years | 4,899 | 4,142 | (757) | (15%) |
| Waste management reserves | (9) | (145) | (136) | 1,518% |
| Total discretionary reserves | 7,149 | 5,988 | (1,161) | (16%) |

Council's other reserves on the Balance Sheet are budgeted to decrease by \$1,161,000 (16%) compared with the 2021–22 financial year, predominantly because projects carried forward from 2021–22 are predicted to be completed during the 2022–23 financial year.

Accumulated unallocated cash reserve (general reserve) reserve comprises of the cash surpluses achieved in previous financial years, which have not yet been allocated by Council to specific projects within the Annual Budget. This reserve provides a contingency for responding to emerging risk management and other unbudgeted issues which may arise during the course of the financial year

\$291,000 will be used from the general reserve to fund new capital projects (new toilet in Hesse Street and new tree management system) included in the 2022–23 budget. A further \$145,000 is earmarked to fund the kerbside waste management transition project until the transition cost is received via future waste management charges.

Asset replacement reserves are used to fund future asset renewal requirements. They comprise:

- funds for specific projects earmarked by Council; and
- surpluses resulting from budget efficiencies and additional income received.

\$22,000 will be transferred to the **asset replacement reserve – allocated** (motor vehicle asset renewal reserve) to fund future motor vehicle replacement cost.

The **defined benefits superannuation liability reserve** is used as a hedge against future calls which may be made by Vision Super on the defined benefits scheme. Council set aside \$20,000 in each of the 2014–15 and 2015–16 budget years, with a total of \$40,000 remaining in this reserve and no plans to adjust the total.

Carry forward reserves are used mainly for holding over funds received / allocated in one year, to be spent in future years. The reserve movement of \$757,000 in 2022–23 reflects;

- \$210,000: transfer from carry forward operating expense reserves to fund the development of Marine and Coastal Management Plan;
- \$547,000: transfer from carry forward capital expenditure reserves to fund the following projects:

- \$447,000: Queenscliff Sports & Recreation Precinct;
- \$60,000: Princess Park kiosk toilet upgrade – scope and design;
- \$40,000: Weeroona Parade toilet upgrade – scope and design.

The projected carry forward reserves balance of \$4,142,000 as at 30 June 2023 comprises the following balances;

- \$3,500,000: Murray Road land, sale proceeds*;
- \$335,000: Royal park sport facility upgrade;
- \$185,000: Future bike park;
- \$76,000: Review of Planning Scheme (Heritage Provisions);
- \$46,000: ICT transformation projects.

*Proceeds from the sale of Murray Road land, set aside in a reserve account until a potential project/s is identified in the future in line with Council Policy CP044: Sale, Exchange or Transfer of Council Land.

Council uses **waste management reserves** to hold the net surplus of waste management charges collected from ratepayers compared with the actual costs of waste management paid by Council. The movement in the waste management reserve is explained in the note 4.1.1(n).

4.4 Statement of Cash Flows

4.4.1 Net cash flows provided by operating activities

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|--------------|
| | \$'000 | \$'000 | \$'000 | % |
| Rates and charges | 7,923 | 8,134 | 211 | 3% |
| Statutory fees and fines | 122 | 134 | 12 | 9% |
| User fees | 1,904 | 1,910 | 6 | 0% |
| Grants – Operating | 2,129 | 649 | (1,480) | (70%) |
| Grants – Capital | 5,348 | 1,583 | (3,765) | (70%) |
| Contributions – monetary – operating | 0 | 0 | 0 | 0% |
| Contributions – monetary – capital | 0 | 35 | 35 | 0% |
| Trust funds and deposits taken | 0 | 0 | 0 | 0% |
| Interest received | (6) | 30 | 36 | (606%) |
| Other receipts | 388 | 231 | (157) | (41%) |
| Total receipts | 17,808 | 12,705 | (5,103) | (29%) |
| Employee costs | (4,809) | (4,949) | (140) | (3%) |
| Materials and services | (5,730) | (5,788) | (58) | (1%) |
| Short-term, low value and variable lease payments | (15) | (18) | (3) | (20%) |
| Other payments | (327) | (357) | (30) | (9%) |
| Total payments | (10,881) | (11,112) | (231) | (2%) |
| Net cash provided by operating activities | 6,928 | 1,593 | (5,334) | (77%) |

Operating activities refer to the cash generated (or used in) the normal service delivery functions of Council.

Net cash provided by operating activities is forecast to decrease by \$5,334,000 (77%) compared with the 2021–22 financial year, mainly due to the reduction in grant income (operating and capital).

4.4.2 Net cash flows used in investing activities

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---|-------------------------------|-------------------|----------------|-------------|
| | \$'000 | \$'000 | \$'000 | % |
| Payments for Property, Infrastructure, Plant & Equipment | (8,694) | (4,182) | 4,512 | 52% |
| Proceeds from sale of Property, Infrastructure, Plant and Equipment | 3,529 | 29 | (3,500) | (99%) |
| Proceeds from sale of investments | 6,075 | 0 | (6,075) | 100% |
| Net cash provided by / (used in) investing activities | 911 | (4,153) | (5,064) | 556% |

Investing activities refer to cash provided (or used in) the enhancement or creation of infrastructure and other assets, cash generated from the sale of assets and cash used/generated from investing activities.

There is a reduction in the budgeted investments in Property, Infrastructure, Plant & Equipment for 2022–23.

Proceeds from the sale of property, infrastructure, plant and equipment in 2021–22 include proceeds of \$3.5 million in relation to the sale of Murray Road land.

Proceeds from the sale of investments for 2021–22 reflect the reclassification of term deposits from other financial assets to cash and cash equivalents during the year (forecasted) when reinvested in term deposits with less than 90 days of maturity.

4.4.3 Net cash flows provided by/ (used in) financing activities

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|--|-------------------------------|-------------------|----------|-------------|
| | \$'000 | \$'000 | \$'000 | % |
| Borrowing costs | 0 | 0 | 0 | 0% |
| Proceeds from borrowings | 0 | 0 | 0 | 0% |
| Repayment of borrowings | 0 | 0 | 0 | 0% |
| Net cash provided by / (used in) financing activities | 0 | 0 | 0 | (0%) |

Financing activities refer to cash provided (or used in) the financing of Council functions, including new borrowings from financial institutions and the repayment of principal and interest in each financial year. Council settled its loan liabilities in full in the 2020–21 financial year. No new borrowings included in the 2022–23 budget.

4.5 Capital Works Program

This section presents a listing of the capital works projects that will be undertaken for the 2022–23 financial year, classified by expenditure type and funding source. Works are also disclosed as current budget or carried forward from prior year.

4.5.1 Summary

| Description | Forecast Actual 2021–22 | Budget 2022–23 | Change | |
|---------------------|-------------------------------|-------------------|----------------|----------------|
| | \$'000 | \$'000 | \$'000 | % |
| Property | 4,129 | 1,947 | (2,182) | (52.8%) |
| Plant and Equipment | 403 | 455 | 52 | 12.9% |
| Infrastructure | 4,957 | 1,190 | (3,766) | (76.0%) |
| Total | 9,489 | 3,592 | (5,896) | (62.1%) |

Significant government grant funded projects in the 2022–23 financial year include Queenscliff Sports and Recreation Precinct, Point Lonsdale Lighthouse Reserve and the Queenscliffe Hub. Council has maintained its average budgeted expenditure with respect to its Annual Asset Renewal Program for property, plant and equipment and infrastructure assets.

