



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

Annual Report 2018–19







Statio Tutissima Nautis

"The Safest Anchorage for Seafarers"

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.

Our Vision

Inspired by the Borough's Latin motto, Council's vision for the future is that:

'The Borough remains a safe haven defined by its unique heritage, rich culture and significant natural environment. It is a special and restorative place for an involved and caring community and our visitors.'

Our Values

The following values guide Councillors and staff in our daily interactions and the ways we work together to achieve our vision and serve our community.

Leadership - underpinned by integrity, strategic thinking and innovation.

Balance - in the way we listen to, engage with and make decisions in the best interests of the whole community.

Professionalism - by doing things well, always trying to improve and being accountable.

Collaboration - demonstrated through working as a team and investing in internal and external relationships.

Flexibility - by supporting workplace arrangements that sustain healthy and productive staff.



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“Low Light Festival was the pinnacle of the 2018–19 year for me. It allowed the opportunity to work across the Borough to create events and activities that express the spirit that exists within our community, from working with local school students to connecting artists with disabilities and much more. Low Light brought together a broad array of arts, music, literature, film and gourmet dining, offered up in a range of venues both grand and intimate. Getting the opportunity to work with a diverse range of community members is the highlight of my job.”

Leanne Stein
Arts Officer

About this annual report

The Borough of Queenscliffe Annual Report 2018–19 highlights Council's performance against the second year of the Council Plan 2017–2021 and the 2018–19 Budget.

The Council Plan 2017–2021 sets out five strategic directions against which Council's performance is measured:

1. Enhance community wellbeing by providing a safe environment where people are involved, healthy and active in recreation, arts and culture.
2. Play our part in protecting the local, national and globally significant values within our natural environment for future generations.
3. Foster a diverse and vibrant local economy.
4. Preserve and enhance the Borough as a special place through excellence of design and conservation of its rich culture and unique heritage.
5. Maintain a cohesive, well governed, financially sustainable and independent Borough.

This Annual Report includes information about Council's performance, achievements and challenges for each of these strategic directions within the 2018–19 year, as well as an outline of Council services and operations. It also provides a comprehensive and externally audited Performance Statement and Financial Report.

As a document, the Annual Report is part of Council's commitment to open, transparent and accountable local governance. It informs Council, ratepayers, community members and other stakeholders of the achievements and challenges of the past financial year, and provides key information required under the Local Government Act 1989 and other relevant legislation.

The content provided within the Annual Report is reviewed every year and is guided by best practice in local government reporting.

Feedback or questions relating to the Annual Report are welcome.

Email: info@queenscliffe.vic.gov.au
Post: Chief Executive Officer,
Borough of Queenscliffe, PO Box 93, Queenscliff
VIC 3225.

The Annual Report is available in a range of alternative formats and can also be viewed electronically on Council's website, www.queenscliffe.vic.gov.au

*Cover image: Point Lonsdale Lighthouse
Photographer: Ewan Bell*

From the Mayor and Chief Executive Officer

The 2018–19 financial year has been one of setting foundations for a number of priority projects as we aim to best prepare the Borough for the next decade and beyond.

We are proud to have secured funding for a number of key projects that will position Queenscliff and Point Lonsdale as a destination that our residents can enjoy and also share with visitors. Upgrades to our sporting precinct have provided state-of-the-art facilities for all local sports people, particularly women. Council continues to take a proactive approach to the threat of climate change, placing sustainability and environmental management at the forefront of our future plans. The Borough's growing stature as a hub of arts and festivals also received another boost with attendance numbers climbing yet again to our drawcard events.

Shining a light on the Borough

One might say that Queenscliff has become the borough of festivals given the amount of year-round arts, entertainment and sporting events that highlight our wonderful township. 2018–19 began with our inaugural Low Light Festival, and heralded the second Low Light just over 11 months later.

Conducted over four consecutive weekends beginning in June, the event was widely promoted locally and throughout Victoria, and attracted local residents and visitors alike to the township across a time period that is typically quiet. The festival showcased the best in Queenscliff and Point Lonsdale's arts and dining experiences, throughout public spaces, galleries, cafes and bars.

Queenscliff's ground-breaking SacredEdge Festival was held again in May 2019. This festival provides a unique opportunity to connect with people from diverse backgrounds, and reflects the Borough's values at their best. The Queenscliff Literary Festival, which sold out a number of its panel events, was also held for the fifth time. The festival's program was its most compelling and well-attended to date.

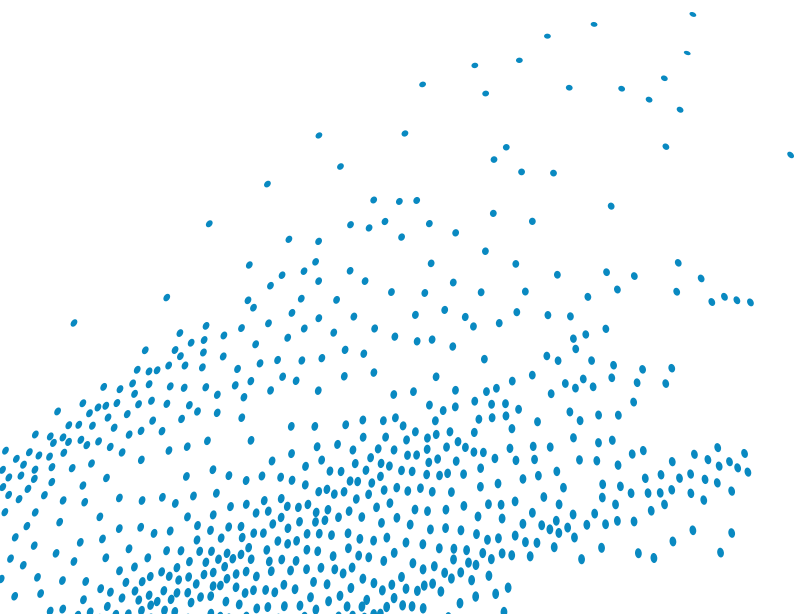
Drawing the biggest crowds to the Borough yet again was the Queenscliff Music Festival (QMF) in November, combining international and home-grown headline act musicians across three family-friendly days of fun at Princess Park. Council's ongoing relationship with the QMF team continues to strengthen, and the festival will carry on generating enormous popularity thanks to the hard work of its organisers and volunteers.

Tourism remains an important drawcard to a thriving Borough. Our Visitor Information Centre served more than 30,000 enquiries throughout the year, while we increased the number of Heritage Guided Walks conducted to 67. Local businesses and community members also featured prominently on commercial television thanks to a number of segments that highlighted the jewels of our region.

Securing funding

Maintaining a positive and healthy working relationship across all three levels of government is paramount to Council's ability to successfully implement projects that benefit our local community. We are grateful for the major funding commitments provided towards projects such as the development of the Queenscliff Hub, the upgrade of the Point Lonsdale Surf Life Saving Clubhouse, Destination Queenscliff, and improvements to the Point Lonsdale Tennis Club.

The \$1,450,000 grant provided by the Federal Government in March 2019 for the construction of the Queenscliff Hub is an exciting investment in what will become a thriving community asset. This adds to previous funding of \$1,650,000 allocated by the State Government's Living Libraries Program and Community Support Fund, making this a truly collaborative effort – fitting for the type of space this will be. The Hub is a project that offers substantial economic and social benefits for our region, recognising the importance of preserving and promoting our maritime, military and cultural heritage.



A sporting chance for future generations

The completion of the upgraded Queenscliff Sport and Recreation Precinct was a major win for the passionate sporting community and its various local clubs. Officially opening in October 2018 just prior to the start of cricket season, the precinct now features a new netball game-day facility with modern change rooms and covered decking for spectators, alongside two brand new netball courts designed to the latest standards. In addition, four new fully enclosed cricket nets were built, goal netting installed at both ends of the oval, and a 93-space car park that serves players and visitors alike.

The popularity of women's sport at both a senior and junior level has increased exponentially in recent years as it rightfully takes its place in 'prime time' next to established national pastimes. A state-of-the-art netball facility such as this proves Council's ongoing commitment to significantly investing in infrastructure that supports and promotes our local girls and women. Our preference to utilise local tradespeople where possible was also reinforced as the lead contractor had a strong connection to the community and the sports club.

Environment at the forefront

Part of the Borough's charm comes from its natural environment. Council recognises how important it is that we do not take this beauty for granted. A sustainable future can only be achieved through the proactive preservation and rehabilitation of such natural wonders.

More than 3,500 indigenous plants, shrubs and ground covers were planted over the year throughout coastal foreshore reserves, caravan parks and car parks. Alongside this, a further 233 street trees were planted around the Borough, and a massive 685 tonnes of seaweed material was composted from our beaches to utilise for horticultural purposes. Queenscliff's first Sustainable Living Show in March 2019 drew in more than 500 people despite inclement weather to visit displays, demonstrations and market stalls on how to be more environmentally friendly around the home.

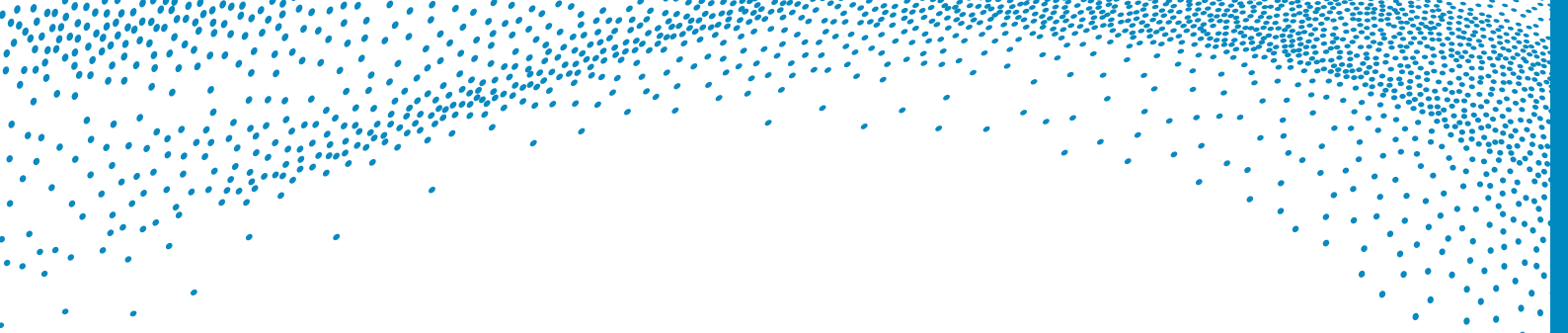
Much of the back half of the 2018–19 financial year was spent strategically preparing for climate change and inundation events, which are inevitable as time progresses. Members of our community attended a workshop on the Geelong–Queenscliffe Coastal Adaptation Program, which aims to analyse the future potential erosion of our coastlines. Furthermore, preparation of the 2019–20 Budget included \$180,000 from Council towards developing a coastal management plan that will document our strategies and proposals in greater detail.

Searching for solutions to waste management

While Council continued to promote best practice waste management principles in the community and across our own infrastructure and events, significant hurdles were faced due to the state-wide volatility of recycling contractor SKM. The temporary closure of SKM over three weeks in February and March 2019 forced 21 tonnes of waste that would ordinarily be recycled to unfortunately be sent to landfill. The impact of this shutdown was felt throughout the G21 alliance as well as more than 30 councils across Victoria.

Despite these setbacks, positives can be gleaned elsewhere. Residents continued to take advantage of Council's fortnightly green waste kerbside collection, which commenced its fourth year in July 2018. Our annual e-waste drop-off day collected more than 5,000 kilograms of e-waste such as televisions, computer monitors, microwaves and cameras. This brings the total amount of e-waste diverted by Borough residents to more than 61,000 kilograms across the eight years of the program being in place.

Ultimately, the ongoing level of uncertainty around the future of recycling in Victoria forces Council to continue to play a role in looking for alternative options to waste management that divert the amount of rubbish sent directly to landfill.



Cr Salter and volunteers attend a community planting day. The Borough of Queenscliffe has planted 3,743 trees, shrubs and ground covers in the past year.

Remaining financially sound

Council ended the 2018–19 financial year with a surplus of \$3,701,000 – an increase on last year’s surplus of \$1,272,000. This result reflects Council’s commitment to efficient and financially responsible service delivery that achieves outcomes that are valued by our community.

During the financial year, a total of \$3,412,000 was spent on capital expenditure across the Borough. This figure also represents an increase on 2017–18 (in which capital expenditure was \$2,115,000). Council is making significant and growing investments in our community while retaining a surplus.

When comparing the Borough of Queenscliffe against the other 19 councils within the ‘small shire councils’ grouping, with respect to assessment of VAGO’s financial sustainability indicators, the Borough remains in a sound financial position and is considered low risk in six of the seven financial sustainability indicators identified by the Auditor General for the 2018–19 year.

Income sources available to Council to deliver its key services to the community include rates, user fees and charges, statutory fees and fines, government grants, community contributions, borrowings and interest on investments.

Council is focused on continuing to deliver projects and services that make our Borough a great place to live, while responding to challenges currently faced that are highly constrained with the existing rate cap.

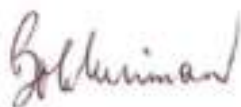
Engaging the people who mean the most

Given the sensitivity around a number of major capital works projects in planning or commencing throughout the 2018–19 financial year, a decision was made to increase our level of community consultation and direct communications via the appointment of a full-time coordinator in this role.

The effectiveness of clear messaging and engagement with residents was made most evident throughout the consultation process considering bike safety improvements along the Murray Road section of the Bellarine Rail Trail. An online survey and community drop-in session provided detailed constructive feedback and highlighted what residents prioritised most from the design plans.

Following a considered review of the respondents' particular concerns, a hybrid design that combined elements of two of the original proposals was put forth, utilising elements from each draft plan that the community believed to be most important. This process was extremely well received by residents, who reached out to Council to praise the method of consultation.

Finally, the importance of a harmonious team of staff and their ability to work with Councillors and the community cannot go unmentioned. Both the team of Councillors and Council officers are committed to the ongoing improvement of the Borough of Queenscliffe. We thank them for their significant contributions throughout the year.



Councillor Bob Merriman

Mayor

Date: 19 September 2019

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 19 September 2019

Queenscliff





*“We’re a small organisation,
but my team’s can-do attitude
and diverse skill set helps us
punch well above our weight.
It’s a fantastic environment to
work in.”*

Johann Rajaratnam
General Manager, Planning
and Infrastructure



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Our year in review

About our Borough

A safe haven for locals and visitors alike; where history, culture and the natural environment meet in ways that delight and surprise; an involved and caring community – these are the features that make the Borough of Queenscliffe a special, restorative place for everyone.

Located at the eastern tip of Victoria's Bellarine Peninsula, the Borough of Queenscliffe is unique in many ways.

Geographically, it sits opposite Point Nepean at Port Phillip Heads and is bordered by water on three sides: Port Phillip, Swan Bay and Bass Strait. The Borough's only land border is the City of Greater Geelong to its west.

In size, it covers a mere 10.83 square kilometres, making it Victoria's smallest local government area. Formed by the seaside villages of Queenscliff and Point Lonsdale, as well as Swan Island, it is the only Borough in Victoria – and Australia.

Historically, the Borough of Queenscliffe was created in May 1863, making it more than 150 years old and the only local government area that was not subject to amalgamation. The Queenscliff township was built first and foremost for government purposes, providing postal, customs, health and telegraph services, lighthouse and signal services, military and defence establishments and the sea pilot's service.

The Borough is located approximately 105km south-west of Melbourne and 35km east of Geelong.

Key features

The many significant historical buildings within the Borough contribute to its distinctive built environment. Well-preserved heritage buildings are one of the area's key tourism assets.

Perched above the point where Port Phillip meets Bass Strait, Point Lonsdale boasts both sheltered bay beaches and a dramatic and breathtaking strip of rugged ocean frontage where the western Victorian surf coast begins.

As well as being of high ecological value, the foreshore and marine environments contribute to the municipality's urban and landscape character, which attracts many people to the area.

The Borough of Queenscliffe community is close-knit. It enjoys a highly active community life through volunteering and participation in sport, recreation, arts, cultural and civic events.

What's in a name?

Queenscliff spelt without an 'e' on the end refers to the township of Queenscliff, named by Lieutenant Governor La Trobe in 1853 in honour of Queen Victoria. Queenscliffe with the 'e' refers to the Borough of Queenscliffe municipality, proclaimed by the Victorian Parliament in 1863 under the Municipal Consolidation Act.

Designed in 1864, the original corporate seal incorporated the Latin text 'Statio Tutissima Nautis', which translates as 'the safest anchorage for seafarers'. More than 150 years later, we are still using the essence of the original seal and continue to be a safe harbour – not just for seafarers, but for all residents and visitors.

Demographic profile

The Borough of Queenscliffe has a unique demographic profile of permanent residents. The following data is sourced from the ABS ERP 2018, Census 2016, and .id Demographic Resources:

- There are **2,982 permanent residents**, living in **2,802 dwellings**, with an average household size of **2.0**.
- The **55.9 per cent of private dwellings unoccupied** during the 2016 census is indicative of the large temporary population as many property owners only holiday or live part-time in the Borough.
- Of the permanent resident population, **58 per cent live in Point Lonsdale**.
- **49.9 per cent** of the population is **aged over 60**.
- The three largest ancestries are **English, Australian, and Irish**.
- **1,365 people** (56%) have a **tertiary qualification**.
- **1,193 people are employed**. There is a high proportion of retirees and semi-retirees.
- **83.5 per cent of homes** in the Borough of Queenscliffe **have an internet connection**.

Age structure

The age of a community's residents is an important indicator of its residential role and function and how it is likely to change in the future. It provides key insights into the level of demand for services and facilities, as most services and facilities are age-specific.

The following table shows the breakdown in age structure for the Borough of Queenscliffe compared with the Victorian average in 2016.

	Borough of Queenscliffe	Victorian average
Babies and pre-schoolers (0–4)	2.7%	6.3%
Children (5–17)	11.9%	15.5%
Adults (18–59)	34.8%	57.3%
Mature adults and seniors (60–84)	45.3%	18.8%
Elderly (85 and over)	5.2%	2.2%

Source: www.profile.id.com.au/queenscliffe

Social and economic profile

The Borough's permanent population of around 3,000 takes advantage of well-planned streetscapes and infrastructure including local schools, sports clubs, community and health care services, as well as a range of quality retail providers.

There are numerous opportunities for employment in the local area, including retail, tourism and hospitality, and professional services such as medical, accounting, legal and real estate.

Commerce and recreation have coexisted from the very early days and, while it is by no means the only industry, tourism is an integral part of the local economy. During peak holiday periods, the influx of non-permanent residents and visitors boosts the population to more than 17,100.

The Borough's main industry sectors by employment are:

- Accommodation and food (19%)
- Public administration and safety (17%)
- Health care and social assistance (11%)
- Retail (11%).



Urban character

One of the area's most striking contrasts is between old and new. The rich historical character of Queenscliff, with its grand old buildings, is offset by a vibrant and contemporary cultural scene. Stately Victorian façades conceal a range of contemporary art galleries, award-winning restaurants and quality retail outlets.

Modern architecture, such as the Queenscliff Harbour precinct, is the new expression of a traditional maritime theme, combining steel angles and extensive glazing with solid timber reminiscent of the old piers. It provides a unique dining, retail and community space.

Cultural heritage

The Borough has a rich history of Aboriginal and European activity and settlement, which contributes to its cultural and historical significance. In the spirit of reconciliation, Council acknowledges the Wadawurrung people who have lived in harmony with the land and the waterways of this area for many centuries.

Natural environment

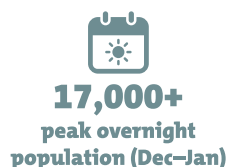
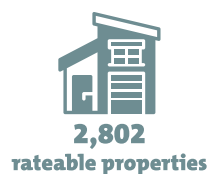
Surrounded by coastal foreshore on three sides, the Borough's Port Phillip and Bass Strait coastlines are characterised by primary dunes covered in remnant coastal vegetation, formal parkland and beaches. Exposed limestone cliffs along the coast at both Point Lonsdale and Shortland's Bluff are significant landscape features. The marine and terrestrial environments of Swan Bay, its foreshore and islands are environmental assets of international significance under the Ramsar Convention.

Council has considerable responsibility for coastal Crown land management, with 27 foreshore reserves totalling around 104 hectares, or 8 per cent of the municipality, under its land management – the highest proportion of any Council in Victoria.

The need to protect and enhance the Borough's natural environment continues to be a high priority for Council as demonstrated through a number of programs including weed management, our Corporate Carbon Neutral Action Plan and the Community Environment Alliance.

Fast facts 2018-2019

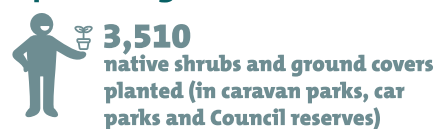
Population



Rates, roads, rubbish



Environment and planning



People and services



Year at a glance

Strategic Direction: Community Wellbeing

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ■ Council maintained the zero waiting list status for access to aged care services. ■ Continuation of the Community Grants Program, allocating \$19,091 to 11 local organisations in 2018–19. ■ Implemented Council's Health and Wellbeing Action Plan, focusing on the areas of: <ul style="list-style-type: none"> • Promoting community involvement with older residents, as part of the 'Age Friendly Communities' steering group • Gender equity and respectful relations, and • Improving mental wellbeing. ■ Conducted several celebrations to formally recognise the extraordinary contribution of community volunteers. ■ Audit successfully completed on Council's Municipal Emergency Management Plan 	<ul style="list-style-type: none"> ■ Council was unable to maintain its toy library service due to a lack of storage facilities and a significant decline in interest from the community. This service is no longer in operation. 	<ul style="list-style-type: none"> ■ Commonwealth aged care reforms continue to provide challenges, with the timing and direction of funding and service delivery into the future still uncertain. 	<ul style="list-style-type: none"> ■ Finalise design of the Queenscliffe Hub project. ■ Develop an arts and culture framework to better support community groups and festivals. ■ Examine opportunities to work more closely with Bellarine Community Health to improve local health and wellbeing outcomes.

Strategic Direction: Environmental Sustainability

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> 3,510 indigenous plants, shrubs and ground covers planted within coastal foreshore reserves, caravan parks and car parks. 233 street trees planted. 685 tonnes of seaweed material removed from beaches, creating compost for horticultural purposes. Diverted 507 kilograms of household batteries from landfill, an increase of 100kgs from 2017–18. Composted 611 tonnes of green waste through the kerbside bin service. Collected 5,170 kilograms of e-waste, including televisions, computer equipment and household electrical appliances. Celebrated the 10th annual community planting day in The Narrows, and unveiled a commemorative sign acknowledging the contribution of volunteers to weeding and planting this important coastal moonah woodland. 	<ul style="list-style-type: none"> Council has continued to lobby government in relation to the inclusion of Laker's Cutting into the Ramsar listed Swan Bay site. The effort remains a challenge and will require Council to undertake ongoing advocacy in relation to the matter as opportunities arise 	<ul style="list-style-type: none"> The ongoing volatility of recycling contractor SKM throughout 2018–19 provided Council with significant challenges. The disruption to SKM's Geelong site in February 2019 impacted all five G21 councils across the region. The confusion around what recyclables were being diverted to landfill became a state-wide issue. 	<ul style="list-style-type: none"> Conduct an organic food waste pilot. Review Council's existing hard waste service.

Strategic Direction: Local Economy

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> ■ Planning and completion of both the 2018 and 2019 Low Light Festivals, drawing in thousands of visitors to the Borough during the typically quiet winter period. ■ Produced a new brochure, 'Heritage Queenscliffe', in collaboration with Fort Queenscliff, Queenscliffe Historical Museum, Queenscliff Maritime Museum and Bellarine Railway. ■ Hosted a live broadcast of Channel 7's Sunrise TV breakfast weather segment, with Queenscliff representing 'Q' in Sunrise's campaign of visiting Australia A-Z. ■ Continued beach cleaning activities over the summer and school holidays to beautify Queenscliff's foreshore. ■ Visitor Information Centre volunteers attended more than 28,500 walk-in enquiries. ■ Facilitated professional development opportunities to local businesses through the hosting of events, face-to-face visits, workshops and community consultation. 	<ul style="list-style-type: none"> ■ Council's original vision for the Destination Queenscliff project was severely impacted during the 2018–19 financial year. This led to disharmony between Council and the community and ultimately the withdrawal of State Government funding initially assigned to the project. 	<ul style="list-style-type: none"> ■ Council continues to engage local community groups on a range of issues impacting the area, but recent meetings have proved less fruitful than hoped. The lack of a Chamber of Commerce to actively represent the business community remains a challenge for Council in its dealings. 	<ul style="list-style-type: none"> ■ Continued collaboration with the Library, Museum, and VIC in the development of the Queenscliff Hub project ■ Completion and implementation of the Tourism Greater Geelong and the Bellarine (TGGB) Brand Narrative project ■ Renewed consultation with a revised Destination Queenscliff project ■ Implementation of the Hesse Street Revitalisation project.

Strategic Direction: Planning and Heritage

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> Completed the Queenscliff Recreation Reserve upgrade to netball facilities. Completed the construction of new cricket practice facilities at the Queenscliff Recreation Reserve. Completed a review and adoption of updated Asset Management Plans. Commenced community engagement for Hesse Street revitalisation plan. Commenced heritage review, including workshops with local residents. 	<ul style="list-style-type: none"> Victorian legislative changes and the introduction of the Marine and Coastal Act in 2018 introduced more stringent requirements for all Crown land managers. This resulted in Council having to delay its development of its precinct plans and demanded a more comprehensive local application of the Victorian Government's Marine and Coastal Management Plan. Council has allocated funds in its 2019-20 budget to progress its Marine and Coastal Management Plan. 	<ul style="list-style-type: none"> In the 2019-20 financial year, Council will be examining ways of designing and constructing water catchment areas within neighbourhoods in Point Lonsdale to reduce pressure on Council's drainage assets while providing an environmental benefit. 	<ul style="list-style-type: none"> Continue and complete the Borough's Heritage Review Commence Urban Design/ Neighbourhood Character review Develop design concept and continue consultation for Hesse Street Revitalisation Continue development of the Borough's marine and coastal management plan.



Strategic Direction: Governance and Performance

Achievements	Disappointments	Challenges	Year Ahead
<ul style="list-style-type: none"> Adopted rate cap of 2.25% complies with rate capping legislation. Council's 'People Plan' continues to shape organisational culture following review. Revised risk management policy adopted in December 2018. New approaches to community engagement through early consultation have proved extremely positive. 23.69% of residents have now signed up to receive their rates notices electronically. 	<ul style="list-style-type: none"> Council's Community Satisfaction Survey results for 2018–19 identified a number of areas for improvement. Council has devised an engagement strategy to address particular shortcomings. 	<ul style="list-style-type: none"> The Victorian Government's proposed reforms to the Local Government Act would pose significant governance challenges for Council. 	<ul style="list-style-type: none"> Develop a workforce plan that translates Council's strategic and operational objectives and priorities into workforce requirements. Continue to improve Council's records management systems. Develop an IT strategy to increase internal efficiencies. Launch a presence on social media.



Sustainability

Sustainable Living Show hits the mark

Council's inaugural Transition Towns Queenscliffe Sustainable Living Show proved a resounding success when it drew in more than 500 visitors to the Queenscliff Community Hall in March 2019.

This volunteer-organised event attracted attendees from throughout the Bellarine, Melbourne, and even interstate to learn more about how to incorporate sustainable practices in everyday life.

The six-hour expo included displays, demonstrations and quick talks covering a range of topics including solar power, worm farms, beekeeping and tiny homes, to name a few. One of the sustainability initiatives that was implemented on the day saw more than 150 jars distributed to attendees to take home and replace their plastic containers.

A collection of more than 100 pairs of reading glasses were also collected by the Uniting Church, who then donated them to communities on islands in the South Pacific.

An eagerness to participate and highlight the benefits of sustainable living was displayed by local community groups, who brought their own projects along to share.

The Queenscliff and District Men's Shed collected coffee grinds from 17 local cafes to give away to attendees, providing advice on how best to use them to improve soils in the garden.

The Bellarine Community Health CARE group also presented its own 'teabag tag art' made up of recycled teabag paper and string, showing off a creation in the shape of oversized flowers.

The Sustainable Living Show was implemented by Transition Towns Queenscliffe in association with Council, and supported by Barwon Water, Cosmopolitan Masonic Lodge No. 96, and the Queenscliff and District Men's Shed.

Annual Community Planting Day turns 10

The Borough of Queenscliffe's annual Community Planting Day reached a significant milestone in July 2018 when the event celebrated its tenth anniversary.

Dozens of enthusiastic volunteers joined forces to help with planting and maintenance weeding along the dunes in The Narrows, around Lovers Walk, and the Dog Beach Car Park as part of National Tree Day on Sunday 29 July.

Council is committed to the protection and survival of our local wildlife and promotes the planting of indigenous trees, shrubs and groundcovers to help achieve this end. These plants were again kindly provided by the Queenscliff Indigenous Plant Nursery and planted throughout the morning.

Council acknowledges the Bellarine Catchment Network and Swan Bay Environment Association for their dedication and ongoing support of this event.

Annual e-waste drop-off day pre-empts state government ban

Council's annual e-waste drop-off day continued to provide a positive and plentiful way of thoughtfully diverting old, broken and unwanted electronic waste.

The 2019 event, held in the Ocean View Car Park on Saturday 18 May, collected 5,170 kilograms of e-waste. This consisted of items such as televisions, computer monitors, photocopiers, microwaves, cameras and vacuum cleaners.

The latest drop-off day brings the total amount of e-waste diverted by members of the Borough community to 61,599 kilograms across eight years of the program being in place.

This proactive move made by Council in 2012 to promote the proper removal of e-waste in the Borough foreshadowed the Victorian Government's decision to ban e-waste in landfill, beginning 1 July 2019.

Community Environment Alliance grants program outcomes

Our Community Environment Alliance grants program was extended into a second year after the successful implementation of carbon emission reduction initiatives by the three initial grant recipients.

Queenscliffe and District Neighbourhood House commenced its Boomerang Bags project in July 2018. More than 500 free, reusable and unique cloth bags have since been created and the movement has been growing throughout the Borough and beyond. The bags are available from the Queenscliffe and District Neighbourhood House, Queenscliff and Point Lonsdale IGAs, and Point Lonsdale Market.

Students at St Aloysius Catholic Primary School from grades four, five and six designed a variety of workshops about local marine science and environmental issues for the 2018 Kids Teaching Kids conference. A \$2,000 Council grant contributed to the school's capacity to present the conference, which attracted more than 100 students from local and regional primary schools. Titled 'Inspiring Young Marine Scientists – Stewards of Swan Bay', the conference was held in September 2018 at The Pavilion in Princess Park, Queenscliff.

The Swan Bay Environment Association utilised its grant to extend their successful 'Gardens for Wildlife' program, which distributes indigenous plants to residents who wish to promote biodiversity for native flora and fauna in their own backyards. Participants register to have their gardens assessed and categorised based on the percentage of native plants. Between June and November 2018, the program contacted about 250 residents, adding 214 indigenous plants to 23 local gardens.

Recipients of the second grants program were announced in June 2019, following a lengthy application and judging process. Sharing in nearly \$3,500 worth of grant funds for 2019–20 are the Queenscliff Uniting Church, Point Lonsdale Primary School, and the Swan Bay Environment Association.



Cr Merriman joins the Boomerang Bags team. Queenscliffe and District Neighbourhood House



istrict Neighbourhood house have created more than 500 reusable cloth bags this financial year.



Financial overview

Council has continued to meet the challenge of balancing the operational needs of the community with the ongoing requirements to fund the renewal and upgrade of Council assets in the Borough during 2018–19. A continued focus on maximising grant funding opportunities has enabled Council to achieve significant improvements to community facilities whilst at the same time managing resources within the State Government’s rate cap.

Financial investment from state and federal governments has enabled Council to complete or make significant progress against a range of priorities in 2018–19. This is evident in the following grant funded capital works and project initiatives:

- Completion of the Queenscliff Sports & Recreation Precinct, including the new netball game-day facility and cricket practice area.
- State Government funding for significant works at the Point Lonsdale Lighthouse Reserve.
- Five separate projects as part of the State Government’s Fixing Local Roads initiative, including the widening of Bowen Road, sealing the entrance of Milne Court, design of a shared path at Murray Road and the Rail Trail connection at Bridge Road.
- The construction of a roundabout at the intersection of Point Lonsdale Road and Ocean Road through the Federal Government’s Roads to Recovery program.

Successful funding allocations achieved in 2018–19 for future capital works projects in the Borough of Queenscliffe include:

- Federal Government funding secured for the Destination Queenscliff project.
- State and Federal Government funding for the Queenscliff Hub project.
- Completion of the outdoor gym across the Borough as part of the State Government’s ‘Pick My Project’ initiative.

In addition to the above government grant funded projects, Council allocated rate funds in 2018–19 to the following capital projects and significant renewal works:

- Completion of stage one King Street drainage asset improvement.
- Sealing of Stokes Street car parking at the Uniting Church in Queenscliff.
- Replaced kerb and channel in Hobson Street.

In brief

The following information relates to the Financial Statements contained in this Annual Report:

- An underlying deficit of \$22,000, which is an improvement of \$1,265,000 compared to the budgeted underlying deficit of (\$1,287,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet).
- \$14,748,000 in revenue with 49% coming from rates and charges.
- \$3,412,000 capital works delivered, including \$2,617,000 in renewal/upgrade of existing assets.
- \$11,047,000 expenditure with 37% attributable to employee costs and 44% spent on materials and services.
- \$131,713,000 in fixed assets, comprising community facilities (property including Crown and freehold land, buildings, plant and equipment) and infrastructure.
- \$6,894,000 in holdings of cash – \$1,442,000 more than last year, which reflects a range of operating and capital projects carried forward for planned completion over multiple years.
- \$46,000 in loans and borrowings – \$17,000 less than last year, in accordance with scheduled loan repayments and noting no new borrowings were undertaken in 2018–19.

The Borough of Queenscliff is included within the ‘small shire councils’ grouping of 19 councils across the state, with respect to VAGO’s annual assessment of financial sustainability indicators. Applying the seven indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliff Council remains in a sound financial position and is considered low risk in six of the seven financial sustainability indicators for the 2018–19 year.

The seven indicators of financial sustainability, as assessed by VAGO, are as follows:

1. Net result – Comprehensive result as a percentage of total revenue – generate enough revenue to cover operating costs, including the cost of replacing assets reflected in depreciation expense.
2. Adjusted underlying result – This measures an entity’s ability to generate surplus in the ordinary course of business – excluding non-recurrent capital grants, non-monetary asset contributions, and other contributions to fund capital expenditure from net result.
3. Liquidity – Current assets as a percentage of current liabilities – have sufficient working capital to meet short-term commitments.
4. Indebtedness – Non-current liabilities as a percentage of own-source revenue (that is, total revenue excluding government grants) – generate sufficient operating cash flows to invest in asset renewal and repay any debt incurred in the past.
5. Internal financing – Net operating cash flows as a percentage of net capital expenditure – generate enough operating cash-flow to invest in the renewal and upgrade of existing assets as well as the creation of new assets.
6. Capital replacement – Cash outflows for property, infrastructure, plant and equipment as a percentage of total depreciation – replacing assets at a rate consistent with consumption.
7. Renewal gap – Renewal and upgrade expenditure as a percentage of total depreciation – maintaining existing assets at a consistent rate.

The Borough of Queenscliff Council continues its focus on long-term financial sustainability, considering the VAGO financial sustainability indicators as described above, as well as benchmarking on a range of other key financial indicators used within the industry. These are discussed below and in other sections within the Annual Report, including the Victorian Local Government Indicators, Performance Statement and Summary of Financial Performance.

Underlying operating result

A key measure of financial sustainability is the underlying operating result, which identifies whether the Borough of Queenscliffe is generating enough revenue to cover operating expenses and includes the cost of replacing our assets. Sustaining an underlying surplus result is a critical financial strategy and should remain relatively consistent from year to year. It best represents our ability to remain sustainable and continue with normal day-to-day operations.

In each of the five years to 2013–14, as well as from 2016–17 to 2017–18, Council maintained an underlying surplus. The deficit results in 2014–15, 2015–16 and 2018–19 are due to the delivery of carry forward projects for which Council has successfully attracted external grant funding in previous financial years.

Council's underlying result for 2018–19 is a deficit of \$22,000. This is an improvement of \$1,265,000 on the budgeted underlying deficit of (\$1,287,000) and is due to significant budget savings in 2018–19, coupled with lower than expected levels of completed carry forward works in 2018–19. Cash from government grant funding is set aside in previous years and held in reserves on the Balance Sheet to fund completion of works.

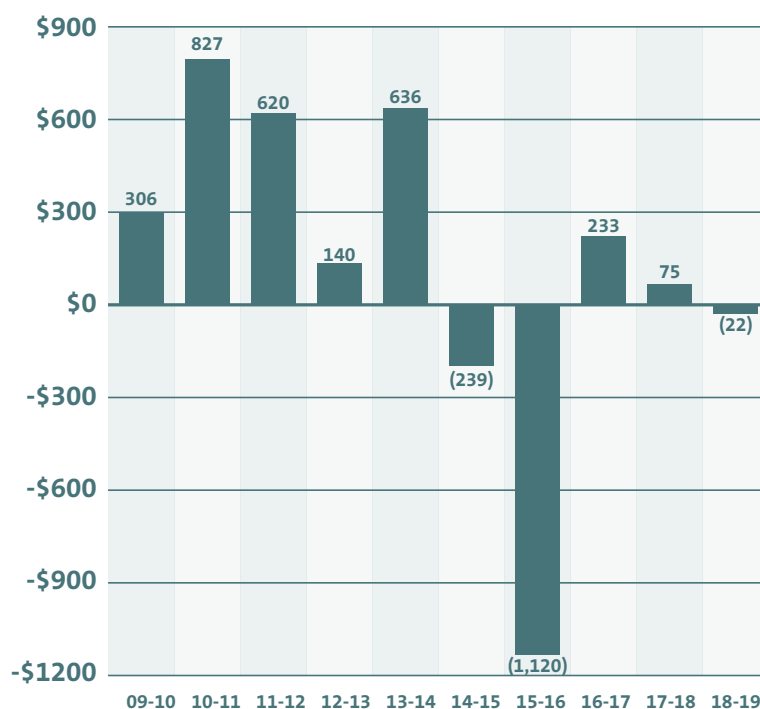
Revenue streams

Income sources available to Council to deliver its key services to the community include rates, user fees and charges, grants and community contributions, borrowings and interest on investments. Council seeks to strike a balance in the funding sourced from each of these pools whilst still meeting the service level needs, means and expectations of the community.

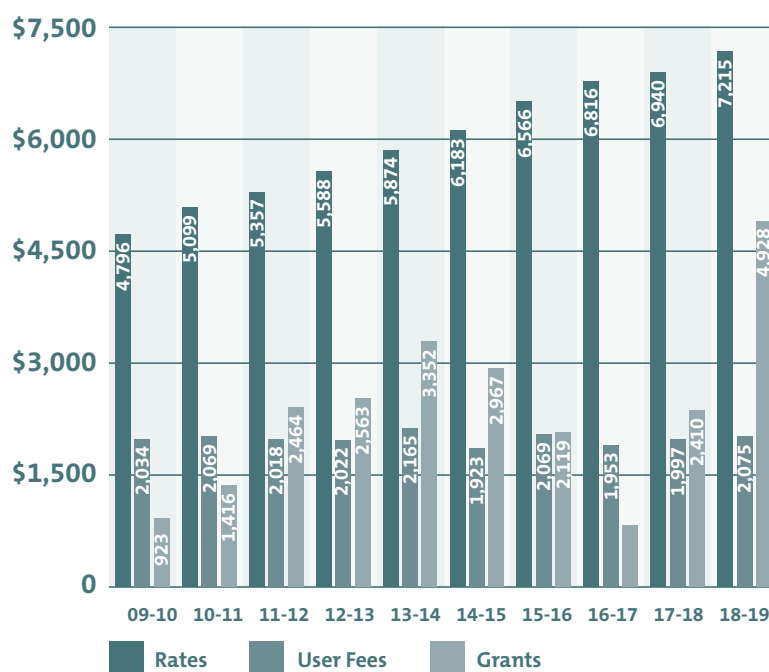
Rates and charges remain the major source of income for Council. It pursues alternative income streams such as fees from its caravan and camping parks and has been highly successful in attracting external grant funding from all levels of government, with significant funds to be received over multiple years for the Queenscliff Sports & Recreation Precinct, Destination Queenscliff and the Queenscliffe Hub projects.



Underlying operating result (\$'000),
2009–10 to 2018–19



Rates, user fees and grant income (\$'000),
2009–10 to 2018–19



Sustainable capital expenditure

Council aims to ensure that our assets can be maintained at the expected levels while continuing to deliver services needed by our community. During 2018–19, a total of \$3,412,000 was spent on capital works across the Borough. This includes a total of \$2,617,000 on renewals/upgrades and \$795,000 on new assets.