Asset expenditure types and funding sources

| Description | Project Cost | Asset expenditure types | | | | Summary of Funding Sources | | | | |
|---------------------|--------------|-------------------------|--------------|--------------|--|----------------------------|-----------|---------------------------------|--------------------|-------------|
| | | New | Renewal | Upgrade | | Grants | Contrib. | Council - Reporting year income | Council - Reserves | Asset Sales |
| | | \$'000 | \$'000 | \$'000 | | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| Property | 1,947 | 398 | 387 | 1,162 | | 1,085 | 35 | 254 | 574 | 0 |
| Plant and Equipment | 455 | 176 | 200 | 80 | | 0 | 0 | 385 | 41 | 29 |
| Infrastructure | 1,190 | 543 | 449 | 199 | | 498 | 0 | 470 | 223 | 0 |
| Total | 3,592 | 1,116 | 1,036 | 1,440 | | 1,583 | 35 | 1,108 | 838 | 29 |

Council has been successful in attracting significant grants for key infrastructure projects in the Borough. Community contributions are sought toward projects which benefit a specific user group. Asset sales relate entirely to the annual motor vehicle replacement program. Funds for projects carried forward from 2021–22 are held in reserves on the Balance Sheet until expenditure occurs. The balance of Council's capital works program is funded from rates and charges (excluding waste management).

Capital renewal budget generally follows the expenditure identified in the following asset management documents:

- Roads expenditure follows the recommendations in the 2019 Road Condition and Renewal Modelling Report;
- Buildings expenditure follows the 2018 Building Condition Assessment Modelling Report;
- Storm water drainage follows the 2019 Asset Management Plan; and
- Open space follows the 2019 Open Space Asset Management Plan in combination with the Playground Strategy.

4.5.2 Current Budget

| Capital Works Area | Project Cost | Asset Expenditure Types | | | Summary of Funding Sources | | | | |
|---|--------------|-------------------------|------------|----------|----------------------------|----------|---------------------------------|--------------------|-------------|
| | | New | Renewal | Upgrade | Grants | Contrib. | Council - Reporting year income | Council - Reserves | Asset Sales |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| PROPERTY | | | | | | | | | |
| BUILDINGS | | | | | | | | | |
| New toilet in Hesse Street | 250 | 250 | | | | | | 250 | |
| Annual renewal program – buildings | 124 | | 124 | | | | 124 | | |
| Annual renewal program – foreshore public conveniences | 44 | | 44 | | | | 44 | | |
| Annual renewal program – Queenscliff Recreation Reserve | 28 | | 28 | | | | 28 | | |
| Staff cost to capitalise | 58 | 15 | 35 | 9 | | | 58 | | |
| TOTAL BUILDINGS | 504 | 265 | 230 | 9 | 0 | 0 | 254 | 250 | 0 |
| TOTAL PROPERTY | 504 | 265 | 230 | 9 | 0 | 0 | 254 | 250 | 0 |
| PLANT AND EQUIPMENT | | | | | | | | | |
| PLANT, MACHINERY AND EQUIPMENT | | | | | | | | | |
| Annual renewal program – motor vehicles | 116 | | 116 | | | | 87 | | 29 |
| Annual renewal program – caravan park | 5 | | 5 | | | | 5 | | |
| Annual renewal program – minor plant and equipment | 5 | | 5 | | | | 5 | | |
| TOTAL PLANT, MACHINERY AND EQUIPMENT | 126 | 0 | 126 | 0 | 0 | 0 | 97 | 0 | 29 |
| FIXTURES, FITTINGS AND FURNITURE | | | | | | | | | |
| Annual renewal program – fixtures, fittings and furniture | 5 | | 5 | | | | 5 | | |
| TOTAL FIXTURES, FITTINGS AND FURNITURE | 5 | 0 | 5 | 0 | 0 | 0 | 5 | 0 | 0 |
| COMPUTERS AND TELECOMMUNICATIONS | | | | | | | | | |
| New tree management system | 120 | 120 | | | | | 79 | 41 | |

| Capital Works Area | Project Cost | Asset Expenditure Types | | | Summary of Funding Sources | | | | |
|--|--------------|-------------------------|------------|----------|----------------------------|----------|---------------------------------|--------------------|-------------|
| | | New | Renewal | Upgrade | Grants | Contrib. | Council - Reporting year income | Council - Reserves | Asset Sales |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| COMPUTERS AND TELECOMMUNICATIONS – Cont. | | | | | | | | | |
| Annual renewal program – computers and telephone equipment | 45 | | 45 | | | | 45 | | |
| TOTAL COMPUTERS AND TELECOMMUNICATIONS | 165 | 0 | 45 | 0 | 0 | 0 | 124 | 41 | 0 |
| TOTAL PLANT AND EQUIPMENT | 296 | 120 | 176 | 0 | 0 | 0 | 226 | 41 | 29 |
| INFRASTRUCTURE | | | | | | | | | |
| ROADS | | | | | | | | | |
| Annual renewal program – road resealing | 75 | | 75 | | | | 75 | | |
| Annual renewal program – pavement repair | 20 | | 20 | | | | 20 | | |
| Annual renewal program – kerb and channel | 15 | | 15 | | | | 15 | | |
| TOTAL ROADS | 110 | 0 | 110 | 0 | 0 | 0 | 110 | 0 | 0 |
| FOOTPATHS AND CYCLEWAYS | | | | | | | | | |
| Annual renewal program – footpaths | 20 | | 20 | | | | 20 | | |
| TOTAL FOOTPATHS AND CYCLEWAYS | 20 | 0 | 20 | 0 | 0 | 0 | 20 | 0 | 0 |
| DRAINAGE | | | | | | | | | |
| Annual renewal program – drainage | 100 | | 100 | | | | 100 | | |
| Edgewater Close drainage upgrade | 15 | 15 | | | | | 10 | 5 | |
| TOTAL DRAINAGE | 115 | 15 | 100 | 0 | 0 | 0 | 110 | 5 | 0 |
| RECREATIONAL, LEISURE AND COMMUNITY FACILITIES | | | | | | | | | |
| Fence at Narrows Beach | 40 | 40 | | | | | | 40 | |
| Annual renewal program – beach access handrails and steps | 20 | | 20 | | | | 20 | | |