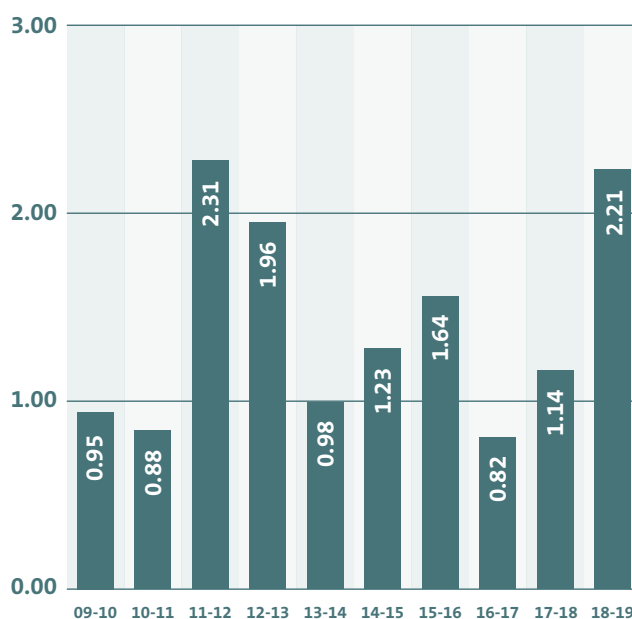
Council recognises the importance of asset renewal, so it actively programs this expenditure into its annual Budget. Council's ratio of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets is 2.21 for the 2018–19 year, noting some capital works projects are carried forward for planned completion over multiple years.

A renewal gap ratio higher than 1.0 indicates that spending on existing assets is greater than the rate at which Council is consuming its assets. VAGO assesses councils with ratios of greater than 1.0 as low risk, those with ratios between 0.5 and 1.0 as medium risk, and ratio outcomes below 0.5 as high risk for this particular indicator of financial sustainability.

The Borough of Queenscliffe is assessed as low risk in 2018–19, however the renewal gap ratio is a long-term indicator and is averaged over a number of years. With an average ratio outcome of 1.41 achieved over the last ten years, Council continues to focus on its Asset Management Plan to ensure existing infrastructure, property, plant and equipment is renewed as required.

Council has been highly successful in attracting significant external funding to support renewal investment. Expenditure was again invested in assets during 2018–19, with significant projects (Queenscliff Sports & Recreation Precinct, Destination Queenscliff and Queenscliffe Hub) planned over multiple years.

Renewal gap
(expenditure on asset
renewal and upgrade
as a percentage
of depreciation),
2009–10 to 2018–19



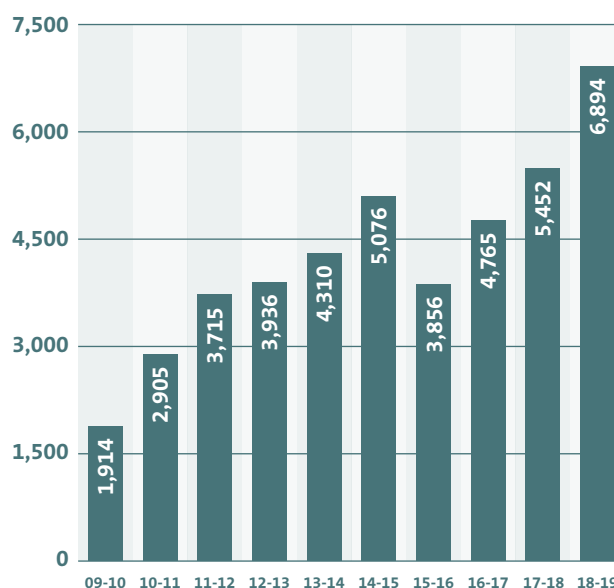
Cash holdings

In total, holdings of cash and cash equivalents and financial assets have increased to \$6,894,000 during 2018–19. Included in total cash holdings is \$5,122,000 in reserve funds, \$2,474,000 of which is carried forward from previous years and earmarked for specific projects including \$21,000 surplus funds for waste services set aside to meet future waste costs and \$40,000 to provide for future superannuation liability calls.

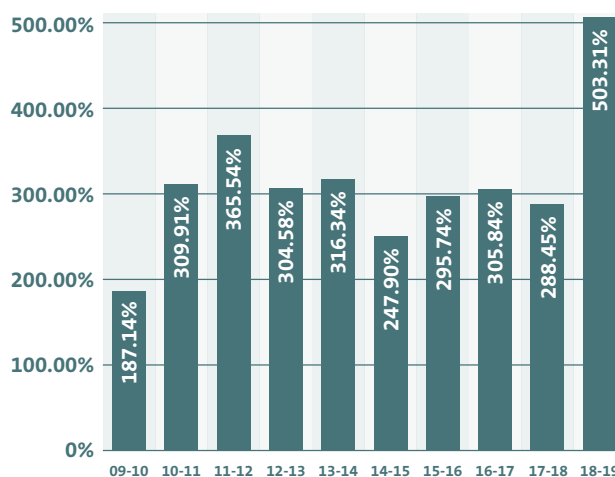
Council currently holds an appropriate level of cash to ensure that liquidity remains strong and is above forecast levels.

Council's liquidity is once again assessed as low risk for the 2018–19 year. Forecasts included in the Budget for future years are based on the assumption that all planned capital projects will be fully completed each year, which is not usually the case due to timing differences in external funding and project delivery. Thus, the actual resulting liquidity position will always be better than forecast.

Cash holdings (\$'000), 2009–10 to 2018–19



Working capital (%), 2009–10 to 2018–19



Future planning

Council has many current and future demands on funding. The economic situation highlights the need for strong long-term planning and the targeted allocation of resources. This is achieved through the preparation of the Council Plan, the Long Term Financial Plan (10-year outlook), the Strategic Resource Plan (four-year outlook), the annual Budget and Council's Rating Strategy.

The continued development of these documents enables Council to identify and analyse trends of significance and provide for sound financial planning and decision making.

It is important that Council reflects upon its financial performance, ensuring it is sound and the community's assets continue to be well managed, adequate cash reserves are held and satisfactory financial ratios are maintained.

The audited Financial Statements continue to present positive results for the Borough of Queenscliffe. Council's sound and active financial management and decision-making will see the achievement of long-term community service and asset management objectives.



Phillip Carruthers

General Manager, Organisational Performance & Community Services





Engaging with our stakeholders

Stakeholder engagement is vital to Council's capacity to understand the diverse needs of our local community and to make decisions and advocate on its behalf.

Our stakeholder engagement approach is underpinned by:

- *The Local Government Act 1989*, and specifically Council's role pertaining to acting as a representative government for the local community, advocating its interests to other communities and governments, and encouraging active participation in civic life.
- Our Councillor Code of Conduct, and specifically the principles and behaviours relating to Councillors performing their community engagement and advocacy roles.
- Our community engagement policy, that outlines how and when we engage and consult with our community and other stakeholders.
- Guidelines relevant to various engagement activities, such as our monthly Councillor listening posts.

Engaging with our stakeholders enables Council to gain valuable knowledge, build understanding, share views and respond to the opportunities and issues important to our community. Council achieves this through the use of workshops, 'drop-in' days, listening posts and online surveys, as well as taking and responding to public questions at monthly Ordinary Council Meetings.

Current legislative requirements

Community participation in the development of the Council Plan, annual Budget and any application for an exemption to the rate cap is a statutory requirement under the *Local Government Act 1989* for all Victorian councils.

In 2018–19, we encouraged community involvement in the development of our 2019–20 Budget and implementation plan, rating strategy and long-term financial plan. Draft documents were presented at a public information session, publicly advertised and the community invited to provide feedback via written submission. This feedback was considered by Council and as resolved incorporated into the final documents adopted by Council in June 2019.

Public question time at the start of monthly Ordinary Council Meetings provides another forum for community participation. Questions are formally lodged before each meeting. Questions asked and responded to during the meeting are recorded in the minutes.

During 2018–19, Council received and responded to 64 public questions raised at the monthly Ordinary Meetings.

Community listening posts

Monthly community listening posts in either Queenscliff or Point Lonsdale provided opportunities for local community members to share their ideas, suggestions and concerns directly with Councillors in an informal setting. Holding these sessions regularly throughout the year allowed many non-resident ratepayers to be involved in the conversation when attending posts held in the summer months.

Destination Queenscliff

In July 2018, we released the results of community consultation undertaken throughout May and June 2018 to seek community feedback on concept designs for the Destination Queenscliff project. Between 70 and 82 per cent of survey respondents supported key elements of the project, which envisions the Ocean View precinct as a focal point for residents and visitors alike.

While the majority of residents were supportive of the project, a number were less enthusiastic about the proposal. This led to a community campaign which ultimately led to the State Government withdrawing project funding.

Although disappointed with this outcome, Council continued to work towards its vision of making the Ocean View precinct a treasured space for everyone. Armed with the community's feedback, we have further revised our thinking and presented a new framework plan for the area. This will be the subject of further community consultation in July–August 2019.

Point Lonsdale Lighthouse Reserve

The draft Landscape Master Plan for the Point Lonsdale Lighthouse Reserve was the focus of a survey and two community open house sessions in November 2018. This attracted 540 survey responses, 19 submissions and one petition from 20 Point Lonsdale traders.

Taking account of the feedback received, in January 2019, Council adopted a preferred master plan option for the reserve, enabling work to proceed subject to current and future funding arrangements. An application submitted for National Heritage Listing of the reserve was supported by Council.

Hesse Street Revitalisation

Council undertook significant consultation between October 2018 and January 2019 to seek stakeholder feedback in relation to revitalising Hesse Street, Queenscliff's main thoroughfare and retail precinct.

A workshop was conducted with local traders to gain understanding into what they do and don't like about the precinct, which generated ideas for its improvement. Online surveys and one-on-one street interviews sought similar information from community members and visitors.

More than 330 people responded, with a range of improvements suggested. The need for more open space and vegetation, better active transport options for pedestrians and cyclists, and more opportunities for events, arts and culture, and recreation activities emerged as common themes.

Council has since started work on developing a draft concept plan incorporating stakeholder feedback, which will be the topic of further community consultation in 2019–20.

Queenscliffe Heritage Review 2019

A workshop in May 2019 enabled the community to discuss and provide feedback about local heritage controls as part of our 2019 Borough of Queenscliffe Heritage Review.

The review process includes a comprehensive review of current heritage controls as the basis for developing better heritage citations acknowledging key sites, such as Point Lonsdale Lighthouse Reserve and Shortland's Bluff.

Consulting and working with the local community will be vital to ensuring the Borough's heritage controls continue to protect its unique character and social history.





Safe bike access on Murray Road

Council continues to work closely with Regional Roads Victoria to upgrade and improve roads and bike paths across the Borough. In June 2019, we sought community feedback on three design options to make the Murray Road section of the Bellarine Rail Trail safer for motorists and cyclists alike.

Murray Road is currently the only part of the trail where cyclists have to ride on the road, making this section dangerous for families on bikes and difficult for cars to navigate.

The results of an online survey and community information session contributed to the development of a final design that addresses respondents' concerns about cyclist safety, the environment and traffic speeds.

Council has since endorsed a preferred concept design and is now seeking funding to complete further design work prior to project construction.

Informal engagement

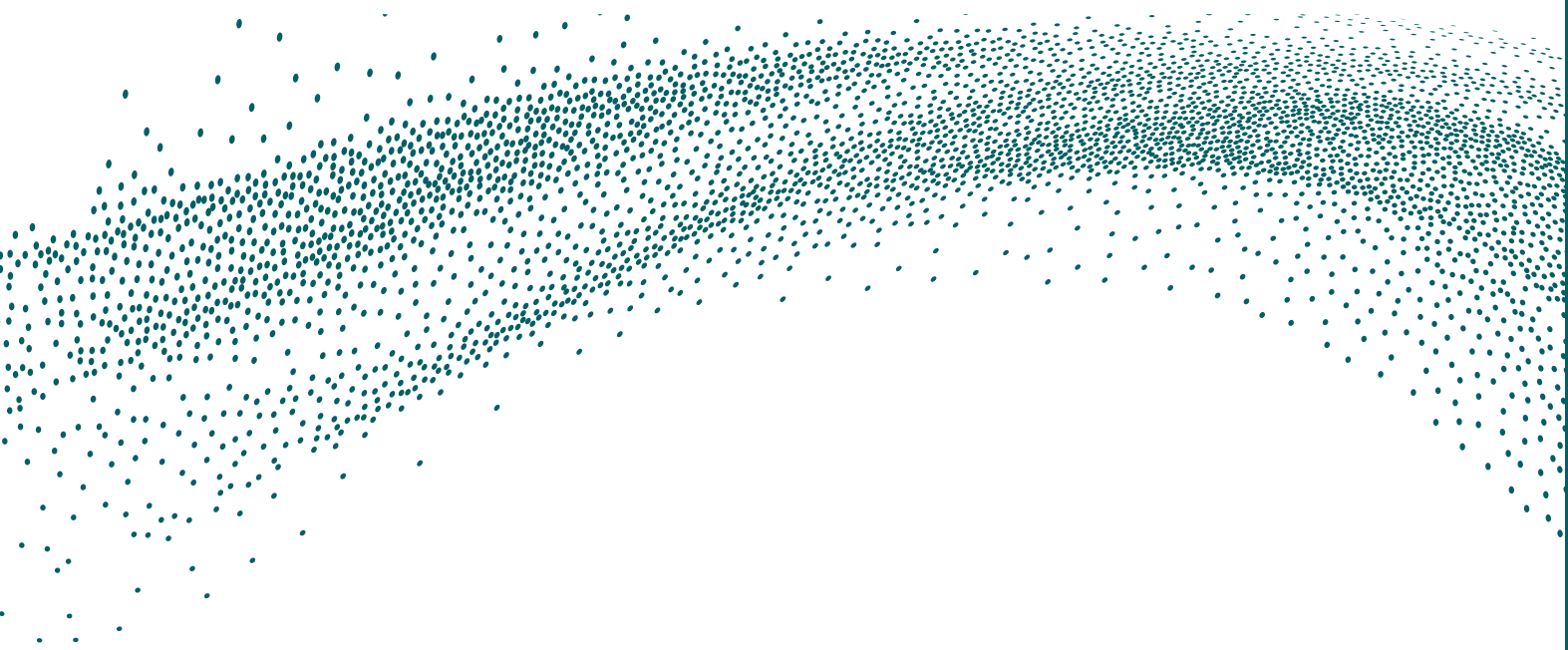
Numerous informal engagement activities also took place during the course of initiating, planning and delivering various road and infrastructure projects such as providing safe, efficient on-street parking in Bowen Road adjacent to the primary school and community hall, boosting car parking outside the King Street shops and improving access, drainage and landscaping for the Bellarine Community Health Centre.

Future directions

Our 2019 Local Government Community Satisfaction Survey results reinforced the need to improve the way we communicate and engage with our community. Recent actions to address this are focused on increasing Council's capacity to communicate and engage strategically with stakeholders through more and better consultation, more frequent communication and clearer project messaging.

Given we currently lack a social media presence, introducing this channel will be a focus for us over the next 12 months. Our plans include developing and implementing a social media strategy to guide us in how we inform, communicate and engage with our community and other stakeholders via appropriate social media platforms.

The new Local Government Bill 2019 is expected to pass through parliament during 2019–20. Its focus on deliberative engagement will have major implications for all Victorian councils in requiring stronger emphasis and accountability for involving community members in agenda setting, policy development and long-term planning.



Stakeholders are important to Council because they...

Stakeholder: Residents

Use and provide feedback about Council services, facilities and infrastructure. They also give us information about issues that are most important to them.

Stakeholder: Ratepayers

Provide funding for Council services. They also use and provide feedback about Council services, infrastructure and local issues.

Stakeholder: Local businesses

Create local jobs and provide goods and services for residents of and visitors to the Borough. They are key to our local economy.

Stakeholder: Community groups and volunteers

Provide a range of services and community building activities and events. They connect local residents and encourage community participation. They generate and pursue ideas and projects in the community.

Stakeholder: Government – State, Federal and other councils

Provide grant funding and guidance on legislation and regulations. They also form a valuable network and contribute to regional partnerships and major projects.

Council is important to stakeholders because we...

Stakeholder: Residents

Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries.

Stakeholder: Ratepayers

Provide local services, facilities and infrastructure; support many community building activities and events that improve wellbeing; and provide information in response to enquiries.

Stakeholder: Local businesses

Support professional development for local businesses; facilitate tourism activity; provide support and resources for local events; and assess and issue permits.

Stakeholder: Community groups and volunteers

Provide information, resources and support for many community building activities and events that improve wellbeing; build community connections and enhance the environment.

Stakeholder: Government – State, Federal and other councils

Provide local services, facilities and infrastructure; play an important role in community wellbeing; facilitate tourism; and implement a range of legislation and regulations.

Council engages with these stakeholders via...

Stakeholder: Residents

Listening posts; Council meetings; community consultation and surveys; Council website; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Ratepayers

Rates notices; community forums, including listening posts; publications; Council website; Annual Report; mail-outs; community consultation and surveys; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Local businesses

Listening posts; Council meetings; community consultation and surveys; Advisory Committee; Council website; publications; Annual Report; mail-outs; customer service; face-to-face meetings; and telephone contact.

Stakeholder: Community groups and volunteers

Meetings with clubs and community organisations; reference groups; workshops and forums; face-to-face meetings with committee members; and online.

Stakeholder: Government – State, Federal and other councils

Formal legislative reports; partnerships; meetings; briefings; networking events; and formal correspondence.



Events and milestones

In 2018–19, Council supported more than 30 local events and activities, bringing a range of social, economic and cultural benefits to the community, and helping to promote the Borough as a tourism and leisure destination on a local, national and international scale. Additionally, a number of community organisations celebrated key milestones. These organisations are an integral to the fabric of the Borough, and Council is very proud to acknowledge their achievements.

2018 event highlights

- **July**
 - 100th Anniversary of Avenue of Honour tree plantings
 - National Tree Day community planting day
- **August**
 - Community Development Grants presentation evening
 - Geelong Small Business Festival workshops
 - National Vietnam Veterans Day commemoration march and service
 - Queenscliffe Maritime Museum International Lighthouse Weekend
- **September**
 - St Aloysius Catholic Primary School Kids Teaching Kids local Bellarine conference
- **October**
 - Queenscliffe Historical Museum History Week celebrations
 - Transition Towns Borough of Queenscliffe inaugural Repair Café
 - Victorian Seniors Festival events
 - Walk to School month
- **November**
 - 100th Anniversary of Remembrance Day march
 - Bellarine Arts Trail
 - Queenscliff Coast Guard open day
 - Queenscliff Music Festival
- **December**
 - Lighting of the Christmas Tree
 - Point Lonsdale Surf Club Nippers Carnival
 - Rip View Swim Classic

2019 event highlights

- **January**
 - Australia Day Awards and Community Celebration
 - Queenscliff 180 Swim
- **February**
 - Queenscliff Rod Run and Show 'n' Shine
 - Rip to River Run
 - Trakmasters Off-Road Caravan Club gathering
- **March**
 - Sustainable Living Show
- **April**
 - Anzac Day services
- **May**
 - Low Light Festival starts
 - National Volunteers Week celebration
 - Queenscliffe Literary Festival
 - SacredEdge Festival
- **June**
 - Low Light Festival ends
 - Rotary Club of Queenscliffe 'Queenscliffe Bricks' weekend

Key milestones

Commemorating the 100th Anniversary of WWI

Two significant events took place in 2018 related to the 100th anniversary of World War I. In July, an event was held to commemorate 100 years since the first plantings of the 1918 Avenue of Honour trees in The Narrows. On Sunday 11 November, the Queenscliff/Point Lonsdale RSL Sub-Branch 2018 held a Remembrance Day march and service to commemorate the 100th anniversary of the armistice that ended World War I.

Low Light Festival 2019

The 2019 Low Light Festival ran throughout May and June in Queenscliff and Point Lonsdale. As a boutique fringe festival in only its second year, Low Light brought a mix of international and local artistic and culinary talent to the Borough in a celebration of all the senses.

This year's program highlighted events such as the Queenscliff Literary Festival, SacredEdge Festival, Bellarine Lighthouse Film Festival, Queenscliff Music Festival Winter Concert Series and the Queenscliff Harbour's Winter Wonderland. New art works and installations by Cameron Robbins (Lux Anemograph) and Tinky (a.k.a. Liz Sontag) were also curated. The Winter Solstice Fire Sculptures provided a stunning high point, drawing crowds outside on a freezing night.

The festival's success lies in four key areas:

- Increasing visitation/tourism to the region, particularly during 'low season' months
- Promoting Queenscliff and Point Lonsdale
- Enhancing the Borough's existing arts and cultural program
- Fostering community engagement.

Queenscliff and Point Lonsdale feature prominently in the festival's promotion and marketing messaging to increase brand awareness while promoting the event. Low Light 2019 was marketed across Victoria, with a strong focus in Melbourne metropolitan areas.

Queenscliffe Literary Festival

The fifth annual Queenscliffe Literary Festival over three weekends in May celebrated the work of Australian writers and artists under the theme of 'Inside Out'. This year's program of panels, workshops, poetry and performance featured literary giants such as Helen Garner, Richard Fidler, Alice Pung, Michael Veitch, William McInnes and many others. Many sessions sold out weeks in advance.



“We love the variety that working on the front desk provides. No two days are ever the same – we can be having a laugh with passers-by, hearing our older residents reminisce about life in the Borough generations ago, or entertaining lost dogs until their owners are found. You’d struggle to find a better location to work, as well. It’s only ever a short walk to a wonderful view at lunch time. Of course, receiving good feedback from staff and residents makes it all worthwhile.”

Sharen Doull & Anne Treble
Customer Service Officers



Our Council, our people

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Councillors

Council elections are held every four years. On 22 October 2016, this Council was elected for the 2016–20 term.



Cr Bob Merriman AM (Mayor)

P: 0400 062 967

E: bob.merriman@queenscliffe.vic.gov.au

First elected 2008; re-elected 2012 and 2016.
Mayor 2008–12.

Cr Bob Merriman AM is actively involved in the local community, particularly through his association with sporting clubs and organisations across the Borough.

He is a former Australian Industrial Relations Commissioner whose professional background includes the vehicle, building, electrical and civil construction industries. Other roles include former chairman of Cricket Australia, Councillor of Latrobe University and Trustee of the Bradman Foundation and Cats Foundation.

Portfolio

- Governance and Performance

Delegate

- G21 Regional Alliance Board
- Geelong Queenscliffe Coastal Adaptation Planning Project
- Municipal Association of Victoria
- Bellarine Community Safety Group
- Rural Councils Victoria
- G21 Sport and Recreation Pillar

Representative

- Borough of Queenscliffe Audit Committee
- Queenscliffe Economic Development Advisory Committee

Reference Groups

- Governance and Finance Reference Group
- Sea Level Rise Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group (Chair)
- CEO Performance Review Committee



Cr Boyce Pizzey OAM (Deputy Mayor)

P: 0428 291 207

E: boyce.pizzey@queenscliffe.vic.gov.au

First elected 2016.

Cr Boyce Pizzey OAM and his family have enjoyed their Queenscliff property since the early 1980s. His community involvement has included membership of the Queenscliffe Restoration Fund Committee and Council's Heritage Portfolio Advisory Committee.

Professionally, Cr Pizzey has held executive roles with the Historic Buildings Council Victoria (now Heritage Victoria), Museum Victoria and Scienceworks. Since 1998, he has provided consultancy services related to all aspects of management planning of cultural and tourism resources.

Cr Pizzey has served on several boards, including the National Trust of Australia (Vic), and held sessional panel memberships, his current one being with the Creative Victoria Grants Advisory Panel.

Portfolio

- Planning and Heritage

Delegate

- G21 Economic Development Pillar
- G21 Planning Pillar

Reference Groups

- Avenue of Honour Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group



Cr Ross Ebbels

P: 0427 448 160

E: ross.ebbels@queenscliff.vic.gov.au

First elected 2016.

Cr Ross Ebbels has a long and varied involvement with the local community as the co-owner (with his wife) of two local businesses, Athelstane House and McKenzie Ebbels Food Store. He has also served as inaugural Chair and board member of Queenscliff Music Festival, and represented the Bellarine Peninsula for 14 years on the Geelong Otway Tourism Board, including six years as Chair.

The father of two daughters, both former Queenscliff Kindergarten and Queenscliff Primary School students, he has previously served on the school council, including two years as President.

Portfolio

- Local Economy

Delegate

- Geelong Regional Library Corporation Board
- Tourism Greater Geelong and the Bellarine
- G21 Arts, Culture and Heritage Pillar

Representative

- Queenscliffe Economic Development Advisory Committee
- Reference Groups
- Community Grants Advisory Reference Group



Cr Tony Francis

E: tony.francis@queenscliff.vic.gov.au

First elected 2016. Mayor 2016–17.

A Borough of Queenscliffe resident since 1993, Cr Tony Francis has been actively involved in many local sporting clubs, including coaching the Queenscliff Cricket Club's Under-18 team to a grand final in 2010. He also established the Local Business Chamber of Commerce and served as President from 2014 to 2016.

Cr Francis has served as a police officer for 27 years, working in the Geelong area for more than half these years. He is married with three children.

Portfolio

- Environmental Sustainability

Delegate

- Association of Bayside Municipalities
- Barwon South West Local Government Waste Forum



Cr Susan Salter

Ph: 0428 398 966

E: susan.salter@queenscliff.vic.gov.au

First elected 2012; re-elected 2016. Mayor 2017–18.

Cr Susan Salter has lived in Queenscliff for nearly 30 years and has been actively involved in various community organisations and groups. She served as President of the Queenscliff Neighbourhood House for 10 years.

Professionally, Cr Salter taught maths at Bellarine Secondary College (Drysdale Campus) before retiring from paid work. Many community members first met her through her various roles at the college.

Cr Salter has a particular interest in trees, especially historical and native, and has extensive experience in creating public gardens and managing public open spaces.

Portfolio

- Community Wellbeing

Delegate

- G21 Education and Training Pillar
- Geelong Regional Library Corporation (Deputy)

Representative

- Borough of Queenscliffe Audit Committee

Reference Groups

- Community Grants Advisory Reference Group
- Australia Day Awards Reference Group (Chair)
- Governance and Finance Portfolio Reference Group
- Memorials and Plaques Reference Group
- Avenue of Honour Reference Group (Chair)

Council governance

The value of good governance

The Borough of Queenscliffe is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community. Good governance is vital to ensure accountability, fairness and transparency for all of our stakeholders: management, employees, State and Federal Government authorities, and our community.

Good governance encompasses clarity about the legislation and regulations under which we operate along with the local laws we are authorised to make, our decision-making processes, delegations of authority, effective risk management systems and processes, frameworks for planning, monitoring operational effectiveness, and performance management.

Council's role

The Borough of Queenscliffe is one of 79 Victorian Councils that derive their roles, powers and functions primarily from the *Local Government Act 1989*. Under Section 3D of the Act:

1. A Council is elected to provide leadership for the good governance of the municipal district and the local community.
2. The role of a Council includes:
 - a. Acting as a representative government by taking into account the diverse needs of the local community in decision-making
 - b. Providing leadership by establishing strategic objectives and monitoring their achievement
 - c. Maintaining the viability of the council by ensuring that resources are managed in a responsible and accountable manner
 - d. Advocating the interests of the local community to other communities and governments
 - e. Acting as a responsible partner in government by taking into account the needs of other communities, and
 - f. Fostering community cohesion and encouraging active participation in civic life.

The Borough of Queenscliffe performs this role by setting the strategic direction of the municipality through the development of the Council Plan, establishing and guiding policies, setting service delivery standards and monitoring the performance of the organisation on our community's behalf.

Decision-making

Council decisions are made in one of two ways:

1. By resolution at Council meetings and special committees of Council, or
2. By Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO) and are exercised in accordance with adopted Council policies. This system recognises the CEO's responsibility under the *Local Government Act 1989* in managing the organisation's day-to-day operations.

Code of Conduct

Council has a Code of Conduct, which was last revised on 16 February 2017 in accordance with the *Local Government Act 1989*. The code aims to:

- Assist Councillors to maintain the highest standards of conduct and behaviour as well as provide a means to deal with problems they may encounter
- Attract the highest level of confidence from Council's stakeholders, and
- Assist the Mayor and Councillors to discharge the responsibilities of their public office appropriately.

In addition to setting out the Councillor Conduct Principles, the Code also outlines roles and relationships, and dispute resolution procedures. The code is available on Council's website.



Local Laws

Council has two local laws that aim to protect and enhance the community's general way of life and wellbeing. The Council's power to make these local laws is contained in sections 91 and 111 of the *Local Government Act 1989*. The current local laws were adopted on 24 December 2010. They are due to be reviewed during 2019–20.

Local Law No. 1 (2010) – Process of Municipal Government pertains to the governance of Council in terms of Mayoral elections, meetings community participation and the like.

Specifically, the objectives of this local law are to:

- Regulate and control proceedings for the election of Mayor
- Facilitate the orderly conduct of meetings of Council and special committees
- Regulate and control the procedures governing the conduct of meetings, including:
 - The notice required for meetings
 - The keeping of minutes
- Promote and encourage community participation in the system of local government by providing mechanisms for the Council to ascertain the community's views and expectations
- Regulate and control the use of the Council's seal
- Provide generally for the peace, order and good government of the municipal district, and
- Repeal any redundant local laws.

Local Law No. 2 (2010) – Community Amenity pertains to maintaining peace and order across the Borough. Its objectives are to:

- Provide for those matters which require a local law under the *Local Government Act 1989* and any other Act
- Prohibit, regulate and control activities, events, practices and behaviour in places so that no nuisance is caused and there is no detriment to the amenity of the neighbourhood, to a person or to a person's property
- Provide for the administration and exercise of Council powers and functions
- Provide for the peace, order and good government of the municipal district of the Borough of Queenscliffe, and
- Repeal any redundant local laws.

This section of the Annual Report covers outcomes arising from Local Law No. 1 – Process of Municipal Government during 2018–19. Refer to Legislative Compliance for specific outcomes of Local Law No. 2 – Community Amenity for the year.



Council meetings 2018–19

Council conducts its business in open and transparent meetings, which are publicly advertised. Ordinary meetings are held once a month in the Queenscliff Town Hall.

During the reporting period, ordinary meetings were held on:

- Thursday 26 July 2018
- Thursday 23 August 2018
- Thursday 20 September 2018
- Thursday 25 October 2018
- Thursday 22 November 2018
- Thursday 13 December 2018
- Thursday 24 January 2019
- Thursday 28 February 2019
- Thursday 28 March 2019
- Wednesday 24 April 2019
- Thursday 23 May 2019, and
- Thursday 20 June 2019.

In accordance with Section 71 of the *Local Government Act 1989*, at the Ordinary Council Meeting held on 22 November 2018, Cr Bob Merriman was elected Mayor and Cr Boyce Pizze Deputy Mayor; both for one-year terms.

A public information session took place immediately before the 24 April 2019 Ordinary Council Meeting to inform the community about Council's draft 2018–19 Budget and implementation plan, rating strategy and long-term financial plan. A video was also uploaded to the website for community members who could not attend. This is important given the high number of non-residential rate payers.

Subsequently, a public meeting was held on Thursday 30 May 2019 to formally hear submissions in relation to these documents.

Council also conducted a Special Meeting on Thursday 3 December 2018 following public advertisement in accordance with the *Local Government Act 1989*.



Council meeting attendance

Councillor	Number of Council and Statutory Meetings		Number of Special Meetings	
	Eligible to Attend	Attended	Eligible to Attend	Attended
Cr Bob Merriman (Mayor)	12	11	1	1
Cr Boyce Pizzey (Deputy Mayor)	12	11	1	1
Cr Ross Ebbels	12	12	1	1
Cr Tony Francis	12	12	1	0
Cr Susan Salter	12	12	1	0

Conflict of interest

Councillors are elected by the residents and ratepayers to act in the community's best interests. This is a position of trust that requires Councillors to act in the public interest. When Council delegates its powers to staff or a committee, the committee or member of staff also needs to act in the public interest.

A conflict of interest occurs when a personal or private interest might compromise the ability to act in the public interest. A conflict of interest exists even if no improper act results from it. Council has a comprehensive procedure in place to accommodate the disclosure of a conflict of interest. Declaration of a conflict of interest is a standard agenda item for all Council and committee meetings.

While the procedures vary depending on the particular role and circumstances, in general they involve disclosing the relevant interests in a specific way and then stepping aside from the relevant decision-making process or from the exercise of the public duty. A register is maintained to record all disclosed conflict of interests.

Copies of the document Conflict of Interest: A Guide for Councillors, October 2012, published by the Department of Planning and Community Development, has been provided to Councillors for their reference.

Council meeting date (or date conflict of interest nominated)		Councillor/Officer	Conflict of interest
2018	26 July	Cr Ross Ebbels	Council-owned land at Murray Road
	23 August	Lenny Jenner (CEO)	Public question re: CEO's contract of employment
	20 September	Lenny Jenner (CEO)	CEO Annual Performance Review
	13 December	Cr Ross Ebbels	Public question re: Council-owned land at Murray Road
2019	24 January	Cr Ross Ebbels	Public questions re: Council-owned land at Murray Road
	28 March	Cr Ross Ebbels	Queenscliffe Planning Scheme Amendment C30: Combined rezoning and planning permit application for 81 Nelson Road, Queenscliff
	28 March	Cr Boyce Pizzey	Contract 2012.02: Roads, parks and reserves maintenance services
	24 April	Cr Tony Francis	Public question re: proposed budget for beach boxes
	24 April	Cr Tony Francis	Public question re: lease for Harry's Kiosk
	24 April	Cr Susan Salter	Application to amend Permit 2017/036.1: 50 Stokes Street, Queenscliff
	24 April	Lenny Jenner (CEO)	Application to amend Permit 2017/036.1: 50 Stokes Street, Queenscliff
	23 May	Cr Susan Salter	Confirmation of previous meeting's minutes
	23 May	Cr Tony Francis	Confirmation of previous meeting's minutes
	23 May	Lenny Jenner (CEO)	Confirmation of previous meeting's minutes

Policies, strategies and plans

Council reviewed and/or adopted the following significant policies, strategies and plans during 2018–19. These documents are available on Council’s website, as are all Council policies and key planning documents.

Title	Date adopted
Public Toilet Strategy 2015–2025 (revised)	26/07/2018
Council Policy CP029 Commercial, Community and Mixed Use Leases (revised)	23/08/2018
2017–18 Annual Financial Report	20/09/2018
Council Policy CP046 Street Trees (new)	25/10/2018
2017–18 Annual Report	25/10/2018
Council Policy CP017 Risk Management (revised)	13/12/2018
Council Policy CP004 Community Grants (revised)	24/01/2019
Council Policy CP019 Conservation Covenant Incentive (revised)	24/01/2019
Council Policy CP044 Sale, Exchange or Transfer of Land (new)	24/01/2019
Borough of Queenscliffe Neighbourhood Safer Places Plan	24/01/2019
Council Policy CP007 Equal Employment Opportunity (revised)	28/03/2019
Council Policy CP010 Information Privacy (revised)	28/03/2019
Council Policy CP012 Events (revised)	28/03/2019
Council Policy CP030 Asset Disposal (revised)	28/03/2019
Council Policy CP047 User Fees and Charges (new)	28/03/2019
Council Policy CP009 Gifts, Benefits & Hospitality (revised)	24/04/2019
Council Policy CP018 Councillor Support, Resources & Facilities (revised)	24/04/2019
Council Policy CP041 Residential Vacant Land Rate (revised)	24/04/2019
Council Policy CP013 Procurement (revised)	20/06/2019
2019–20 Budget	20/06/2019
2019–20 Implementation Plan	20/06/2019
Borough of Queenscliffe Asset Management Plans	20/06/2019
Borough of Queenscliffe Long Term Financial Plan 2019/20–2028/29	20/06/2019
Borough of Queenscliffe Rating Strategy	20/06/2019



Councillor allowances and expenses

Section 75 of the *Local Government Act 1989* provides for the reimbursement of necessary out-of-pocket expenses incurred while performing the duties of a Councillor.

The Borough of Queenscliffe Reimbursement of Councillors and Members of Council Committees Policy outlines arrangements for reimbursement of expenses for training, registration fees for conferences and functions, travel and child care.

The following table sets out the allowances paid to Councillors for the reporting period.

Councillor	Allowance	Expenses	Total
Cr Bob Merriman (Mayor)	\$43,976	nil	\$43,976
Cr Boyce Pizzey (Deputy Mayor)	\$22,472	nil	\$22,472
Cr Ross Ebbels	\$22,472	nil	\$22,472
Cr Tony Francis	\$22,472	nil	\$22,472
Cr Susan Salter	\$36,315	\$159	\$36,475
TOTAL	\$147,708	\$159	\$147,867

The following table breaks down the expenses by category, in accordance with the Local Government (Planning and Reporting) Regulations 2014.

Councillor	Expense Type					Total
	Travel	Vehicle mileage	Childcare	ICT	Conference and training	
Cr Bob Merriman (Mayor)	nil	nil	nil	nil	nil	nil
Cr Boyce Pizzey (Deputy Mayor)	nil	nil	nil	nil	nil	nil
Cr Ross Ebbels	nil	nil	nil	nil	nil	nil
Cr Tony Francis	nil	nil	nil	nil	nil	nil
Cr Susan Salter	nil	nil	nil	nil	\$159	\$159
TOTAL	nil	nil	nil	nil	\$159	\$159



Interstate and overseas travel

The *Local Government Act 1989* requires Councillors to register their interstate and overseas travel and associated expenses. In the 2018–19 financial year the Mayor, Cr Bob Merriman, registered travel expenses of \$609.92 to attend the G21 Region Alliance Board Delegation to Canberra on 19 and 20 February 2019.

Committees of Council

The *Local Government Act 1989* allows Council to establish advisory or special committees of Council. These committees may include Councillors, Council staff and other persons as deemed necessary. The Act also allows for Council, by instrument of delegation, to delegate any of its functions, duties or powers to a special committee.

The Borough of Queenscliffe has two advisory committees: the Queenscliffe Economic Development Advisory Committee and the Audit Committee.

Council also has a number of reference groups who provide advice and direction on specific projects. These reference groups consist of community members, Councillors and Council staff. Reference groups as at 30 June 2019 included:

- Australia Day Awards Selection Reference Group
- Avenue of Honour Reference Group
- Community Grants Advisory Reference Group
- Governance and Finance Portfolio Reference Group
- Heritage Reference Group
- Memorials and Plaques Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group, and
- Sea Level Rise Reference Group.

New committees and reference groups are established as required.

Audit Committee

The Audit Committee is an independent advisory and supervisory committee that forms part of Council's overall governance framework.

Its role is to assist Council by providing advice and guidance on the effective conduct of Council's responsibilities for financial reporting, monitoring compliance with laws, regulations and Council policies, maintaining a reliable system of internal control and risk management, and facilitating the organisation's ethical development.

The Audit Committee consists of four independent members, appointed for a three-year term for a maximum of three terms, and two councillors. The chair is elected from among the independent members.

Independent members are paid a sitting fee for each meeting attended. The table below provides details of the Audit Committee's membership during 2018–19. Following the last meeting for the year, Peter Bollen resigned effective 14 June 2019.

Audit Committee Attendance

Member	Eligible to Attend	Meetings Attended	Sitting Fees Paid
Roland 'Barney' Orchard (Chair)	3	3	\$1500
Peter Bollen	3	2	\$800
Richard Bull	3	3	\$1200
Graeme Phipps	3	3	\$1200
Cr Susan Salter	3	2*	\$0
Cr Bob Merriman	3	3	\$0
TOTAL	18	16	\$4700

**Cr Ross Ebbels attended one meeting in Cr Salter's absence, which has not been recorded in the table above.*

Council officers (including the Chief Executive Officer, General Manager Organisational Performance and Community Services, and Manager Financial Services) attend meetings but are not members of the Committee. Recommendations from each Audit Committee meeting are reported to and considered by Council.

During the 2018–19 financial year, the Audit Committee met three times on the following dates:

- 10 September 2018
- 3 December 2018, and
- 3 June 2019.

Meetings cover a number of standing items that evaluate and address Council's audit and risk functions. Audit reports are provided by Council's Internal Audit contractor and the External Auditor appointed by the Victorian Auditor-General's Office (VAGO). Council officers provide a management response and follow-up on items identified for action. The Audit Committee then considers if the response is acceptable.

Internal audit

The internal audit function provides independent and objective assurance to the Audit Committee and Council that appropriate processes and controls are in place. The Audit Committee makes recommendations to Council on a risk-based rolling internal audit program, delivered twice a year. This is revised annually to ensure internal audit resources remain focused on appropriate areas. The internal auditor attends Audit Committee meetings in June and December to present the findings of the previous semester's internal audit reviews, including management's response.