| Capital Works Area | Project Cost | Asset Expenditure Types | | | Summary of Funding Sources | | | | |
|---|--------------|-------------------------|------------|-----------|----------------------------|----------|---------------------------------|--------------------|-------------|
| | | New | Renewal | Upgrade | Grants | Contrib. | Council - Reporting year income | Council - Reserves | Asset Sales |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| RECREATIONAL, LEISURE AND COMMUNITY FACILITIES – Cont. | | | | | | | | | |
| Annual renewal program – beach access tracks clearance, surface renewal and fencing | 5 | | 5 | | | | 5 | | |
| Annual renewal program – fencing at caravan parks | 5 | | 5 | | | | 5 | | |
| Annual renewal program – other foreshore assets | 5 | | 5 | | | | 5 | | |
| Staff cost to capitalise | 58 | 15 | 35 | 9 | | | 58 | | |
| TOTAL RECREATIONAL, LEISURE AND COMMUNITY FACILITIES | 138 | 55 | 75 | 9 | 0 | 0 | 98 | 40 | 0 |
| PARKS, OPEN SPACE AND STREETSCAPES | | | | | | | | | |
| Annual renewal program – open space | 60 | | 60 | | | | 60 | | |
| Annual renewal program – lower Princess, Princess & Citizens Parks | 10 | | 10 | | | | 10 | | |
| Annual renewal program – foreshore & park furniture | 7 | | 7 | | | | 7 | | |
| TOTAL PARKS, OPEN SPACE AND STREETSCAPES | 77 | 0 | 77 | 0 | 0 | 0 | 77 | 0 | 0 |
| OTHER INFRASTRUCTURE | | | | | | | | | |
| Annual renewal program – fire plugs renewal | 5 | | 5 | | | | 5 | | |
| Annual renewal program – signage renewal | 5 | | 5 | | | | 5 | | |
| TOTAL OTHER INFRASTRUCTURE | 10 | 0 | 10 | 0 | 0 | 0 | 10 | 0 | 0 |
| TOTAL INFRASTRUCTURE | 470 | 70 | 392 | 9 | 0 | 0 | 425 | 45 | 0 |
| TOTAL CAPITAL WORKS | 1,270 | 454 | 798 | 17 | 0 | 0 | 950 | 291 | 29 |

4.5.3 Works carried forward from the 2021–22 financial year

| Capital Works Area | Project Cost | Asset expenditure types | | | Summary of Funding Sources | | | | |
|---|--------------|-------------------------|------------|--------------|----------------------------|-----------|--------------|-------------------|-------------|
| | | New | Renewal | Upgrade | Grants | Contrib. | Council Cash | Reserve transfers | Asset Sales |
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| PROPERTY | | | | | | | | | |
| BUILDINGS | | | | | | | | | |
| Queenscliffe Hub | 963 | | | 963 | 928 | 35 | | | |
| Queenscliff Sport & Recreation Precinct | 380 | 133 | 57 | 190 | 158 | | | 223 | |
| Princess Park kiosk toilet upgrade – design | 60 | | 60 | | | | | 60 | |
| Weeroona Parade toilet upgrade – design | 40 | | 40 | | | | | 40 | |
| TOTAL BUILDINGS | 1,443 | 133 | 157 | 1,153 | 1,085 | 35 | 0 | 323 | 0 |
| TOTAL PROPERTY | 1,443 | 133 | 157 | 1,153 | 1,085 | 35 | 0 | 323 | 0 |
| PLANT AND EQUIPMENT | | | | | | | | | |
| COMPUTERS AND TELECOMMUNICATIONS | | | | | | | | | |
| New corporate system | 159 | 56 | 24 | 80 | | | 159 | | |
| TOTAL COMPUTERS AND TELECOMMUNICATIONS | 159 | 56 | 24 | 80 | 0 | 0 | 159 | 0 | 0 |
| TOTAL PLANT AND EQUIPMENT | 159 | 56 | 24 | 80 | 0 | 0 | 159 | 0 | 0 |
| INFRASTRUCTURE | | | | | | | | | |
| ROADS | | | | | | | | | |
| Queenscliff Sport & Recreation precinct | 23 | 8 | 3 | 11 | | | | 23 | |
| TOTAL ROADS | 23 | 8 | 3 | 11 | 0 | 0 | 0 | 23 | 0 |
| RECREATIONAL, LEISURE AND COMMUNITY FACILITIES | | | | | | | | | |
| Queenscliff Sport & Recreation precinct | 358 | 125 | 54 | 179 | 158 | | | 200 | |
| TOTAL RECREATIONAL, LEISURE AND COMMUNITY FACILITIES | 358 | 125 | 54 | 179 | 158 | 0 | 0 | 200 | 0 |
| PARKS, OPEN SPACE AND STREETSCAPES | | | | | | | | | |
| Point Lonsdale Lighthouse Reserve | 340 | 340 | | | 340 | | | | |
| TOTAL PARKS, OPEN SPACE AND STREETSCAPES | 340 | 340 | 0 | 0 | 340 | 0 | 0 | 0 | 0 |
| TOTAL INFRASTRUCTURE | 720 | 473 | 57 | 190 | 498 | 0 | 0 | 223 | 0 |
| TOTAL CAPITAL WORKS | 2,323 | 662 | 238 | 1,423 | 1,583 | 35 | 159 | 547 | 0 |

5. Financial performance indicators

The following table highlights Council's current and projected performance across a range of key financial performance indicators. These indicators provide a useful analysis of Council's financial position and performance and should be interpreted in the context of the organisation's objectives.

The financial performance indicators below are the prescribed financial performance indicators contained in Part 3 of Schedule 3 of the Local Government (Planning and Reporting) Regulations 2020. Results against these indicators will be reported in Council's Performance Statement included in the Annual Report.

| Indicator | Measure | Note | Expected Range | Actual | Forecast Actual | Budget | Projections | | | Trend +/O/- |
|----------------------------|---|------|--------------------|---------|-----------------|----------------|-------------|---------|---------|-------------|
| | | | | 2020–21 | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 | |
| Operating position | | | | | | | | | | |
| Adjusted underlying result | Adjusted underlying surplus or (deficit) / adjusted underlying revenue | 1 | -20% to 20% | -13.7% | 6.4% | -13.4% | -4.5% | -0.8% | -0.9% | + |
| Liquidity | | | | | | | | | | |
| Working Capital | Current assets / current liabilities | | 100% to 400% | 294.1% | 389.1% | 377.0% | 289.7% | 304.8% | 293.0% | o |
| Unrestricted cash | Unrestricted cash / current liabilities | 2 | 10% to 300% | (38.7%) | 156.5% | 107.0% | 41.0% | 46.4% | 46.0% | - |
| Obligations | | | | | | | | | | |
| Loans and borrowings | Interest bearing loans and borrowings / rate revenue | | 0% to 70% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | o |
| Loans and borrowings | Interest and principal repayments on interest bearing loans and borrowings / rate revenue | | 0% to 20% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | o |
| Indebtedness | Non-current liabilities / own source revenue | | 2% to 70% | 1.1% | 1.0% | 1.1% | 1.0% | 1.0% | 1.0% | o |
| Asset renewal | Asset renewal and asset upgrade expenses / asset depreciation | | 40% to 130% | 194.2% | 542.1% | 170.0% | 173.2% | 154.1% | 186.8% | o |
| Stability | | | | | | | | | | |
| Rates concentration | Rate revenue / adjusted underlying revenue | | 30% to 80% | 67.5% | 59.6% | 73.4% | 70.4% | 69.8% | 69.9% | + |
| Rates effort | Rate revenue / CIV of rateable properties in the municipality | | 0.15% to 0.75% | 0.25% | 0.17% | 0.18% | 0.18% | 0.18% | 0.18% | o |
| Efficiency | | | | | | | | | | |
| Expenditure level | Total expenses / number of property assessments | 3 | \$2,000 to \$5,000 | \$4,168 | \$3,995 | \$4,037 | \$3,989 | \$3,998 | \$4,099 | - |
| Revenue level | General rate revenue / number of property assessments | 4 | \$700 to \$2,000 | \$2,154 | \$2,186 | \$2,231 | \$2,293 | \$2,361 | \$2,425 | - |

Key to Forecast Trend:

“+” Forecasts improvement in Council’s financial performance / financial position indicator , “O” Forecasts that Council’s financial performance / financial position indicator will be steady and “-” Forecasts deterioration in Council’s financial performance / financial position indicator

Notes to indicators

1. **Adjusted underlying result** – This is an important measure of financial sustainability and an indicator of the operating result required to enable Council to continue to provide core services and meet its objectives.