Internal audit topics reviewed during 2018–19 included:

- Fraud and corruption control framework
- IT network and security (including cyber security)
- Credit cards
- Payroll (including data analytics), and
- Taxation compliance.

External audit

Council is externally audited by the Victorian Auditor-General's Office (VAGO). The external auditor's representative attends Audit Committee meetings in June and September to present the annual audit plan and independent external audit report on the Performance Statement and Annual Financial Report. The external audit management letter and management responses are also provided to the Audit Committee and progress status reports on agreed recommendations are reviewed regularly.

The annual external audit of Council's Performance Statement and Annual Financial Report was conducted by VAGO's representative. Council officers presented the audited documents to the Audit Committee prior to 'in-principle' adoption by Council and sign-off by VAGO.

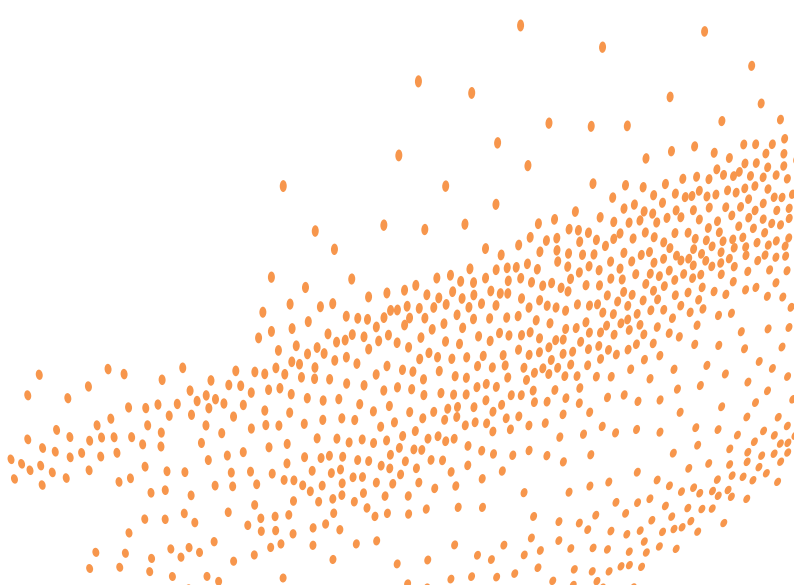
Governance

The following documents prepared by Council officers were presented to the Audit Committee, during meetings held in 2018–19, for scrutiny:

- Annual Financial Report
- Performance Statement 2017–18
- Quarterly financial reports
- Draft annual Council Plan implementation, rating strategy, Budget and associated presentations to the public
- Year-end governance and management checklist prior to inclusion in the Annual Report, and
- Community satisfaction ratings and benchmarking results.

Other significant items received by the Audit Committee during the year included:

- Long-term financial plan 2019–20 to 2028–29, and
- Draft risk management framework.



Queenscliffe Economic Development Advisory Committee

The Queenscliffe Economic Development Advisory Committee provides strategic advice to Council on opportunities and issues related to economic development in the Borough. Its membership comprises industry and/or skills-based members, the Mayor, and one Councillor.

During the year, David Beaumont and Lorraine Golightly resigned from the committee, resulting in the appointment of three new members following an expression of interest process. At 30 June 2019, members were:

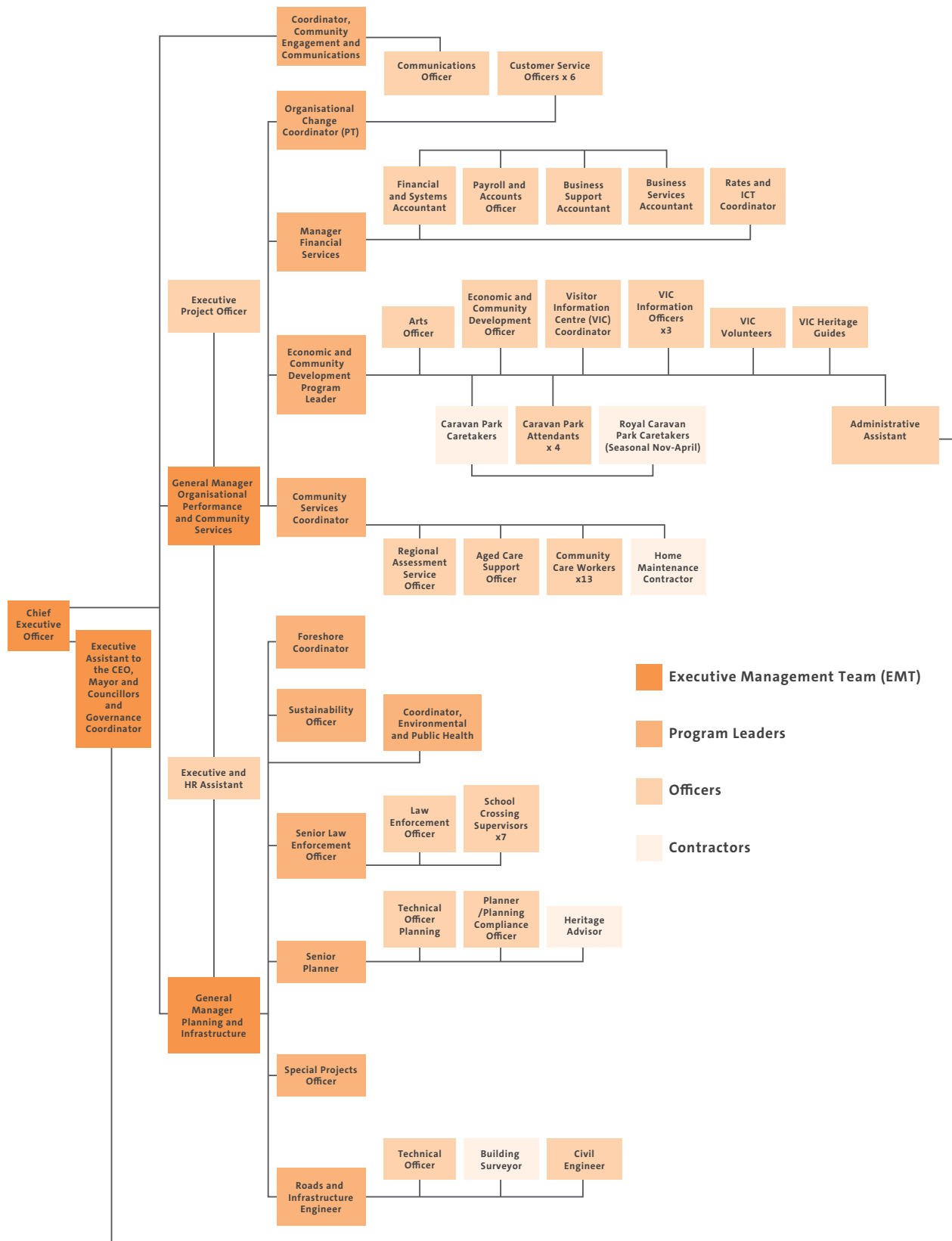
- Hugo T Armstrong (Chair)
- Sue Beeton
- Robyn Birrell
- Michael Grout
- Arash Harandian
- Stacey Hunter
- Barry Iddles
- Matt McDonald
- Rob Minty
- Andrew Orvis
- Cr Bob Merriman (Mayor), and
- Cr Ross Ebbels.

During 2018–19, the committee met five times on:

- 16 August 2018
- 16 October 2018
- 13 November 2018
- 12 December 2018, and
- 12 February 2019.



Organisation Chart



Organisation overview

The Local Government Act 1989 (the Act) states that the primary objective of a council is to endeavour to achieve the best outcomes for the local community, having regard to the long-term and cumulative effects of decisions.

Council manages a broad range of functions, activities and services to:

- Advocate and promote proposals which are in the best interests of the local community
- Plan for and provide services and facilities for the local community
- Provide and maintain community infrastructure in the municipal district
- Undertake strategic and land use planning for the municipal district
- Raise revenue to enable the Council to perform its functions
- Make and enforce local laws
- Exercise, perform and discharge the duties, functions and powers of Councils under this Act and other Acts, and
- Relate to the peace, order and good government of the municipal district.

To achieve these objectives, appropriately qualified staff and contractors are engaged to deliver a range of services.

The Chief Executive Officer (CEO) is the only staff appointment made by the Council. The CEO is responsible for the employment, work and conduct of Council's staff, and the implementation of decisions made by Council.

Council's staff work across three teams as outlined in the table on the next page.

The small team at the Borough of Queenscliffe comprises 68 people; however, the full-time equivalent is only 42.14 positions. The staff team is made up of:

- 22 full-time, 31 part-time and 15 casual staff, and
- 18 male and 50 female staff.

Council and the local community also benefit from the services of approximately 30 volunteers at the Queenscliffe Visitor Information Centre and other volunteers who support Council events and activities.

Directorate	Primary areas of responsibility
Executive Services	<ul style="list-style-type: none"> • Mayor and Councillor support • Governance • Communications • Citizenship and civic events • Community engagement • Organisational development • Strategic advocacy
Planning and Infrastructure	<ul style="list-style-type: none"> • Animal management • Building control • Building maintenance • Coastal and Crown land management • Contract management • Emergency management • Engineering • Environmental health • Heritage advice • Local law enforcement • Power line clearance • Public amenities • Road maintenance and works • School crossings • Strategic and statutory planning • Street lighting • Sustainability and environment • Waste management
Organisational Performance and Community Services	<ul style="list-style-type: none"> • Aged care services • Arts, recreation and cultural services • Caravan park management • Community development • Customer service • Events • Finance, risk and audit • Information technology • Early years services • Human resources • Library services • Rate collection • Tourism and economic development • Visitor information • Youth services

Executive team

Council's Executive Management Team (EMT) is led by the Chief Executive Officer and includes the General Manager Planning and Infrastructure and the General Manager Organisational Performance and Community Services.



Chief Executive Officer
Lenny Jenner

Lenny Jenner was appointed in October 2008. His qualifications include a Master of Arts (Social Policy), Bachelor of Education and Bachelor of Arts (Recreation).

As Chief Executive Officer, Lenny has overall responsibility for ensuring that Council is fully informed on issues and for overseeing the structures and processes adopted by Council.

After more than 10 years in the role, in April 2019, Lenny advised Council of his resignation, effective on an agreed date before 30 September 2019.



General Manager Planning and Infrastructure
Johann Rajaratnam

Johann Rajaratnam was appointed in February 2019. His qualifications include a Master of Social Science (Environment and Planning) and a Bachelor of Science (Zoology and Archaeology). He is also a graduate of the Australian Institute of Company Directors.

As General Manager Planning and Infrastructure, Johann is responsible for overseeing the operations of the foreshore, planning, engineering, local laws, building surveying, environmental health services and sustainability functions of Council.

He also provides professional advice to Council on a range of statutory matters.



General Manager Organisational Performance and Community Services
Phillip Carruthers

Phillip Carruthers was appointed in July 2017. His qualifications include a Master of Business Administration and a Master of Commercial Law.

Phillip is responsible for several diverse portfolios including organisational development, risk management, governance, financial services, property services and leases, information technology and records management, as well as tourist parks, visitor services, economic development, aged care services, arts and community development.

Staff profile

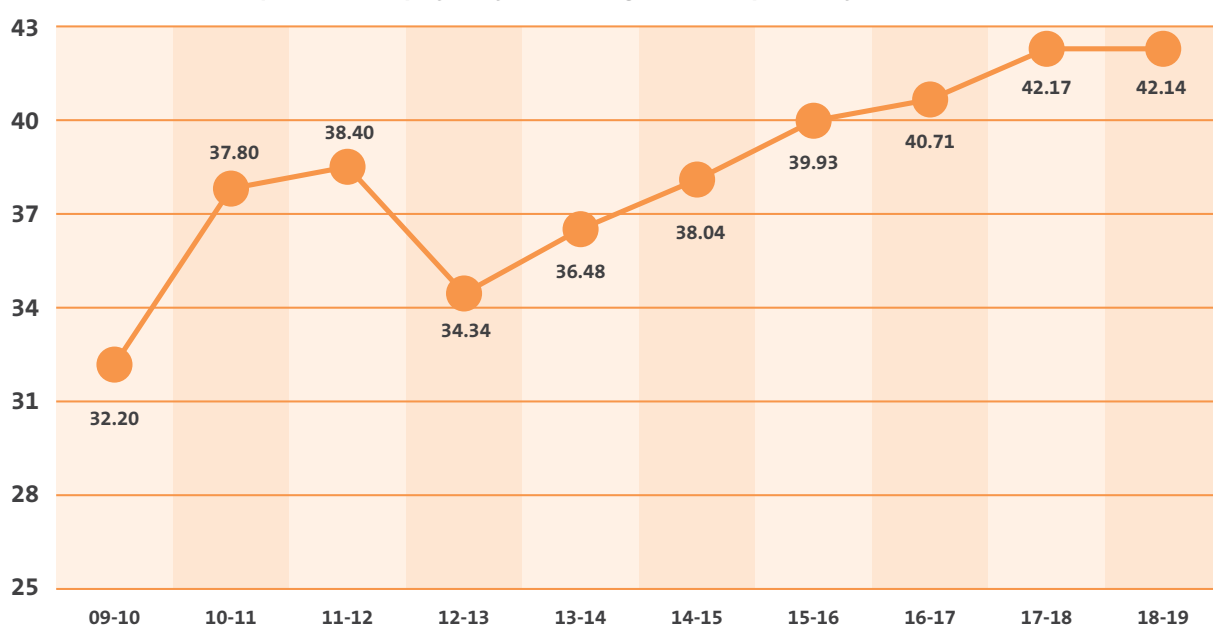
The Borough of Queenscliffe staff team comprises 68 people; however, the full-time equivalent is 42.14 positions.

Type of Employment	Female	Male	Total
Full Time	10	12	22
Part Time	29	2	31
Casual	11	4	15
TOTAL	50	18	68
Full Time Equivalent	28.28	13.86	42.14

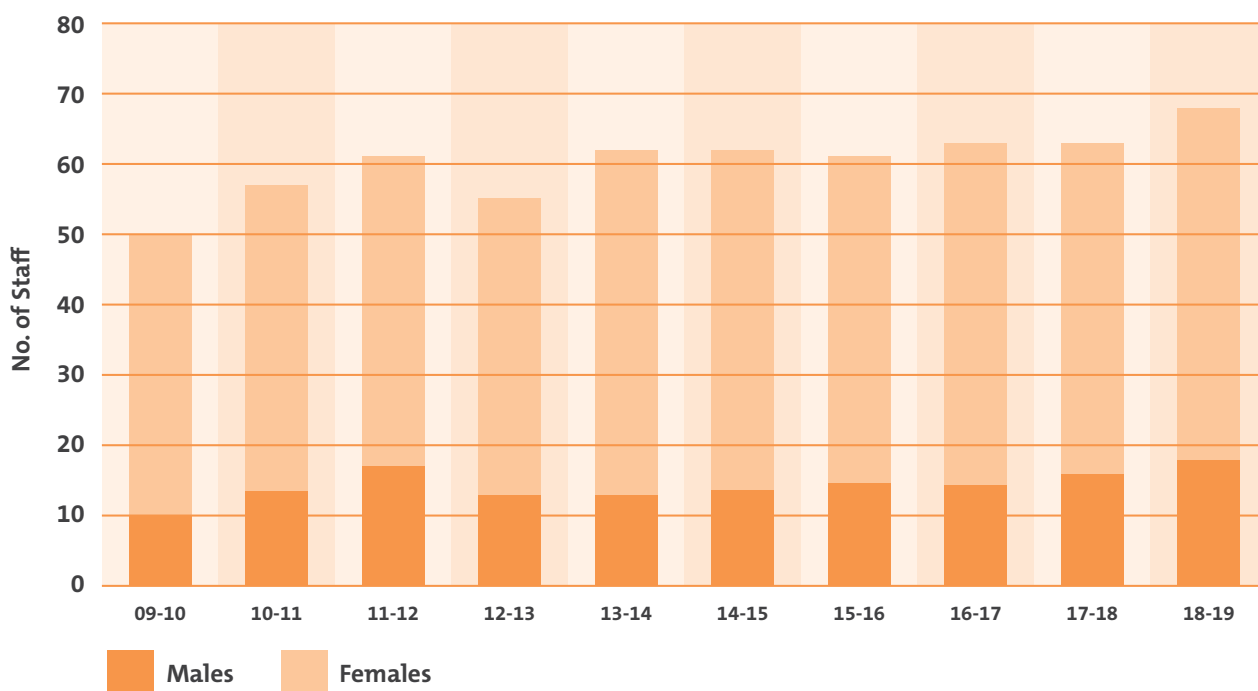
Trends over the past six years indicate a gradual rise in full-time equivalent positions. Gender balances have remained relatively constant.

Type of Employment	2013-14		2014-15		2015-16		2016-17		2017-18		2018-19	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
Full Time	10	8	10	9	11	10	11	11	11	13	10	12
Part Time	32	4	33	4	26	3	28	1	30	1	29	2
Casual	7	1	5	1	9	2	9	3	6	2	11	4
TOTAL	49	13	48	14	46	15	48	15	47	16	50	18
Full Time Equivalent	36.48		38.04		39.93		40.71		42.17		42.14	

Total staff (full time equivalent) employed by the Borough over the past ten years



Total staff (numbers) employed by the Borough over the past ten years



Staff management and culture

People Plan

Staff members continue to live by the Borough of Queenscliffe 'People Plan', which was formally endorsed by the Chief Executive Officer on 20 October 2017. The following actions remain a priority:

Employee Code of Conduct

The Employee Code of Conduct has been re-written to recognise staff's shared values and distributed to all staff and volunteers, accompanied by internal marketing materials including posters and phone cards. The new code has generated positive uptake and discussion, thanks to strong support from Council's Executive Management Team and staff.

Improving the way we communicate

Internal communications have undergone a range of improvements, with a focus on improved sharing of information between different program areas, and inclusion of employees and volunteers based at locations separate to Council's main office, such as the Council-managed caravan parks and the Visitor Information Centre. Monthly 'all staff' meetings have been altered to better accommodate off-site and part-time staff, and an incorporated morning tea allows all staff to network with one another.

Annual training calendar

In-house and external training offerings have been consolidated into a single training calendar, which is available to all staff to help them proactively plan and participate in relevant training and professional development. Staff participated in a range of activities including anti-bullying and harassment training, conflict resolution training and resilience training.

Integration of all key organisational committees under an overall 'compliance' framework

Council has established a 'Compliance Committee' with a cross-section of staff who meet monthly to consider all legislative, policy and practice matters including:

- Occupational health and safety
- Equal opportunity
- Risk management, and
- Council's Staff Consultative Committee.

Training and development

In 2018–19, a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their roles at the Borough of Queenscliffe. An indication of the types of training undertaken is as follows:

- Induction to Local Government
- First aid
- Report writing
- Information technology
- Occupational health and safety
- Human resources
- Legislation amendments
- Conflict of interest
- Professional conferences related to staff roles, and
- Special interest group meetings relevant to staff roles.

All new employees at the Borough of Queenscliffe undertake an induction program covering all areas of Council's operations.

Appreciating our people

Skilled, motivated and dedicated staff are critical to Council's success. We strive to continually strengthen a culture that recognises, encourages and celebrates our employees' achievements.

Staff who complete their six-month probationary period of employment with the Borough of Queenscliffe receive a personal letter of congratulations from the CEO noting their contribution.

A number of employees reached service milestones with the Borough of Queenscliffe in 2018–19. Eight employees reached their five-year anniversary and five staff members reached their ten-year anniversary of continuous service with the Borough of Queenscliffe.

Employee performance

All staff participate in an annual performance appraisal with their direct supervisor. This provides a formal opportunity to assess individual and team performance, identify achievements and discover where improvements are required.

A core component of performance management is development. The appraisal process allows staff to review recent and current performance, plan for the future and identify training requirements and development opportunities. Council also offers study assistance for staff where benefits are likely to accrue to both the organisation and employees through participation of employees in further education.

Staff Consultative Committee

Under the requirements of the Enterprise Bargaining Agreement, the Borough of Queenscliffe has a Staff Consultative Committee. The role of this committee is to:

- Provide a forum for management and staff to discuss any issues relating to the organisation, including business decisions affecting Council and its employees
- Facilitate consultation between management and employees on workplace relations, organisational human resource issues and other matters
- Review significant policy initiatives and provide feedback on development and implementation of such initiatives
- Promote and encourage staff participation in productivity improvement program initiatives (e.g. suggestion schemes; structured programs to eliminate waste/add value)
- Make recommendations to appropriate managers on matters requiring action that the committee cannot resolve directly
- Promote a participative approach to employee relations
- Consult on organisational matters affecting employees and their conditions of employment, and
- Consult on organisational occupational health and safety matters.