However, in most instances, the reported underlying result is impacted by the timing of recurrent operating grants (especially FAGs), non-recurrent operating grants and non-recurrent operating projects included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed excluding the impact of non-recurrent operating income and expense items, and adjusted for the timing of recurrent operating grants where applicable as defined in the Council Plan of the Borough.

After adjusting for the timing of recurrent operating grants, non-recurrent operating grants and non-recurrent operating projects, a \$343,000 (-3.3%) underlying deficit is projected for 2022–23. A cumulative underlying deficit of \$732,000 (based on the Council Plan measure) is projected for the next four years (2022–23 to 2025–26) which is an average \$183,000 deficit each year.

Loss of income from tourist parks due to the closure of 26 sites, additional operating cost and depreciation expenses associated with new and upgraded assets and loss of income from boat ramp parking fees are the key influences of the projected underlying deficit for the next four years. Please refer to the “Financial Policy Statement (Financial Sustainability Indicators)” section of this budget for more details.

2. **Unrestricted cash** – Term deposits with original maturities of more than 90 days are considered restricted cash. However, the budget indicates that Council will have sufficient cash not restricted by any external obligation to cover its current liabilities. The budget is prepared based on the assumption that Council will invest in term deposits with original maturities of more than 90 days to optimise interest income in line with Council Policy CP011: Investment of Available Funds.
3. **Expenditure level** – The majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for most of the other local councils.
4. **Revenue level** – Rate revenue represents a high proportion of Queenscliffe's revenue. Given the very small ratepayer base, this translates into a level of rate revenue per property assessment which is higher than the outcome for most of the other local councils.

Appendix A: Fees and charges schedule

This appendix presents the fees and charges of a statutory and non-statutory nature which will be charged in respect to various goods and services provided during the 2022–23 year.

The following information is listed for each type of fee charged by Council:

- Program / activity to which the user fee relates (example: law enforcement)
- Type of fee charged (example: dog registration)
- More details regarding each fee type (example: dog registration – sterilised dog)
- An indication as to whether the fee is legislated or at the discretion of Council
- Whether the fee is inclusive of GST, or if in fact GST does not apply to the fee
- Fees for both the current year (2021–22) and proposed fees for the next year (2022–23)
- % increase in fees compared with that charged for the previous year

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--|--|--|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Rates and charges | Land Information Certificates* | Per certificate | Y | N | \$27.40 | 1.5% | \$27.85 | 1.6% |
| *Subject to revision in line with the Gazetted fees and charges (Victorian Govt Gazette: – G16). | Rates Debt Collection Fee | Per debt collection agency letter issued | N | Y | \$20.00 | 0.0% | | Removed |
| | Current year rates notices | Per notice fee (up to 20 minutes) | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | Previous year rates notices | Per notice fee (up to 20 minutes) | N | N | \$16.00 | 0.0% | \$17.00 | 6.3% |
| | Rate history enquiry | Administration fee (per hour) | N | N | \$51.00 | 2.0% | \$52.00 | 2.0% |
| | Rate Refund – Due to ratepayer error | Per Refund Request – Discretionary | N | N | | | \$10.00 | New |
| | Dishonoured Cheque/Direct Debit Rejections Fee | Per cheque dishonoured – Australia Post transactions | N | N | \$25.00 | 66.7% | \$25.00 | 0.0% |
| | | Per cheque dishonoured – Bank transactions | N | N | \$10.00 | 0.0% | \$10.00 | 0.0% |
| | | Per Direct /Debit rejection – Bank transactions | N | N | | | \$10.00 | New |
| Administration | Photocopy charges – per page | Own paper supplied | N | Y | \$0.35 | 0.0% | \$0.40 | 14.3% |
| | | A4 paper | N | Y | \$0.40 | 0.0% | \$0.45 | 12.5% |
| | | A3 paper | N | Y | \$0.65 | 0.0% | \$0.70 | 7.7% |
| | | A4 colour copy | N | Y | \$1.30 | 0.0% | \$1.35 | 3.8% |
| | | A3 colour copy | N | Y | \$1.80 | 0.0% | \$1.85 | 2.8% |
| | | A4 laminating | N | Y | \$2.50 | 0.0% | \$2.60 | 4.0% |
| | | A3 laminating | N | Y | \$4.30 | 1.2% | \$4.45 | 3.5% |
| | Freedom of Information Request* | Per Application | Y | N | \$30.10 | 1.7% | \$30.60 | 1.7% |
| Facility hire | Per day hire – Town Hall | Social Events / Functions – Charity | N | Y | \$0.00 | (100.0%) | \$0.00 | 0.0% |
| | | Social Events / Functions – Local organisations/community events | N | Y | \$200.00 | 78.6% | \$200.00 | 0.0% |
| | | Social Events / Functions – Private events (Full day) | N | Y | \$500.00 | 56.3% | \$500.00 | 0.0% |
| | | Social Events / Functions – Private events (Half day) | N | Y | \$300.00 | 0.0% | \$300.00 | 0.0% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|----------------------------|--------------------------|--|----------------------|-----------|-----------------|------------|-----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Facility hire cont. | Per day hire – Town Hall | Set-up fee for events in the Town Hall | N | Y | \$0.00 | (100.0%) | \$0.00 | 0.0% |
| | | Commercial (Full day) | N | Y | \$800.00 | 57.5% | \$800.00 | 0.0% |
| | | Commercial (Half day) | N | Y | \$500.00 | 0.0% | \$500.00 | 0.0% |
| | Per day hire – Pavilion | Ratepayer | N | Y | \$200.00 | 122.2% | \$100.00 | -50.0% |
| | | Non-ratepayer | N | Y | \$200.00 | 2.6% | \$200.00 | 0.0% |
| | | Power usage only | N | Y | \$0.00 | (100.0%) | \$0.00 | 0.0% |
| | Per day hire – Oval | Booking fee | N | Y | \$82.00 | 1.2% | \$84.00 | 2.4% |
| Visitor Information Centre | Heritage Walks | Heritage Walk – with cup of tea | N | Y | \$15.00 | 0.0% | \$18.00 | 20.0% |
| | | Heritage Walk – walk only | N | Y | | | \$10.00 | New |
| | Bike Hire | Bike Hire – 4 hours | N | Y | | | \$30.00 | New |
| | | Bike Hire – Full day (7 hours) | N | Y | | | \$40.00 | New |
| | | Deposit per hire (refundable) | N | Y | | | \$50.00 | New |
| | Display Banners | Per week | N | Y | \$20.00 | 0.0% | \$20.00 | 0.0% |
| | Souvenirs | Per item | N | Y | Various | | Various | |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--------------------|---|--|----------------------|-----------|-------------------|------------|--------------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Aged Care | Charges dependant on client means test | Home Care | N | N | \$5.30 – \$20.35 | 1.0% | \$5.45 – \$20.95 | 2.9% |
| | | Personal Care | N | N | \$5.30 – \$20.35 | 1.0% | \$5.45 – \$20.95 | 2.9% |
| | | Respite Care | N | N | \$2.75 | 1.7% | \$2.85 | 3.6% |
| | | Home Maintenance | N | N | \$10.85 – \$18.80 | 1.9% | \$11.20 – \$19.35 | 2.9% |
| | Other Agencies \$/hour | Home Care | N | Y | \$51.50 | 2.0% | \$61.80 | 20.0% |
| | | Personal Care | N | Y | \$53.95 | 2.0% | \$64.74 | 20.0% |
| | | Respite Care | N | Y | \$55.05 | 2.0% | \$66.06 | 20.0% |
| | | Home Maintenance | N | Y | \$62.65 | 1.0% | \$75.18 | 20.0% |
| | | Travel fees per km | N | Y | \$1.20 | 0.0% | \$1.44 | 20.0% |
| | Home and Community Care Packages (HCCP) | Per week (<i>varies, please contact aged services for further details</i>) | N | N | \$0.00 | 0.0% | | Removed |
| | On-Call Case Managed Client fee | Per hour (minimum 1 hour per call-out) | N | Y | | | \$90.00 – \$225.00 | New |
| | Case Management Fee | Monthly fee | N | Y | | | \$50.00 | New |
| Engineering | Build Over Easement Permit* | Per permit | Y | N | \$294.70 | 1.5% | \$299.80 | 1.7% |
| | Legal Point of Discharge Enquiry* | Per enquiry | Y | N | \$146.80 | 1.5% | \$149.30 | 1.7% |
| | Road Opening Permit | Per permit | Y | N | \$120.00 | 0.8% | \$125.00 | 4.2% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Building * Subject to revision in line with the Gazetted fees and charges (Victorian Government Gazette: – G16) | Lodgement Fees – Building Permits* | Per lodgement | Y | N | \$123.70 | 1.5% | \$125.80 | 1.7% |
| | Building Certificate – Property Enquiry* | Per certificate | Y | N | \$47.90 | 1.5% | \$48.75 | 1.8% |
| | Building Surveyors Consent – Permit* | Per permit | Y | N | \$294.70 | 1.5% | \$299.80 | 1.7% |
| | Building Surveyors Consent – Permit* | Per permit – where land is liable to flooding | Y | N | \$294.70 | 1.5% | \$299.80 | 1.7% |
| | Copying of Building Permit Documentation | Per copy | N | Y | \$100 min. | | \$100 min. | |
| | Records Search Fee | Per search (Records kept on-site) | N | Y | \$115.00 | 1.8% | \$125.00 | 8.7% |
| | Records Search Fee | Per search (Records kept off-site) | N | Y | \$180.00 | 0.0% | \$185.00 | 2.8% |
| | Pool and Spa Registration Fee* | Per pool/spa | Y | Y | \$32.30 | 1.4% | \$32.90 | 1.9% |
| | Pool and Spa Customer Search Fee* | Per registration | Y | Y | \$47.90 | 1.4% | \$48.70 | 1.7% |
| Environmental Health **All new Environmental Health business registrations will be charged on a monthly pro rata basis | Food – Class 1 & 2** | Per registration | N | N | \$372.00 | 1.1% | \$383.00 | 3.0% |
| | Food – Class 3** | Per registration | N | N | \$246.00 | 0.8% | \$253.00 | 2.8% |
| | Food – Class 3 (50% part year fee)** | Per registration | N | N | \$123.00 | 0.8% | \$127.00 | 3.3% |
| | Mobile food premises – Class 2** | Per registration | N | N | \$372.00 | 1.1% | \$383.00 | 3.0% |
| | Mobile food premises – Class 3** | Per registration | N | N | \$246.00 | 0.8% | \$253.00 | 2.8% |
| | Accommodation** | Per registration | N | N | \$372.00 | 1.1% | \$383.00 | 3.0% |
| | Hairdresser/Beauty Premises** | Per registration | N | N | \$185.00 | 1.1% | \$191.00 | 3.2% |
| | Premises | Per transfer inspection | N | Y | \$195.00 | 1.0% | \$201.00 | 3.1% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Environmental Health – Cont. **All new Environmental Health business registrations will be charged on a monthly pro rata basis | Septic tank fees | Per permit to install | N | N | \$411.00 | 1.0% | \$423.00 | 2.9% |
| | Septic tank fees | Per permit to alter / 801 report and content | N | N | \$205.00 | 1.0% | \$211.00 | 2.9% |
| | Temporary food registration** | Per for-profit organisation | N | N | \$205.00 | 1.0% | \$211.00 | 2.9% |
| | Temporary food registration – Class 2 & 3** | Per community organisation (up to 12 events held each year) | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | Temporary food registration – Class 2** | Per community organisation (more than 12 events held each year) | N | N | \$185.00 | 1.1% | \$191.00 | 3.2% |
| | Temporary food registration – Class 3** | Per community organisation (more than 12 events held each year) | N | N | \$122.00 | 0.8% | \$126.00 | 3.3% |
| | Temporary food registration – Class 4** | Per community organisation | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | Sporting Clubs Season Registration – Class 2 & 3** | Per registration | N | N | \$186.00 | 1.1% | \$192.00 | 3.2% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Town Planning * Subject to revision in line with the Gazetted fees and charges (Victorian Govt Gazette: – G16). | Planning Permit – new application* | Per permit (fee depends on Class) – from Lowest (Class 2) | Y | N | \$202.90 | 1.5% | \$206.40 | 1.7% |
| | | Per permit (fee depends on Class) – to Highest (Class 15) | Y | N | \$58,526.80 | 1.5% | \$59,539.20 | 1.7% |
| | Planning Permit – extension of time* | Per permit | Y | N | \$202.90 | 1.5% | \$206.40 | 1.7% |