Staff flu vaccinations

Staff flu vaccinations were administered to 35 staff members under the Council's vaccination program. This was unfortunately a decrease from 44 flu vaccinations given in the previous year.

Contributions to charity

During 2018–19, staff participated in several fundraising activities to raise money for local and national charities.

Surf Coast Trek

On Saturday 6 April 2019, a team of eight staff members participated in the 40km Surf Coast Trek from Aireys Inlet to Torquay.

The event took the trekkers through a diverse range of landscapes including cliff scenery, scenic ironbark bushland and long sandy beaches, while bringing together fitness, fun and fundraising for the Kids Plus Foundation and the Give Where You Live Foundation.

The team's fundraising took on many forms, from staff soup and curry days to lunchtime team games and donations from friends, family and colleagues.

The trek saw a significant increase in employee health and wellbeing within the workplace. Employees continue to actively participate in brisk walks around the Borough.

Casual Dress Fridays

Each Friday, staff have the option of wearing casual clothes for a donation to a chosen charity. Prior to April 2019, these donations went towards the 2019 Surf Coast Trek team fundraising.

Since then, the following charities have been the beneficiary of donations:

- Royal Children's Hospital Good Friday Appeal
- Cancer Council, and
- Geelong Mums.

Staff changes and recruitment

Staff turnover in 2018–19 resulted in the following positions being recruited over the course of the financial year.

Position	Reason for vacancy
General Manager Planning & Infrastructure	Replacement due to resignation
Coordinator Community Engagement and Communications	Replacement due to resignation
Planner / Planning Compliance Officer	Replacement due to resignation
School Crossing Supervisor (relief)	Replacement due to resignation
Community Care Worker (casual)	Restructure of staffing to ensure service delivery when permanent staff unavailable
Administrative Assistant	New (part-time) position
Visitor Information Centre Officers (two casual positions)	Restructure of staffing following resignation to ensure service delivery when permanent staff unavailable
Business Support Accountant	New (temporary, part-time) position
Environmental Health Officer (casual)	New (casual) position to ensure service delivery when permanent incumbent is unavailable

Positions were advertised in accordance with Council's recruitment procedure. Positions may be advertised online at sites such as Seek, and in print in newspapers such as the Geelong Advertiser, Echo and The Age. All externally advertised positions appear on the Borough of Queenscliffe website. Extensive interview and selection processes were undertaken for all positions, with successful candidates being recruited to each position.

Occupational health and safety

The Borough of Queenscliffe is committed to providing a safe and healthy workplace for our staff, Councillors, contractors, volunteers and visitors. Council's occupational health and safety (OHS) procedures provide a clear framework to guide the health, safety and welfare of all staff.

Council's internal Compliance Committee discusses matters relating to OHS. Ongoing OHS training and OHS inspections are key elements in our continuous improvement approach to health and safety performance.

Ensuring the safety, health and welfare of all staff is a shared commitment between the Council and every staff member.

Management is responsible for:

- The provision and maintenance of safe workplaces
- The development, promotion and implementation of health and safety policies and procedures
- Training of employees to enable them to conduct their assigned tasks safely, and
- The provision of resources to meet health and safety commitments.

All employees are required to:

- Report all accidents and incidents according to adopted procedures
- Comply with health and safety policies and procedures, and
- Report all known or observed hazards to immediate supervisor or manager.

The number of work-related incidents increased between the years 2017–18 and 2018–19, following the increased focus on reporting every OHS incident as it occurs and general increased awareness of OHS matters. The most serious incident in 2018–19, in which an employee required stitches for a cut, occurred on commercial premises outside of Council's control.

Reported work-related incidents

Severity of incident	1 July 2018 to 30 June 2019	1 July 2017 to 30 June 2018
Near miss	0	0
Dangerous occurrence	0	0
Injury – first aid treatment only required	3	0
Injury – medical treatment required	4	2
Injury – medical treatment as hospital inpatient required	0	0
Serious injury	0	0
Fatality	0	0
Totals	7	2

Lost work days due to work-related incidents

1 July 2018 to 30 June 2019	1 July 2017 to 30 June 2018
0	0

WorkCover claims

1 July 2018 to 30 June 2019	1 July 2017 to 30 June 2018
0	0



Enterprise Bargaining Agreement

The Borough's current Enterprise Bargaining Agreement No. 9, 2016 expired on 15 January 2019. However, this Agreement, together with the National Employment Standards (NES), continues to form the terms and conditions of employment for staff (excluding the CEO and Senior Officers as defined by the *Local Government Act 1989*) until a new agreement is successfully voted on by staff and then approved by the Fair Work Commission. An Enterprise Bargaining Committee has been negotiating a new agreement. While the committee has been able to agree on many matters, a few key issues remain unresolved. A proposed new agreement was put to a staff vote in April 2019, but was unsuccessful. The bargaining committee are working towards having a new agreement for staff consideration early in financial year 2019–20.

Equal employment opportunity

A Council with 40 or more members of staff must have developed and implemented an equal opportunity program, which is designed to eliminate discrimination against and promote equal opportunity for women and persons in designated groups in relation to employment matters.

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the *Equal Opportunity Act 2010*, such as race, sex, marital status, parental status, disability, age, religious or political belief, gender identity and sexual orientation. Council has a strong commitment to promoting a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability. Council is committed to upholding equal employment opportunity principles in all its activities.

In all Council policies and practices there shall be no discrimination relating to age; disability; sex; sexual orientation; race; employment activity; gender identity; lawful sexual activity; marital status; industrial activity; political belief or activity; physical features; breastfeeding; pregnancy; parental status or status as a carer; religious belief or activity; and personal association with a person who is identified by reference to any of these attributes.

Selection of individuals for employment, promotion or advancement, training and staff development will be on the basis of the person's merit in fair and open competition according to the skills, qualifications, knowledge and efficiency relevant to the position involved.

Commitment to the Corporate Carbon Neutral Action Plan

Council employees are committed to upholding the principles of the Corporate Carbon Neutral Action Plan through proactively recycling and minimising energy use within Council offices. Workplace initiatives have included:

- Placing recycling bins at each workstation
- Printing draft documents on recycled paper
- Having printers default to printing two-sided copies
- Placing recycling bins in the staff room for mixed recyclable products (e.g. paper, cans, plastic bottles) and soft plastics, and a chook bin for food products
- Having lights set to turn off after a period of inactivity within different areas of the building
- Where possible, encouraging staff to walk or ride to appointments
- Where possible, purchasing stationery and cleaning supplies through environmentally responsible products and organisations
- Collecting all polystyrene from deliveries for recycling, and
- Using degradable, environmentally friendly dog poo bags.

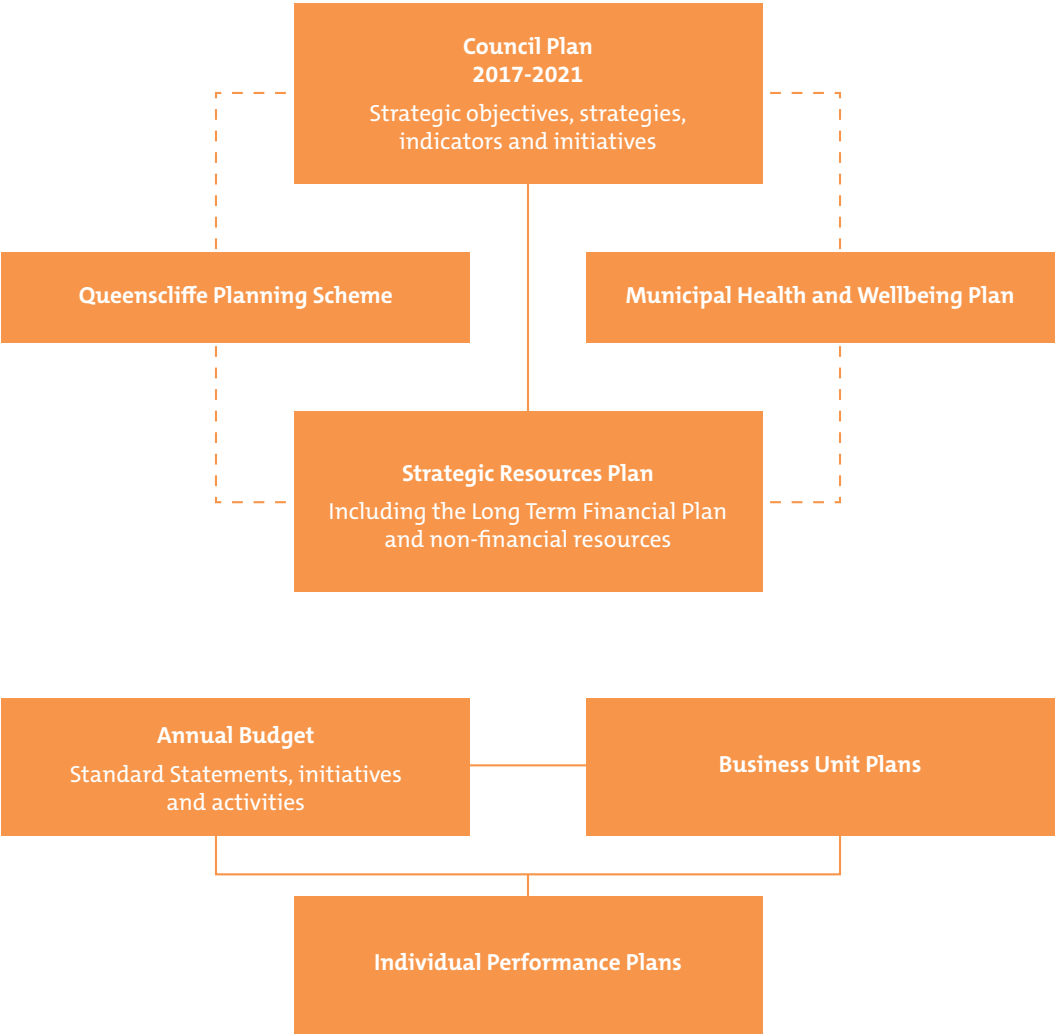
Corporate governance

Planning framework

The Borough of Queenscliffe’s Council Plan 2017–2021 was produced after a comprehensive process that included extensive strategic research on the key drivers and trends affecting our community’s current and future growth and welfare, inputs from Councillors and Council staff, extensive community consultation and consideration of statutory and contractual requirements.

As depicted in the strategic planning framework below, the Council Plan is the key strategic document guiding the Council’s direction for its elected term. It is available on Council’s website.

The timing of each framework component is critical to Council achieving its planned outcomes. The Council Plan, including the Strategic Resources Plan, is required to be completed by 30 June in the year following Council elections. The plan is reviewed each year to inform the annual Budget, which provides the basis for setting annual business unit and individual performance plans.



Risk management

The key objective of risk management is to identify, assess and control risks throughout Council's operations.

Incident reporting is an important part of the organisation's risk plan and where potential liability is identified or incidents occur, these are referred to our insurers or to the relevant government department. Incident reporting is included in Council's quarterly finance reports during the year. An average of three to four incidents is reported each quarter and followed up in line with risk management policies and procedures.

Our internal Compliance Committee meets regularly to ensure the organisation's risk management practices operate within appropriate frameworks, relevant legislation and Council strategy. The committee reports on risk management activities to the Audit Committee every six months.

The standing agenda for the Compliance Committee meetings includes:

- Review of audit reports and actioning the recommendations of internal and external auditors as well as insurance audits, and
- Assessment of risk management, taking into account incident/risk reports, emergency response, business continuity and disaster recovery, risk training schedule, risk register review and ensuring appropriate insurance policies are in place.

Business continuity

Business continuity management is essential in ensuring the organisation's resilience and capability to respond to a business disruption event in a controlled and methodical manner, and significantly reduce prolonged periods of interruption in service provision to the community.

The organisation works continuously to ensure documentation is up to date and in line with current good practice guidelines and standards as part of our business continuity management approach.

Insuring our risks

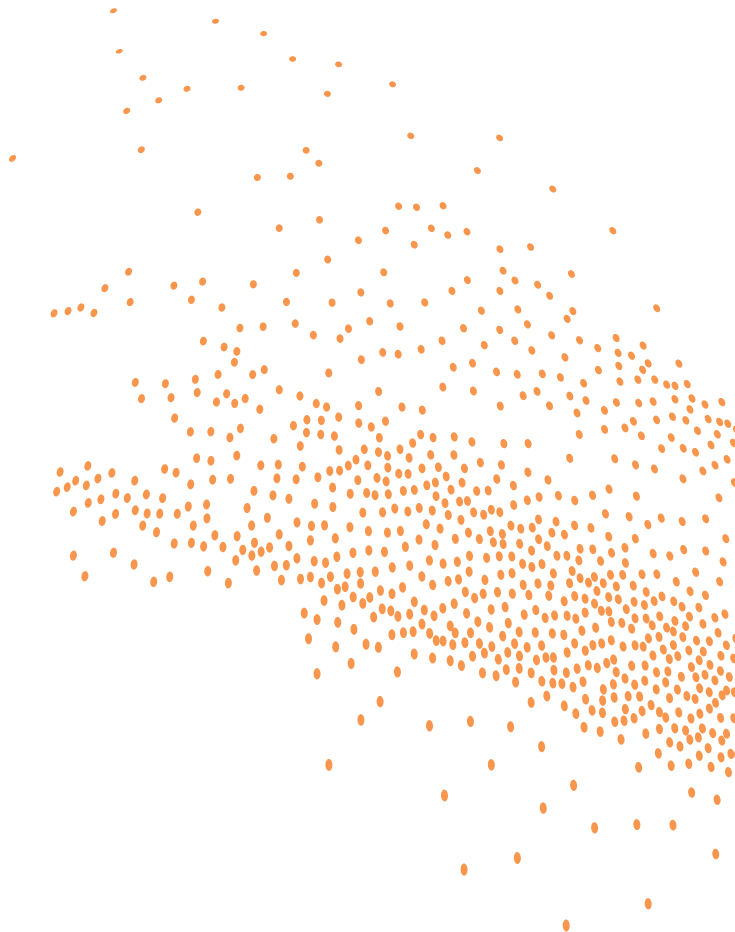
JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provides Council's building and contents insurance. Public liability insurance is covered under the Liability Mutual Insurance (LMI) scheme.

Other important insurance policies held by Council, to cover risks which cannot be mitigated in full, include:

- Councillors and officers liability (professional indemnity)
- Motor vehicle accidents
- Personal accident/corporate travel
- Personal accident (Council-associated organisations)
- Personal accident and sickness (employees and councillors), and
- Commercial crime (fidelity).

Insurance premiums for 2018–19 increased by 5.9% (\$11,115) compared with the 2017–18 year, factoring in the organisation's claims experience.

Officers continued to attend regular best practice forums conducted by our insurance brokers for councils within the region. These provided an important source of information in helping to manage the organisation's risks in the most appropriate manner.



Best value and procurement

Section 208B of the *Local Government Act 1989* requires all Victorian Councils at least once a year to report to its community on what it has done to ensure that it has given effect to the best value principles in the Act. Council delivers best value to the community by:

- Understanding the needs of both customers and the community
- Agreeing on what's required with the resources available
- Delivering what's required through effective management in an economical manner, and
- Continually evaluating and improving the service as per the best value principle of 'continuous improvement' defined in the Act.

Procurement

Procurement of goods, services and works must be done in a way that is beyond reproach. Our procurement policy (available on our website) articulates the core principles that guide all procurement decisions, including entering into contracts with suppliers.

The policy requires all employees to perform their duties and conduct themselves in a manner that ensures they maintain a reputation for being fair and unbiased when dealing with suppliers.

Council recognises the need to support local industry and is committed to buying from local businesses where purchases can be justified on a value-for-money basis.

Benefits of buying local include:

- Retention of local employment
- Increased local employment, and
- Increased activity and spend in the local economy with identifiable benefits.



Volunteers

The Borough boasts more than 60 community organisations. In giving their time, volunteers enrich our community and the lives of everyone they interact with.

We're very proud of the high rate of volunteerism within the Borough of Queenscliffe. According to the 2016 census, 38 per cent of locals aged 15 or older are actively engaged in some form of volunteer work, which is 14 per cent above the average for regional Victoria.

Volunteering plays a central role in developing and maintaining a connected community, which, in turn, adds to our overall sense of wellbeing.

Local volunteers care for our landscapes, our buildings, our arts and culture, our sporting clubs and our people – residents and visitors alike. They are the fabric of our community. Without them, the Borough would be a very different place to live in and visit.

Volunteering to help visitors

The welcoming manner and local knowledge of our Queenscliffe Visitor Information Centre (VIC) volunteers enhance many visitors' experiences of the Borough and surrounding region.

During 2018–19, the team of 25 Customer Service Volunteers and five Heritage Guides responded to more than 28,500 walk-in enquiries and 1,500 phone enquiries. Their efforts over the 364 days of the centre being open represented more than 5,400 volunteer hours.

In February 2019, four VIC volunteers were presented with certificates acknowledging their 15-year service milestones. The occasion also provided an opportunity to commend all VIC volunteers for the role they play in helping tourists to get the most from their stay in our region.

An ongoing program of training opportunities, familiarisation tours, volunteer conferences and social functions ensures all VIC volunteers are actively engaged and fully equipped to perform their vital role.

Cubs lead the way with Borough clean up event

During the week leading up to Clean Up Australia Day in March 2019, members of the 1st Queenscliff Sea Scouts, Cub Scouts, their leaders and parents spent a productive evening collecting litter from foreshore areas.

Starting from Lovers Walk and finishing at the Ocean View Car Park, the group collected two bags of litter and one bag of recyclables that could have ended up in our waterways. Items ranged from the usual suspects – plastic bottles and food packaging, glass, aluminium cans, paper products, cigarette butts and the like – to a rusted-out metal bed frame.

The total volume collected represented a reduction on the previous two years, perhaps reflecting a change in people's habits.

A huge thank you to the group for its efforts to reduce the spread of litter into our coastal woodlands and marine environment.

Celebrating local volunteers

As part of National Volunteers Week 2019 held this May, Council hosted a function to celebrate our hard-working volunteers and acknowledge their generosity and service to the local community. More than 90 volunteers attended. The 2019 National Volunteer Week theme, 'Making a world of difference', provided an opportunity to highlight and thank volunteers for the contribution they make to the Borough.

Awards and recognition

Australia Day Awards 2019

Our annual Australia Day Awards provides an opportunity for Council to identify and recognise a broad cross-section of local people and organisations who go out of their way to contribute for the benefit of others.

On Australia Day 2019, Mayor Bob Merriman presented awards to:

- **Graham Christie JP** (Citizen of the Year) for his contributions to the local community as a Justice of the Peace, former Councillor, Chair of the Business Association, cricket coach and ongoing involvement in organising annual remembrance events. His Australia Day Award follows the prestigious Shrine of Remembrance Medal presented in 2018 (see below).

- **Ruby Dalton** (Young Citizen of the Year) for her courage, compassion and presence of mind in helping a man who had suffered a heart attack while cycling. Ruby, along with two other people, performed CPR and defibrillation until paramedics arrived.
- **3225 Community Calendar** (Community Organisation of the Year) for providing a self-funded comprehensive information resource about local activities and events for Queenscliff and Point Lonsdale residents.
- **Queenscliffe Literary Festival** (Community Event of the Year) for delivering, via a team of enthusiastic volunteers, an extensive program of literary events that engaged more than 1,100 people across all age groups and demonstrated the depth of our local arts and culture scene.
- **Kids Teaching Kids Local Conference – St Aloysius Catholic Primary School** (Community Environment Project of the Year) for designing and presenting the ‘Inspiring Young Marine Scientists – Stewards of Swan Bay’ conference to more than 100 students from primary schools across the region.

Shrine of Remembrance Medal

Resident, Vietnam veteran and former Councillor Graham Christie was awarded the prestigious 2018 Shrine of Remembrance Medal.

Introduced in 2008, the medal acknowledges those who have made outstanding contributions to the advancement of community knowledge and understanding of the service and sacrifices made by Victorians for their country in times of war and peacekeeping.

Graham served in Vietnam at Fire Support Patrol Bases of Coral and Balmoral. Within the Borough, he has played a major role in the annual marches and services for Anzac Day, Vietnam Veterans Day and Remembrance Day.

His dedication, his passion for the stories of all veterans and his commitment to ensure these stories are heard, acknowledged, remembered and kept alive are exceptional. Our region and our history are enriched by Graham’s contribution and commitment to his fellow service people.

Celebrating 15 years of volunteering

In February, Council acknowledged the contributions of Judy Compton, Cora Biggins, Jackie Taylor and Pat Theodore, who each celebrated 15 years of volunteering at the Queenscliffe Visitor Information Centre.

This significant milestone is a fantastic achievement and testament to the quartet’s dedication to provide visitors to our region with local knowledge and information on attractions and things to see and do.

Queen’s Birthday Honours List 2019

The 2019 Queen’s Birthday Honours List included two names well known to Borough locals. Point Lonsdale resident Peter Maishman was awarded the Order of Australia Medal for a lifetime of service to lifesaving. Peter has been a member of the Point Lonsdale Surf Life Saving Club for more than 60 years, and was the Borough’s Citizen of the Year in 2006.

Geelong Regional Library Corporation (GRLC) Chief Executive Officer Patti Manolis received the Order of Australia Medal for services to the library and information sciences sectors. As a GRLC member, the Borough and many residents who are library members have certainly appreciated Patti’s stewardship.

Gold again for Annual Report

For the fifth year in a row, the Borough’s Annual Report attained Gold in the 2019 Australasian Reporting Awards (ARA).

Feedback from the judges indicated that our 2017–18 Annual Report was well written, with excellent reporting on the progress of Council Plan initiatives in each performance area and on the audited financial statements. Areas for improvement have been considered in shaping this 2018–19 Annual Report.

To receive Gold, a report must demonstrate overall excellence in annual reporting and provide high quality coverage of most aspects of ARA criteria, full disclosure of key aspects of core business, and outstanding disclosures in major areas. Achieving Gold standard provides a model for other organisations to follow.

Council’s ongoing participation in the annual awards demonstrates the organisation’s commitment to continually improving its approach to annual reporting.

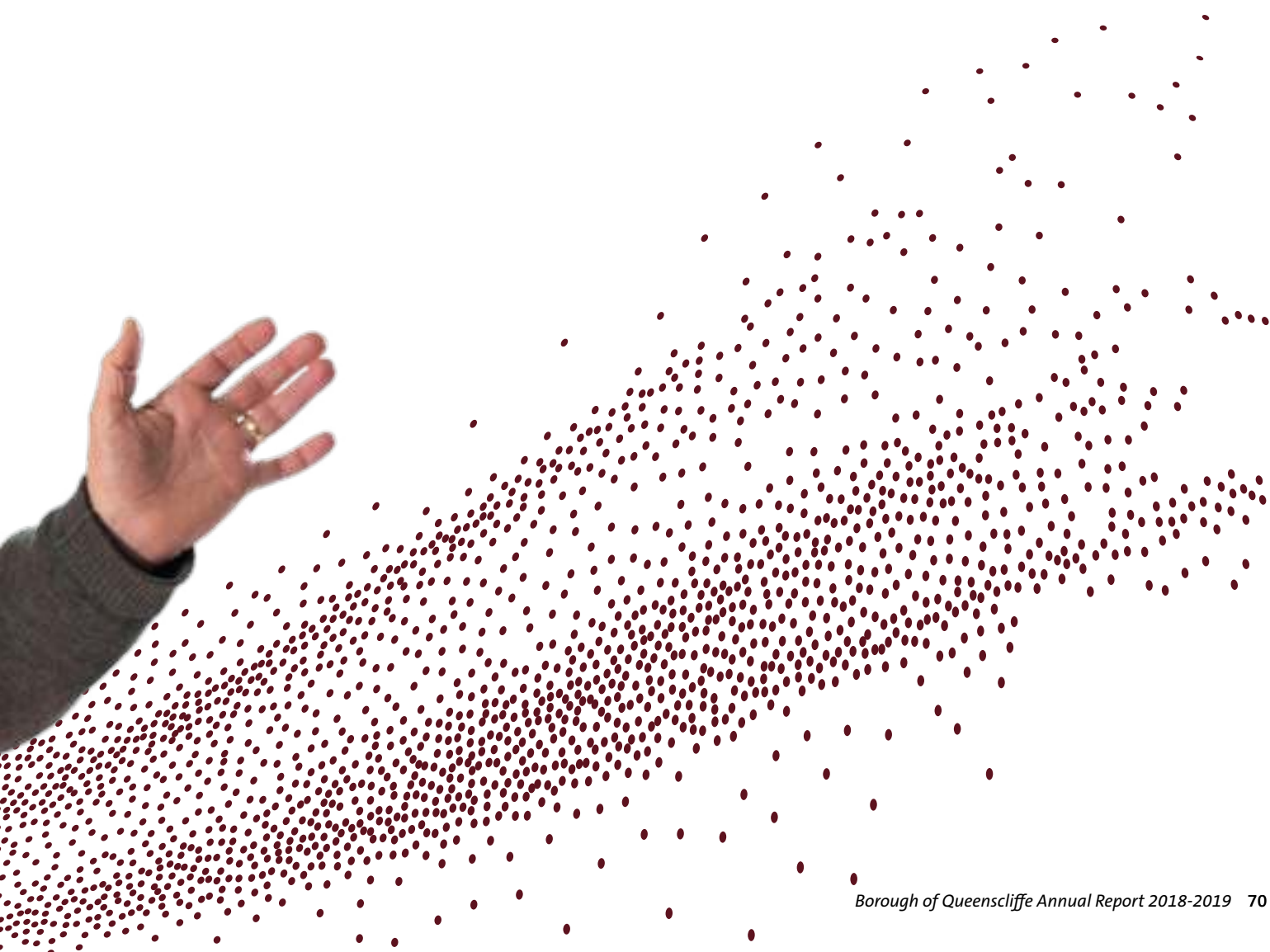
“I’ve recently brought up 35 years working for the Borough of Queenscliffe, originally as a plant operator, then a works supervisor, and now technical officer in infrastructure. My role requires my time to jointly work between the engineering department and the foreshores area. It’s very satisfying working in such a small municipality and being the only Council unchanged through the amalgamation process enables you to be proud of your position. People often ask me when I’m going to retire. I always respond with – “When I start to complain about the sun in my eyes when coming to work, then it will be time!”

Shane Poulter
Technical Officer, Infrastructure



Our performance

Community wellbeing	71
Environmental sustainability	79
Local economy	84
Planning and heritage	89
Governance and performance	95
Legislative compliance	101
Community satisfaction	116



Community wellbeing

Primary focus areas

- Maintain the Borough's standing as a safe place for residents and visitors.
- Protect, enhance and promote public health.
- Support older residents to live safely and independently.
- Increase participation in sport, recreation and life-long learning opportunities.
- Enhance opportunities for participation in arts and cultural activities.
- Support local clubs, community organisations and volunteers.
- Develop path and trail links that encourage walking and cycling and connections to neighbouring towns and the region.
- Support families, children and young people by facilitating access to services and community facilities.
- Promote shared use of community facilities.

2018–19 successes

- Council maintained the zero waiting list status for access to aged care services.
- Continuation of the Community Grants Program, allocating \$19,091 to 11 local organisations in 2018–19.
- Implemented Council's Health and Wellbeing Action Plan, focusing on the areas of:
 - Promoting community involvement with older residents, as part of the 'Age Friendly Communities' steering group
 - Gender equity and respectful relations, and
 - Improving mental wellbeing.
- Conducted several celebrations to formally recognise the extraordinary contribution of community volunteers.
- Audit successfully completed on Council's Municipal Emergency Management Plan.

2018–19 Council Plan Initiatives

Initiatives	Council's performance
Implement the Borough of Queenscliffe's Health and Wellbeing Action Plan 2017-2021 and meet Council's statutory responsibilities related to public health standards.	Completed
Provide an accredited, responsive aged support service with a 'zero waiting' list.	Completed
Investigate and respond to Federal Government policy changes to the Home and Community Care service.	In progress
Facilitate collaboration between local community and emergency service organisations in planning to improve safety in the Borough of Queenscliffe.	Completed
Provide a community grants and sponsorship program to support local clubs and community organisations.	Completed
Conduct public events that recognise the contribution of volunteers.	Completed
Support local organisations to plan and implement community recreation, sport and civic activities, and events.	Completed

The following statement provides information in relation to the services funded in the 2018–19 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Aged Services	The Aged Services program provides care and assistance to older residents and carers requiring respite so that residents can live independently and remain safe in their homes. The program is focused on maximising the wellbeing, safety and health of frail older people and carers requiring respite. Through the Commonwealth Home Support Programme, support and maintenance services are provided to people living at home, whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long term residential care.	Actuals Budget	13 200
		Variance	(187)
Active Communities	The Active Communities program promotes community wellbeing by supporting people and communities to be involved and active in sport, recreation, arts, culture and other community and civic activities. The program area is responsible for building the capacity of local clubs and community organisations and assisting these organisations to develop and implement projects that support social inclusion, access and equity within the Borough.	Actuals Budget	144 215
		Variance	(71)
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. Council also plays a key role in promoting and acknowledging the significant roles played by volunteers in local organisations.	Actuals Budget	101 88
		Variance	13
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 and children from birth to school age. MCH is a primary health service which provides a comprehensive and focused approach for the promotion, prevention, early detection, and intervention of the physical, emotional or social factors affecting young children and their families. Council currently contracts the City of Greater Geelong to provide the Maternal and Child Health services in the Borough.	Actuals Budget	23 20
		Variance	3
Kindergarten	The Kindergarten program is an important part of the Borough's early years services. 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 smooth transition to primary school. Whilst the Queenscliff Kindergarten is operated independently of Council by a Committee of Management, Council manages the Kindergarten building, facilitates access to external grants and supports the Kindergarten Committee of Management as needs arise.	Actuals Budget	(14) 22
		Variance	(16)
Environmental Health	The Environmental Health program monitors and maintains a safe environment for public health and wellbeing. This program is designed to meet Council's statutory obligations regarding public health notably under the <i>Food Act 1984</i> and <i>Public Health and Wellbeing Act 2008</i> . Mandatory assessments of food safety, accommodation and beauty treatment premises are completed in accordance with the regulations and risk management frameworks. Tobacco control activities reduce the prevalence of smoking in the community. Nuisance complaint investigations remedy public health and amenity concerns and infectious disease investigations control and reduce the likelihood of notifiable disease. The Environmental Health program area also facilitates mosquito control activity.	Actuals Budget	57 51
		Variance	6

Service area	Description of services provided		\$'000
Asset Management and Appearance of Public Places	The Asset Management and Appearance of Public Places program ensures the safety, functionality and aesthetics of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings. The program ensures safe and efficient active transport settings, including the development of a network of connected walking and cycling routes, facilitates safe access to and use of community facilities, parks and gardens, sports ovals and local amenities. Responsibilities extend to include maintenance of local roads, kerb and channel, footpaths, shared use trails, drainage and street cleanliness. Council implements an asset renewal and maintenance program for infrastructure including roads, paths, drainage and all Council-owned and managed community buildings. It is also responsible for the maintenance, cleaning and renewal of 14 public toilets.	Actuals	949
		Budget	993
		Variance	(44)
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. This is achieved through management of school crossings, the provision of animal management services including animal registration and a dog and cat collection service, enforcement of local laws, issuing of local law permits, management of the boat ramp and enforcement of parking restrictions. This service is also the first Council respondent to out-of-hours emergencies.	Actuals	215
		Budget	221
		Variance	(6)
Street Lighting	The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists. It involves the operation, maintenance, renewal and energy costs associated with the Borough's street lights. Importantly, Council has upgraded the streetlight infrastructure to achieve a high level of energy efficiency.	Actuals	30
		Budget	46
		Variance	(16)
Powerline Safety	The Powerline Safety program assists in the provision of a safe environment and protection of the Borough's significant public and private assets and vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation.	Actuals	60
		Budget	62
		Variance	(2)
Library	The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. Libraries can be restorative places and often a safe haven for people outside their own home. The public library service is provided in Queenscliff in a Council-owned building, and is operated by the Geelong Regional Library Corporation under a deed of agreement with Council. Council is one of four municipalities that make up the membership of the Corporation.	Actuals	219
		Budget	225
		Variance	(6)
Total	Actuals		1,797
	Budget		2,123
	Variance		(326)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Maternal and Child Health (MCH)				
Indicator: Satisfaction Measure: Participation in first MCH home visit [Number of first MCH home visits / Number of birth notifications received] x100	125.00%	112.50%	100.00%	18 first MCH home visits and 18 birth notifications received in 2018–19.
Indicator: Service standard Measure: Infant enrolments in the MCH service [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	106.25%	100.00%	18 birth notifications received and all enrolled in the MCH service.
Indicator: Service cost Measure: Cost of MCH service [Cost to Council of the MCH service / Hours worked by MCH nurses]	\$112.64	\$124.18	\$170.67	This represents an increase in the number of hours worked by the MCH nurse in 2018–19.
Indicator: Participation Measure: Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	92.40%	87.58%	71.50%	55 children attended the MCH service at least once, of the 76 infants enrolled in 2018–19 (2017–18: attended by 70 of 81 enrolled in the service).
Indicator: Participation Measure: Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0.00%	100.00%	100.00%	

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Environmental Health Food Safety				
Indicator: Timeliness Measure: Time taken to action food complaints [Number of days between receipt and first response action for all food complaints / Number of food complaints]	1.25	1.00	1.00	Calculated by calendar year.
Indicator: Service standard Measure: Food safety assessments [Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the <i>Food Act 1984</i> / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the <i>Food Act 1984</i>] x100	100.00%	98.48%	100.00%	
Indicator: Service cost Measure: Cost of food safety service [Direct cost of the food safety service / Number of food premises registered or notified in accordance with the <i>Food Act 1984</i>]	\$667.31	\$609.76	\$682.29	There was a reduction from 79 premises in 2017–18 to 73 in 2018–19, resulting in an increased cost of the service on a per premises basis.
Indicator: Health and safety Measure: Critical and major non-compliance notifications [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 a food premises] x100	100.00%	100.00%	100.00%	



Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2019. Award recipients in 2019 were as follows:

Citizen of the Year: Graham Christie JP

Graham Christie has worn many hats in his service to the Queenscliffe community. A Justice of the Peace, former Councillor, Chair of the local Business Association, and cricket coach, Graham also played a major role in the organisation of the annual March and Service for Anzac Day and Vietnam Veterans' Day. He was instrumental to the 2018 Remembrance Day March and Service marking 100 years since the end of World War One, coordinating schools and community groups for the anniversary ceremony.

Having served in Vietnam at Fire Support Patrol Bases Coral and Balmoral, Graham's commitment to remembrance has seen him selling poppies in Hesse Street, Queenscliff, speaking at local schools and providing support and understanding to returned service men and women. The 2019 Borough of Queenscliffe Citizen of the Year Award follows the prestigious Shrine of Remembrance Medal presented to Graham in 2018.

Young Citizen of the Year: Ruby Dalton

Returning home from her part-time job, Ruby Dalton stopped to help a man who had suffered a heart attack while cycling. Demonstrating courage and presence of mind beyond her 16 years, Ruby performed CPR and defibrillation, with two other community members, until paramedics arrived.

Ruby's Young Citizen of the Year Award recognises her initiative and sense of responsibility in a very challenging situation. Her calm, compassionate response sets a positive example for everyone in the community.

Community Organisation of the Year: 3225 Community Calendar

The popular 3225 Community Calendar is a true 'whole of community' initiative. Compiled with information from businesses, community organisations and Council, the calendar provides a comprehensive source of information about local activities and events for residents of Queenscliff and Point Lonsdale.

The self-funded calendar is currently assembled by an enthusiastic team of two and delivered free of charge during the Christmas–New Year period by a group of willing walkers. Founded in 2011, its

circulation figures reached 3,600 in 2018 and are expected to grow to 4,000 in 2019.

Community Event of the Year: Queenscliffe Literary Festival

First held in 2015, the Queenscliffe Literary Festival has developed into one of the Borough's cornerstone events. The 2018 program featured keynote speakers Robert Dessaix and John Bell among a host of well-known and emerging writers from the Borough of Queenscliffe and across the state. The Borough's literary and artistic communities united to deliver a list of events that engaged people of all ages, attracting 1,100 attendees, and demonstrated the impressive depth of the arts and culture scene in Queenscliff and Point Lonsdale.

The Queenscliffe Literary Festival Committee is made up of a team of volunteers and supported by a dedicated community who donate over 2,000 hours of their time each year to maintain the event's high standards.

Audience feedback about the 2018 festival confirming an event satisfaction and recommendation rate of over 95%, combined with an increase of approximately 25% in the festival's mailing list, confirms the festival's status as a marquee event on the Borough of Queenscliffe calendar.

Community Environment Project of the Year: Kids Teaching Kids Local Conference – St Aloysius Catholic Primary School

For their 2018 Kids Teaching Kids local conference, St Aloysius students from grades four, five and six designed a variety of workshops about local marine science and environmental issues and presented these to over 100 students from local and regional primary schools. The St Aloysius students held their conference, 'Inspiring Young Marine Scientists – Stewards of Swan Bay', at The Pavilion in Princess Park, Queenscliff, highlighting the potential of their immediate environment as a learning space.

The St Aloysius conference was organised by the Student Environmental Leadership Team and involved contributions from various local community groups and businesses. Participant feedback indicated a high level of enjoyment, enthusiasm and engagement. The St Aloysius students developed presentation and teamwork skills and a passion for environmental leadership through their participation, with a group of the leading students proceeding to the subsequent Melbourne Water Kids Teaching Kids Conference.

Achievements

Supporting local events

During 2018–19, Council supported a range of community, sporting and cultural events. The key events included the following:

- **Civic events**
 - Australia Day Awards and community celebration
 - Community Grants presentation
 - National Volunteers Week celebration
 - Anzac Day services
 - Vietnam Veterans Day
 - 100th anniversary of Remembrance Day march
- **Arts and cultural events**
 - Victorian Seniors Festival
 - Queenscliffe Literary Festival
 - Bellarine Arts Trail
 - SacredEdge Festival
 - Queenscliff Music Festival
 - Queenscliff Street Rodders
 - Low Light Festival
- **Sustainability events**
 - 100th anniversary of Avenue of Honour tree plantings
 - National Tree Day
 - Transition Towns Repair Café
 - Sustainable Living Show
- **Sporting activities**
 - Rip View Swim Classic
 - Rip to River Run
 - Nippers Carnival
 - Queenscliff180 Swim
- **Community organisation events**
 - Geelong Small Business Festival workshops
 - Queenscliffe Maritime Museum International Lighthouse Weekend
 - St Aloysius PS 'Kids Teaching Kids' conference
 - History Week celebrations
 - Walk to School month
 - Queenscliff Coast Guard Open Day
 - Lighting of the Christmas Tree
 - Trakmasters Off-Road Caravan Club
 - Rotary Club 'Queenscliffe Bricks' Weekend

Community Grants Program

Administration and allocation of the 2018–19 Community Grants Program was completed in August 2018, with 11 grants totalling \$19,091.45 awarded to local community groups. The projects included support of community events, safety equipment for local sporting groups, and enhanced facilities for local community groups.

Aged care services

Council has maintained a 'zero waiting list' to June 2019 for all aged care services within the Borough. In the 2018–19 financial year, the aged care service provided 7,330 hours of service. As of 30 June 2019, 166 active clients utilised a range of services including domestic/personal care assistance, lawn and home maintenance, in-home respite, social support and assisted transport. 86 clients were assessed for service, 12 clients departed (deceased) the service, 10 clients moved into permanent care and 4 clients moved out of the area.

Environmental health activities

Key activities undertaken in 2018–19 as part of Council's environmental health service included the following:

- 111 food safety assessments and inspections were conducted (excluding temporary and mobile premises).
- 26 food samples were submitted for analysis and statutory sampling numbers achieved.
- 21 assessments of registered caravan parks, accommodation and beauty treatment services were also conducted.
- The Department of Health and MAV Tobacco Activity Program resulted in a successful cigarette sales to minors program, along with 49 tobacco compliance activities.
- The annual mosquito control program, which involves monitoring and treating of public sites as required, as well as trapping and identifying mosquito species, was implemented from August 2018 to March 2019.
- A Council flu vaccination program was delivered.

Disappointments

Closure of toy library

Council was unable to maintain its toy library service due to a lack of storage facilities and a significant decline in interest from the community. This service is no longer in operation.