| | Planning Permit – amendment* | Per permit (fee depends on Class) – from Lowest (Class 2) | Y | N | \$202.90 | 1.5% | \$206.40 | 1.7% |
| | | Per permit (fee depends on Class) – to Highest (Class 12) | Y | N | \$3,464.40 | 1.5% | \$3,524.30 | 1.7% |
| | Planning Permit – subdivision* | Per subdivision | Y | N | \$1,337.70 | 1.5% | \$1,360.80 | 1.7% |
| | Certification – subdivision* | Per subdivision | Y | N | \$177.40 | 1.5% | \$180.40 | 1.7% |
| | Section 29A request* | Per request | Y | N | \$86.40 | 1.4% | \$87.90 | 1.7% |
| | Planning Infringements* | Per infringement – natural person | Y | N | \$908.70 | 10.0% | \$924.60 | 1.7% |
| | Planning Infringements* | Per infringement – body corporate | Y | N | \$1,817.40 | 10.0% | \$1,849.20 | 1.7% |
| | Secondary consent | Standard | N | Y | | | \$405.80 | New |
| | | VicSmart | N | Y | | | \$202.90 | New |
| | Planning Permit – Request | Copy of endorsed plans | N | Y | | | \$13.00 | New |
| | | Copy of permit | N | Y | | | \$52.00 | New |
| | | Request for planning information in writing. | N | Y | | | \$126.90 | New |
| | Development Plan | Application or amendment of development plan | N | Y | | | \$330.70 | New |
| Local Laws | Dog Registrations – per registration <i>Note: fees are in accordance with the Domestic Animals Act, where applicable.</i> | Declared Restricted Breed | N | N | \$500.00 | 0.0% | \$500.00 | 0.0% |
| | | Declared Menacing Breed | N | N | \$500.00 | 0.0% | \$500.00 | 0.0% |
| | | Declared Dangerous Dog | N | N | \$500.00 | 0.0% | \$500.00 | 0.0% |
| | | Entire | Partially | N | \$114.00 | 0.9% | \$117.00 | 2.6% |
| | | Entire (pensioner concession) | Partially | N | \$57.00 | 1.0% | \$59.00 | 3.5% |
| | | Entire (6 months & under) | N | N | | | \$39.00 | New |
| | | Entire & Existing Microchipped | Partially | N | \$38.00 | 0.9% | \$39.00 | 2.6% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--------------------|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws – Cont. | Dog Registrations – per registration <i>Note: fees are in accordance with the Domestic Animals Act, where applicable.</i> | Registered Organisation (both owner and animal) | Partially | N | \$38.00 | 0.9% | \$39.00 | 2.6% |
| | | Desexed | Partially | N | \$38.00 | 0.9% | \$39.00 | 2.6% |
| | | Desexed & Microchipped | Partially | N | \$38.00 | 0.9% | \$39.00 | 2.6% |
| | | Desexed (Pensioner Concession) | Partially | N | \$19.00 | 1.1% | \$20.00 | 5.3% |
| | | Dual Registered | N | N | \$7.00 | 0.0% | \$7.00 | 0.0% |
| | | Guide Dog / Carer Dog | Y | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Replacement Dog Tag | N | N | \$2.00 | 0.0% | \$2.00 | 0.0% |
| | Cat Registrations – per registration <i>Note: fees are in accordance with Domestic Animals Act, where applicable.</i> | Entire (not applicable in BoQ as Local Law does not allow entire cat) | N | N | n/a | 0.0% | n/a | 0.0% |
| | | Registered Organisation (both owner and animal) | N | N | \$32.60 | 0.9% | \$33.60 | 3.1% |
| | | Microchipped (existing reg'ns only) | Partially | N | \$32.60 | 0.9% | \$33.60 | 3.1% |
| | | Desexed | Partially | N | \$32.60 | 0.9% | \$33.60 | 3.1% |
| | | Desexed & Microchipped | Partially | N | \$32.60 | 0.9% | \$33.60 | 3.1% |
| | | Desexed (Pensioner Concession) | Partially | N | \$16.30 | 0.9% | \$16.80 | 3.1% |
| | | Dual Registered | N | N | \$7.00 | 0.0% | \$7.00 | 0.0% |
| | | Replacement Cat Tag | N | N | \$2.00 | 0.0% | \$2.00 | 0.0% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--------------------|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws- Cont. | Local Law Permit Fees <i>Note: unless otherwise stipulated, these are annual permit fees.</i> | Planting on or removal of plants from nature strip | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Keeping more animals or birds than prescribed – application fee | N | N | \$93.50 | 1.1% | \$96.50 | 3.2% |
| | | Keeping more animals or birds than prescribed – annual renewal | N | N | \$18.00 | 0.0% | \$18.50 | 2.8% |
| | | Lighting a fire in the open | N | N | \$116.50 | 0.9% | \$120.00 | 3.0% |
| | | Builders construction of temporary vehicle crossing | N | N | \$134.00 | 1.5% | \$138.00 | 3.0% |
| | | Tapping into Council drain | N | N | \$65.50 | 0.8% | \$67.50 | 3.1% |
| | | Road opening | N | N | \$134.00 | 1.5% | \$138.00 | 3.0% |
| | | Bringing a horse or donkey | N | N | \$29.50 | 1.7% | \$30.50 | 3.4% |
| | | Erecting booth, stall scaffolding etc. – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Erecting booth, stall scaffolding etc. – for other purposes | N | N | \$180.50 | 0.8% | \$186.00 | 3.0% |
| | | Placing signs, displaying or storing goods – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Placing signs, displaying or storing goods – for other purposes | N | N | \$37.00 | 1.4% | \$38.00 | 2.7% |
| | | Placing signs, displaying or storing goods – annually | N | N | \$108.50 | 0.9% | \$112.00 | 3.2% |
| | | Signage other than above | N | N | | | \$275.00 | New |
| | | Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment – for other purposes (<=7 days) | N | N | \$18.50 | 0.0% | \$19.00 | 2.7% |
| | | Singing, playing a musical instrument, delivering a public address, using sound amplifying equipment – for other purposes (annual permit) | N | N | \$60.50 | 0.8% | \$62.50 | 3.3% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--------------------|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws- Cont. | Local Law Permit Fees <i>Note: unless otherwise stipulated, these are annual permit fees.</i> | Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Sell or hire or offer for sale or hire goods or services or raffle or lottery tickets – for other purposes | N | N | By arrangement | | By arrangement | |
| | | Filming within the Borough – Feature Films & Commercials – First day | N | N | \$300.00 | 1.2% | \$309.00 | 3.0% |
| | | Filming within the Borough – Feature Films & Commercials – Subsequent day(s), per day | N | N | \$119.00 | 0.8% | \$122.50 | 2.9% |
| | | Filming within the Borough – Major Television Productions, low and medium budget films, telemovies – First day | N | N | \$240.00 | 1.3% | \$247.00 | 2.9% |
| | | Filming within the Borough – Major Television Productions, low and medium budget films, telemovies – Subsequent day(s), per day | N | N | \$119.00 | 0.8% | \$122.50 | 2.9% |
| | | Filming within Borough – Commercial Stills Photography – First day | N | N | \$181.50 | 1.4% | \$187.00 | 3.0% |
| | | Filming within the Borough – Commercial Stills Photography – Subsequent Day(s), per day | N | N | \$60.50 | 0.8% | \$62.50 | 3.3% |
| | | Filming within the Borough – Small Scale Television Productions – First day | N | N | \$119.00 | 0.8% | \$122.50 | 2.9% |
| | | Filming within the Borough – Small Scale Television Productions – Subsequent day(s), per day | N | N | \$60.50 | 0.8% | \$62.50 | 3.3% |
| | | Filming within the Borough – Productions for Charities | N | N | By arrangement | | By arrangement | |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|---|--|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws-Cont. * Subject to revision in line with the Gazetted fees and charges (Victorian Govt Gazette: – G16). | Local Law Permit Fees Note: unless otherwise stipulated, these are annual permit fees. | Using a crane, hoist or movable platform etc. | N | N | \$180.50 | 0.8% | \$186.00 | 3.0% |
| | | Fly an engine powered model airplane | N | N | \$37.00 | 1.4% | \$38.00 | 2.7% |
| | | Landing a helicopter – weekdays 9am-5pm | N | N | \$116.50 | 0.9% | \$120.00 | 3.0% |
| | | Landing a helicopter – week nights and all day Saturday | N | N | \$233.50 | 0.9% | \$240.50 | 3.0% |
| | | Landing a helicopter – all day on a Sunday | N | N | \$350.50 | 0.9% | \$361.00 | 3.0% |
| | | Removing paint, painting or repairing a vehicle or boat in a public place – per permit | N | N | \$1,169.50 | 0.9% | \$1,204.50 | 3.0% |
| | | Place a skip – accredited & have insurance – per week | N | N | \$37.00 | 1.4% | \$38.00 | 2.7% |
| | | Place a skip – non-accredited – per week | N | N | \$96.50 | 1.0% | \$99.50 | 3.1% |
| | | Events – local law – weddings | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Events – local law – major event (promote or conduct an event for which an entry fee is charged or which is intended to make a profit) | N | N | By arrangement | | By arrangement | |
| | | Conduct a road activity – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Conduct a road activity – for other purposes | N | N | \$60.50 | 0.8% | \$62.50 | 3.3% |
| | | Camping or keeping a caravan in a public place or private land – per day (\$Nil for the first 6 weeks on private land) | N | N | \$31.50 | 1.6% | \$32.50 | 3.2% |
| | | Special uses and events | N | N | By arrangement | | By arrangement | |
| | | Street appeals – for charitable purposes | N | N | \$0.00 | 0.0% | \$0.00 | 0.0% |
| | | Street appeals – for other purposes | N | N | \$119.00 | 0.8% | \$122.50 | 2.9% |
| | | Consumption of liquor | N | N | \$5.70 | 0.0% | \$5.80 | 1.8% |
| | | Itinerant trading (roadside vendors) | N | N | By arrangement | | By arrangement | |
| | | Failure to comply with a notice to comply (three penalty units)* | Y | N | \$545.22 | 18.8% | \$554.80 | 1.8% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|---|---------------------------------------|----------------------|-----------|-----------------|------------|-----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws-Cont. * Subject to revision in line with the Gazetted fees and charges (Victorian Govt Gazette: – G16). | Parking Fees – per bay (where footpath area used for works, thus requiring pedestrians to use designated parking bays as footpaths) | Per day | N | N | \$10.00 | 0.0% | \$10.00 | 0.0% |
| | | Per week (based on a seven day week) | N | N | \$40.00 | 0.0% | \$40.00 | 0.0% |
| | | Per month (based on a calendar month) | N | N | \$100.00 | 0.0% | \$100.00 | 0.0% |
| | Parking Fines – per infringement | Minimum fee* | Y | N | \$75.00 | 6.4% | \$76.00 | 1.3% |
| | | Medium fee* | Y | N | \$105.00 | 48.9% | \$107.00 | 1.9% |
| | | Maximum fee* | Y | N | \$181.00 | 54.7% | \$184.00 | 1.7% |
| | | Courtesy letter fee | Y | N | \$23.00 | 0.0% | \$23.00 | 0.0% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|----------------------|--|----------------------|-----------|-------------------|------------|-------------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Local Laws-Cont. * Subject to revision in line with the Gazetted fees and charges (Victorian Govt Gazette: – G16). | Fire Hazard Charges | Failing to comply with a fire prevention notice* | Y | N | \$1,817.00 | 16.2% | \$1,849.00 | 1.8% |
| | | Failing to obtain a permit to conduct road opening* | Y | N | \$346.00 | 0.0% | \$352.00 | 1.7% |
| | Animal Infringements | Dog not on lead in public place* | Y | N | \$181.00 | 16.0% | \$184.00 | 1.7% |
| | | Dog wandering at large, day time* | Y | N | \$272.00 | 15.7% | \$277.00 | 1.8% |
| | | Dog wandering at large, night time* | Y | N | \$363.00 | 15.6% | \$369.00 | 1.7% |
| | | Failure to register a dog or cat* | Y | N | \$363.00 | 15.6% | \$369.00 | 1.7% |
| | | Registered dog or cat not wearing tag* | Y | N | \$90.00 | 26.8% | \$92.00 | 2.2% |
| | | Unregistered dog or cat wearing a tag* | Y | N | \$90.00 | 26.8% | \$92.00 | 2.2% |
| | | Contravening Council order regarding dogs or cats in public place* | Y | N | \$181.00 | 16.0% | \$184.00 | 1.7% |
| | | Dog or cat being a nuisance* | Y | N | \$90.00 | 26.8% | \$92.00 | 2.2% |
| | | Cat at large or not securely confined to owners premises* | Y | N | \$181.00 | 16.0% | \$184.00 | 1.7% |
| | | Greyhounds not muzzled or chain outside owners premises* | Y | N | \$272.00 | 15.7% | \$277.00 | 1.8% |
| | | Noncompliance of order to abate nuisance* | Y | N | \$307.80 | 31.0% | \$313.20 | 1.7% |
| Foreshore Other | Tour Operators | Licence (permit to carry out recreational business for profit on Crown Land managed by Council)* | Y | Y | \$307.80 | 11.1% | \$313.10 | 1.7% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|---|---|-------------------------------------|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Tourist Parks **All Seasonal Packages are based on 2 adults only | Golightly Park (based on 2 adults & 4 children) | Annual fees – A | N | Y | \$9,363.00 | -0.9% | \$9,644.00 | 3.0% |
| | | Annual fees – B | N | Y | \$8,555.00 | -0.9% | \$8,812.00 | 3.0% |
| | | Annual fees – C | N | Y | \$8,203.00 | -0.9% | \$8,449.00 | 3.0% |
| | Recreation Reserve (based on 2 adults) | Annual fees | N | Y | \$6,135.00 | 1.1% | \$6,319.00 | 3.0% |
| | Victoria Park (based on 2 adults) | Annual fees | N | Y | \$6,135.00 | 1.1% | \$6,319.00 | 3.0% |
| | All parks | Annual fees – Transfer of ownership | N | Y | \$250.00 | 0.0% | \$250.00 | 0.0% |
| | All parks | Annual fees – Valuation fee | N | Y | \$40.00 | 0.0% | \$200.00 | 400.0% |
| | Seasonal Package – All Parks | 1 December – 30 April ** | N | Y | \$5,612.00 | 12.0% | \$5,780.00 | 3.0% |
| | Seasonal Package – All Parks | 1 December – 31 March ** | N | Y | \$4,883.00 | 12.0% | \$5,029.00 | 3.0% |
| | Seasonal Package – All Parks | 1 December – 28 February ** | N | Y | \$3,866.00 | 12.0% | \$3,982.00 | 3.0% |
| | Seasonal Package – All Parks | 26 December – 31 January ** | N | Y | \$2,541.00 | 12.0% | \$2,617.00 | 3.0% |
| | Seasonal Package – All Parks | 6 February – 30 April ** | N | Y | \$2,579.00 | 12.0% | \$2,656.00 | 3.0% |
| | Seasonal Package – All Parks | 6 February – 31 March ** | N | Y | \$1,784.00 | 12.0% | \$1,838.00 | 3.0% |
| | Seasonal Package – All Parks | 6 February – 28 February ** | N | Y | \$1,060.00 | 12.1% | \$1,092.00 | 3.0% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|--|--|---|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Tourist Parks – Cont. *** Seniors discount of 10% applies to casual camping, extra rates, during shoulder and off peak only | Additional persons *** | Extra adult on annual permit or seasonal package | N | Y | \$141.00 | 0.7% | \$145.00 | 2.8% |
| | | Extra child on annual permit or seasonal package | N | Y | \$75.00 | 1.4% | \$77.00 | 2.7% |
| | | Extra adult – Casual site, per night | N | Y | \$15.00 | 0.0% | \$15.00 | 0.0% |
| | | Extra child – Casual site, per night | N | Y | \$10.00 | 0.0% | \$10.00 | 0.0% |
| | Casual – per night **** (Powered site) | Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$85.00 | 16.4% | | Removed |
| | | Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$65.00 | 10.2% | \$85.00 | 30.8% |
| | | Shoulder (1 September – 26 December, 1 February – 30 April) | N | Y | \$50.00 | 11.1% | \$65.00 | 30.0% |
| | | Low (1 May – 31 August) | N | Y | \$40.00 | 5.3% | \$45.00 | 12.5% |
| | | Discount applied for bookings more than 7 nights – Shoulder/Low season only | | | 20% Discount | | 20% Discount | |
| | | Shoulder/Low season – If there is availability, an adjacent camp site will be offered to customer at 20% discount for boat parking (must have a camp site booked to park boat.) | | | 20% Discount | | 20% Discount | |
| | | | | | | | | |
| | Cabins – per night Water View 1-3 | Water View 1-3 – Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$295.00 | 0.0% | | Removed |
| | | Water View 1-3 – Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$274.00 | -3.5% | \$295.00 | 7.7% |
| | | Water View 1-3 – Shoulder (1 September – 26 December, 1 February – 30 April) | N | Y | \$220.00 | 2.3% | \$255.00 | 15.9% |
| | | Water View 1-3 – Low (1 May – 31 August) | N | Y | \$185.00 | -2.1% | \$200.00 | 8.1% |
| | **** Given the competitive nature of camping and caravan park accommodation, casual rates for camping may be varied to a maximum discount of 20%. A 20% premium may also apply for the duration of publicly advertised major events. Any discounts to be approved by Caravan Park management or a member of the Executive Management Team. | | | | | | | |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|-----------------------|-------------------------------------|--|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Tourist Parks – Cont. | Cabins – per night Park View 4-5 | Park View 4-5 – Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$275.00 | 0.0% | | Removed |
| | | Park View 4-5 - Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$270.00 | -4.9% | \$275.00 | 1.9% |
| | | Park View 4-5 – Shoulder (1 September – 26 December, 1 February – 30 April) | N | Y | \$210.00 | -2.3% | \$200.00 | -4.8% |
| | | Park View 4-5 – Low (1 May – 31 August) | N | Y | \$175.00 | -7.4% | \$180.00 | 2.9% |
| | Budget cabins – per night | Budget Cabin ("Whale") – Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$180.00 | 0.0% | | Removed |
| | | Budget Cabin ("Whale") – Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$165.00 | -1.2% | \$180.00 | 9.1% |
| | | Budget Cabin ("Whale") – Shoulder (1 September – 26 December, 1 February – 30 April) | N | Y | \$150.00 | 7.1% | \$155.00 | 3.3% |
| | | Budget Cabin ("Whale") – Low (1 May – 31 August) | N | Y | \$130.00 | 4.0% | \$130.00 | 0.0% |
| | | Budget Cabin ("Sardine") – Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$150.00 | 2.0% | | Removed |
| | | Budget Cabin ("Sardine") – Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$140.00 | 12.0% | \$150.00 | 7.1% |
| | | Budget Cabin ("Sardine") – Shoulder (1 September – 26 December, 1 February – 30 April) | N | Y | \$130.00 | 0.0% | \$140.00 | 7.7% |
| | | Budget Cabin ("Sardine") – Low (1 May – 31 August) | N | Y | \$115.00 | 1.8% | \$130.00 | 13.0% |
| | | Additional Person | N | Y | \$17.00 | 0.0% | \$22.00 | 29.4% |

| Program / Activity | Fees & Charges Type | Fees & Charges Detail | Legislated Fee (Y/N) | GST (Y/N) | 2021–22 Actual | | 2022–23 Budget | |
|-----------------------|---|--|----------------------|-----------|----------------|------------|----------------|------------|
| | | | | | Price | % Increase | Price | % Increase |
| Tourist Parks – Cont. | Small tent site (single person, no power) – per night | Prime (26 December – 31 January, Easter Holidays, Public Holidays) | N | Y | \$45.00 | 0.0% | | Removed |
| | | Peak (26 December – 31 January, Easter Holidays, Public Holidays, Special Events) | N | Y | \$40.00 | 0.0% | \$40.00 | 0.0% |
| | | Shoulder (1 September to 26 December, 1 February – 30 April) | N | Y | \$30.00 | 0.0% | \$30.00 | 0.0% |
| | | Low (1 May – 31 August) | N | Y | \$20.00 | 0.0% | \$20.00 | 0.0% |
| | Powered and unpowered site | Queenscliff Music Festival weekend (2 nights, 2 people) | N | Y | \$200.00 | -1.0% | \$200.00 | 0.0% |
| | | Queenscliff Music Festival – Additional person for 2 nights | N | Y | \$50.00 | 0.0% | \$50.00 | 0.0% |
| | Other Charges (applies for all sites) | Cancellation Fee | N | Y | \$50.00 | 0.0% | \$50.00 | 0.0% |
| | | Late Checkout Fee – Camp sites only | N | Y | \$10.00 | 0.0% | \$10.00 | 0.0% |
| | | Unoccupied site fee | N | Y | \$25.00 | 66.7% | \$25.00 | 0.0% |
| | | Unoccupied site fee – Peak (1 December – 25 December, 31 January – 31 March, QMF and special events) | N | Y | \$20.00 | 33.3% | | Removed |
| | | Unoccupied site fee – Shoulder (1 April – 31 May, 1 September – 30 November) | N | Y | \$15.00 | 0.0% | | Removed |
| | | Unoccupied site fee – Low (1 June – 31 August) | N | Y | \$15.00 | 0.0% | | Removed |
| | | Laundry Charges – Washing Machine | N | Y | \$4.00 | 0.0% | \$4.00 | 0.0% |
| | | Laundry Charges – Dryer (per 15 minutes) | N | Y | \$2.00 | 0.0% | \$2.00 | 0.0% |
| | | Bags of Ice (per bag) | N | Y | \$5.00 | 0.0% | \$5.00 | 0.0% |

End of the budget document.