Challenges

Commonwealth aged care reforms

Commonwealth aged care reforms continue to provide challenges, with the timing and direction of funding and service delivery into the future still uncertain. Council has maintained strong network connections with other local government authorities in the surrounding area to help fully understand and transition through this reform process. Council's aged care service is 'business as usual' while the Federal Government continues to implement aged care reforms across Australia.

Year ahead

- Finalise design of the Queenscliffe Hub project.
- Develop an arts and culture framework to better support community groups and festivals.
- Examine opportunities to work more closely with Bellarine Community Health to improve local health and wellbeing outcomes.



Environmental sustainability

Primary focus areas

- Protect significant vegetation and continue revegetation of urban and open space areas.
- Continue to eradicate the spread of noxious weeds.
- Respond to the impacts of erosion and climate change on our beaches and the coast.
- Lead by example and work with the community to reduce carbon emissions.
- Increase and promote the use of renewable energy.
- Enhance recycling and green waste and minimise waste to landfill.
- Advocate for additional protection of significant wetlands within and adjacent to the Borough.
- Actively participate in relevant regional, state and national environmental initiatives.

2018–19 successes

- 3,510 indigenous plants, shrubs and ground covers planted within coastal foreshore reserves, caravan parks and car parks.
- 233 street trees planted.
- 685 tonnes of seaweed material removed from beaches, creating compost for horticultural purposes.
- Diverted 507 kilograms of household batteries from landfill, an increase of 100kgs from 2017–18.
- Composted 611 tonnes of green waste through the kerbside bin service.
- Collected 5,170 kilograms of e-waste, including televisions, computer equipment and household electrical appliances.
- Celebrated the 10th annual community planting day in The Narrows, and unveiled a commemorative sign acknowledging the contribution of volunteers to weeding and planting this important coastal moonah woodland.

2018–19 Council Plan Initiatives

Initiatives	Council's performance
Continue street tree and park planting programs that reflect the character of Queenscliff and Point Lonsdale.	Completed
Work with local and regional organisations to implement weed reduction programs.	Completed
Support local organisations and volunteers undertaking projects designed to protect and enhance the natural environment.	Completed
Work with local and regional organisations and neighbouring councils to reduce waste and promote and increase recycling in the Borough and enhance the green waste disposal capacity of the region.	Completed
Examine options for reducing hard waste to landfill.	In progress
Continue to implement the Council's Corporate Carbon Neutral Action Plan.	Completed
Facilitate community participation in the Community Environment Alliance and promote new projects through implementing Council's small grants program.	Completed
Work with the City of Greater Geelong and State Government partners to implement recommendations from the Geelong Queenscliff Coastal Adaptation Program.	Completed
Continue to advocate to the State Government for inclusion of Laker's Cutting into the Ramsar listed Swan Bay site.	Completed

The following statement provides information in relation to the services funded in the 2018-19 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Environmental Sustainability	The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations. This includes Council measuring, monitoring and reducing its carbon emissions as well as assisting the local community to implement various initiatives designed to reduce greenhouse gases through the Community Environment Alliance. Council plays a key role in responding to the challenges of climate change and sea level rise and where possible working with various federal, state, regional and local organisations to inform and educate the community about practices that support environmental sustainability.	Actuals	108
		Budget	147
		Variance	(39)
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. Under this program, Council implements State Government coastal management policy, manages environmental projects and works with State, regional and local services to enhance its management of coastal Crown land. The program involves weed reduction initiatives and annual planting of trees, shrubs and grasses.	Actuals	204
		Budget	491
		Variance	(287)
Waste Management and Recycling	The Waste Management and Recycling program seeks to involve the local community in protecting the environment for future generations by minimising waste. Council works with local and regional organisations, including the Barwon South West Waste and Resource Recovery Group and neighbouring Councils to increase community awareness and promote behaviours that reduce waste and promote recycling. In addition to regular kerbside waste collection and a hard rubbish collection, the program includes a recycling service, effective e-waste disposal and a green waste bin service for all residential and tourist accommodation properties. A range of public waste services are also provided given the comparatively high level of tourist visitation. It is important to note that full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy.	Actuals	915
		Budget	909
		Variance	6
Total	Actuals		1,227
	Budget		1,547
	Variance		(320)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Waste Disposal - Waste Collection				
Indicator: Satisfaction Measure: Kerbside bin collection requests [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	87.81	100.31	155.19	The 2018–19 variance reflects 444 kerbside bin collection requests, compared with 293 requests in 2017–18. The variance is largely attributable to an increase in requests with respect to missed bins and the replacement of damaged, stolen or missing bins.
Indicator: Service standard Measure: Kerbside collection bins missed [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.51	4.21	4.37	The 2018–19 variance reflects 131 kerbside collection bins missed, compared with 128 missed in 2017–18.
Indicator: Service cost Measure: Cost of kerbside garbage collection service [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$98.61	\$98.98	\$106.20	There has been a small reduction in the number of lifts and a minor increase in cost of the service. The result is a small increase in percentage.
Measure: Cost of kerbside recyclables collection service [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$47.62	\$51.58	\$58.11	The cost of disposal has been significantly impacted by the recent, well-publicised international issues associated with recycling, which has resulted in Council having to pay to dispose of recyclable materials into landfill.
Indicator: Waste diversion Measure: Kerbside collection waste diverted from landfill	54.20%	54.98%	52.68%	Minor change consistent with previous years.

Achievements

Sustainable Living Show 2019

More than 500 people braved the wet and windy conditions to attend the inaugural Sustainable Living Show in Queenscliff in March 2019. Organised by volunteers from Transition Towns Queenscliffe, the event was a one-stop shop for smart, simple, sustainable living. Displays, demonstrations, quick talks and market stalls covered a range of topics such as growing your own food, solar power, worm farming at home, upcycling, and beekeeping, to name a few.

Household battery recycling program

Council recycled a total of 507 kilograms of household batteries during 2018–19 from collection containers located in businesses and schools across Queenscliff and Point Lonsdale. This is an increase of 100 kilograms on the 2017–18 collection figures.

The program has recycled 1,189 kilograms of batteries since its introduction in 2012. Batteries are sent for recycling through the 'Detox Your Home' program administered by Sustainability Victoria.

E-waste collections total 61 tonnes

Three-hundred cars passed through Council's annual e-waste drop-off event at the Ocean View car park in May 2019. A total of 5,170 kilograms of e-waste was received including televisions (2,157kgs), computer equipment (1,143kgs) and household electrical appliances (1,870kgs). Twenty-five kilograms of household batteries were removed from electronic equipment and also sent for recycling.

The e-waste was recycled through Cleanaway and ToxFree using Blubox technology, which breaks down e-waste under negative pressure. An optical sorter then separates the e-waste into its recyclable components.

Council has collected a total 61,599 kilograms of e-waste since introduction of the drop-off event in 2012.

Weed reduction continues

Council continues to engage with organisations such as the Bellarine Catchment Network, Conversation Volunteers Australia, and Corrections Victoria to undertake weed reduction and revegetation across sites throughout the Borough.

Throughout 2018–19, work was chiefly conducted in the Point Lonsdale Lighthouse Reserve, the Point Lonsdale Foreshore, Queenscliff Front Beach, and The Narrows.

Community Environment Alliance Grants Program

Following the success of our Community Environment Alliance grants program last year, Council continued the program and awarded \$3,712.40 in funds to three community groups to reduce their impact on the environment. Grant recipients were announced in June 2019, and are as follows:

- Queenscliff Uniting Church received funding to organise and host workshops in household waste minimisation, particularly plastics during the SacredEdge Festival, as well as composting all food waste and associated tableware used at the festival.
- Point Lonsdale Primary School received funding to introduce china mugs to the community market and encourage patrons to use a reusable cup to reduce the detrimental effects of plastics in the environment. The project includes construction of cup trees by the Men's Shed, while students will design posters to promote the project.
- The Swan Bay Environment Association received funding to continue the Gardens for Wildlife program, expanding the target areas to encourage residents to improve biodiversity in the garden to attract wildlife.

Each project was assessed by Council officers and a selection panel against a range of environmental, community and safety criteria.

Disappointments

Swan Bay Ramsar site

Council has continued to lobby government in relation to the inclusion of Laker's Cutting into the Ramsar-listed Swan Bay site. The effort remains a challenge and will require Council to undertake ongoing advocacy in relation to the matter as opportunities arise.

Challenges

Recycling

The ongoing volatility of recycling contractor SKM throughout 2018-19 provided Council with significant challenges. The disruption to SKM's Geelong site in February 2019 impacted all five G21 councils across the region. The confusion around what recyclables were being diverted to landfill became a state-wide issue. We continue to promote best practice recycling habits to our residents and staff members in the hope that recycling services will be more reliable in the future.

We remain proud of our contamination rates in kerbside recycling and green waste bins, which are among the lowest across the Barwon South West region. An important measure of our community's environmental performance is the amount of resources saved from to landfill. Council's 2018-19 diversion rate was 52.7%.

Year ahead

- Conduct an organic food waste pilot.
- Review Council's existing hard waste service.



Local economy

Primary focus areas

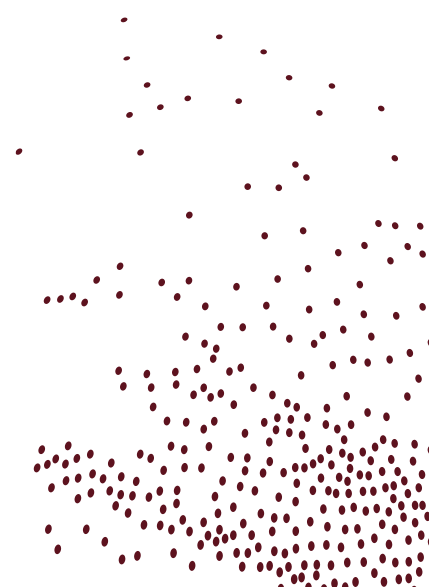
- Diversify the local economy and increase employment opportunities for local residents.
- Support local businesses' and new businesses' investment opportunities.
- Encourage procurement practices that increase employment opportunities for local residents.
- Market the Borough's unique features and provide a high-quality tourism information service.
- Increase year-round tourism visitation by enhancing use of beaches and parks and supporting arts and cultural events.
- Improve the quality of physical and technological infrastructure that connects local facilities and tourism attractions across the Borough.
- Progress the implementation of priority projects related to Fort Queenscliff and the two Lighthouse Reserves.
- Implement improvements to Council-managed caravan parks to achieve benefits for the whole community.
- Implement the priority actions in Council's Economic Development Strategy.

2018–19 successes

- Planning and completion of both the 2018 and 2019 Low Light Festivals, drawing in thousands of visitors to the Borough during the typically quiet winter period.
- Produced a new brochure, 'Heritage Queenscliffe', in collaboration with Fort Queenscliff, Queenscliffe Historical Museum, Queenscliffe Maritime Museum and Bellarine Railway.
- Hosted a live broadcast of Channel 7's Sunrise TV breakfast weather segment, with Queenscliff representing 'Q' in Sunrise's campaign of visiting Australia A-Z.
- Continued beach cleaning activities over the summer and school holidays to beautify Queenscliff's foreshore.
- Visitor Information Centre volunteers attended more than 28,500 walk-in enquiries.
- Facilitated professional development opportunities to local businesses through the hosting of events, face-to-face visits, workshops and community consultation.

2018–19 Council Plan Initiatives

Initiatives	Council's performance
Continue beach cleaning activities for major public events and at the Queenscliff Front Beach in the Summer, Easter and September school holiday periods.	Completed
Produce a Foreshore Plan to identify priority actions to enhance the amenity and use of the foreshore and beaches.	In progress
Work with Tourism Greater Geelong and the Bellarine and local businesses to produce a visitor narrative and associated destination branding.	Completed
Implement Council's procurement policy and practices to enhance opportunities for local businesses.	Completed
Advocate to all levels of government to implement the Fort Queenscliff Tourism Master Plan.	In progress
Work with Queenscliff Music Festival, local businesses and community organisations to implement and enhance the Queenscliffe Winter Arts Festival.	Completed
Produce a plan for a sustainable model for arts and cultural events in the Borough.	In progress
Enhance Council's sponsorship of local and public events.	Completed
Continue to seek advice on economic development priorities through Council's formal Advisory Committee and other stakeholders.	Completed
Facilitate local businesses' access to information and professional development opportunities.	Completed
Advocate for and seek funding from other levels of Government to improve coastal infrastructure that enhances the local amenity and improves community and visitor experiences.	Completed
Work with local businesses and community organisations, Tourism Greater Geelong and the Bellarine and Visit Victoria to promote tourism experiences in Queenscliff and Point Lonsdale.	Completed
Provide an accredited Visitor Information Centre service through the active involvement of volunteers.	Completed



The following statement provides information in relation to the services funded in the 2018-19 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Tourist Parks and Boat Ramp Services	The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy. The program includes management of three tourist parks and one boat ramp. It currently provides approximately 350 camping/caravanning sites and associated facilities, including maintenance of seven amenities blocks, and management of the Queenscliff boat ramp which provides access to fishing opportunities in Port Phillip. While contributing significantly to the local economy, this program generates a net income result, which is used to fund improvements to and maintenance of community facilities, foreshore infrastructure and coastal protection activities on Crown land.	Actuals Budget	(1,021) (359)
		Variance	(662)
Visitor Information Centre	The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses through the dissemination of tourism information that plays a key role in supporting a diverse and vibrant local economy. This program manages a year-round state-accredited tourist information service, with paid staff and volunteers offering information and advice about the visitor experiences on offer across the Borough and through other parts of Victoria.	Actuals Budget	195 167
		Variance	28
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. The program is integrated with the activities of state and regional tourism organisations. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and overnight visitors. The program's focus is informed by the Council's Economic Development Strategy and includes supporting local businesses and working with neighbouring municipalities, Tourism Greater Geelong and the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities.	Actuals Budget	304 244
		Variance	60
Total	Actuals		(522)
	Budget		52
	Variance		(574)

Achievements

Successful arts and cultural winter event continues

The inaugural Low Light Festival concluded in July 2018 with a dazzling display of burning timber sculptures situated in various locations throughout the Borough. Ran over four consecutive weekends beginning in June, the event was widely promoted locally and throughout Melbourne, and drew in large populations to the township across a time period that is typically quiet. The festival showcased the best in Queenscliff and Point Lonsdale's arts, food and drink, occurring throughout public spaces, galleries, cafes and bars across town.

Such was the triumph of Low Light, it returned again in 2019, shifting slightly earlier in the calendar to wrap up at the conclusion of June with another spectacular light show. More than 120 events and exhibitions were featured in the festival's second iteration, which was supported by over 65 local businesses and community groups. The festival attracted approximately 7,000 visitors to the Borough with a number of events completely selling out.

Queenscliff on the small screen

The unique history and charm of Queenscliff was on display for all of Australia to see on multiple occasions this year via commercial television. The Seven Network's breakfast television show Sunrise visited Queenscliff in November 2018, as part of weatherman Sam Mac's 'A-Z Australia' segment. Queenscliff represented 'Q' in the nationwide alphabetical tour, and despite a 5:30am start, locals turned out in their hundreds to check out the live broadcast and the events that occurred during it. Council worked heavily with Tourism Greater Geelong and the Bellarine to facilitate the successful promotion of Queenscliff and its unique offerings, from swimming with dolphins to ukulele groups and crocodile pies. Local businesses, community groups and school children all enthusiastically participated in the morning.

Geelong Cats football star Patrick Dangerfield visited the Queenscliff Recreation Reserve on a fine morning in March to shoot a television advertisement as part of his endorsement with multi-vitamins company Swisse. The 'Couta Bowl' and its Monahan Centre grandstand, as well as the recently upgraded cricket nets and netball courts, were all visible throughout the 90-second clip that attracted more than 650,000 views on YouTube.

In April 2019, Council cooperated with The Q Train restaurant in providing planning and assistance for production on Network Ten's MasterChef television show, which filmed contestants cooking meals on board the famous railway carriages. A crew of over 100 visited the region and Queenscliff was again up in lights when the episode aired approximately six weeks later.

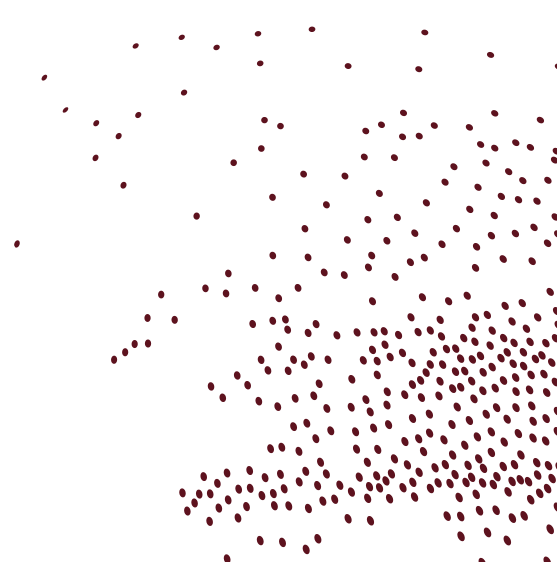
A cleaner beach for all

As part of the Borough of Queenscliffe's Economic Development Strategy, Council has committed to the upkeep, activation and promotion of the Queenscliff foreshore. As the tourist population swells over the summer and school holiday periods, Council has endeavoured to keep our beachfronts free of seaweed and debris by having them cleaned approximately six times a year. A private contractor undertook the beach cleaning process, which proved to be both cost-effective and efficient, and a similar methodology will be employed in future.

Local events calendar

During 2018-19, Council improved and promoted the calendar of events via:

- Social media – the Borough of Queenscliffe Visitor Information Centre actively promoted local events with regular posts on its Facebook site. The Visitor Centre Facebook page regularly 'shared' detail of local events with its followers as well as the Visit Geelong Bellarine Facebook site.
- Borough of Queenscliffe website – event content was regularly updated and the use of an improved searchable calendar of events was continued.
- Industry communication – regular event details were provided to local businesses via email and in the monthly e-business bulletin.



Queenscliffe Visitor Information Centre

The accreditation status of the Queenscliffe Visitor Information Centre through the Australian Tourism Accreditation Programme has been maintained. Key activities at the Visitor Information Centre in 2018-19 included:

- Servicing 28,569 walk-in enquiries at the Centre, and 1,581 phone enquiries.
- Coordinating and conducting 67 Heritage Guided Walks with 491 participants.
- Continued the Centre's partnership with Searoad Ferries to promote the services of the Visitor Information Centre. 242 tickets were sold for Searoad Ferries and an in-kind ticket service was provided to local community groups.
- Participating in a Volunteer Conference organised by Tourism Greater Geelong and the Bellarine.
- Producing a Heritage Queenscliff brochure, in conjunction with Fort Queenscliff, Queenscliffe Historical Society, Queenscliff Maritime Museum and Bellarine Railway.
- Participating in familiarisation tours to regional and local businesses.
- Maintaining the regional electronic accommodation availability system.

Disappointments

Destination Queenscliff project

Council's original vision for the Destination Queenscliff project was severely impacted during the 2018-19 financial year. In addition to resulting in negative reputational event for Council, the withdrawal of funding from the project prevented Council from making investments that would have benefitted the local economy.

Challenges

Cooperation with community groups

Successful investment in projects with economic benefit will require Council to engage more substantively in community consultation. This will require additional resourcing from the communications team, who have put strategies in place to undertake this additional work.

Year ahead

- Continued collaboration with the Library, Museum, and VIC in the development of the Queenscliffe Hub project.
- Completion and implementation of the Tourism Greater Geelong and the Bellarine (TGGB) Brand Narrative project.
- Renewed consultation with a revised Destination Queenscliff project.
- Implementation of the Hesse Street Revitalisation project.

Planning and heritage

Primary focus areas

- Conserve the Borough's significant history, culture and heritage.
- Maintain the Borough's unique features and neighbourhood character.
- Continue to enhance the Queenscliff and Point Lonsdale town centres.
- Enhance access to and the amenity and use of the Borough's parks and foreshore reserves.
- Plan for the ongoing preservation and regeneration of the Borough's historic Avenue of Honour.
- Engage the community in strategic land use planning.
- Review and update the Queenscliffe Planning Scheme to achieve the Council's vision and strategic objectives.
- Ensure high quality design and construction standards in new and upgraded community infrastructure.

2018–19 successes

- Completed the Queenscliff Recreation Reserve upgrade to netball facilities.
- Completed the construction of new cricket practice facilities at the Queenscliff Recreation Reserve.
- Completed a review and adoption of updated Asset Management Plans.
- Commenced community engagement for Hesse Street Revitalisation plan.
- Commenced the Heritage Review, including workshops with local residents.



2018–19 Council Plan Initiatives

Initiatives	Council's performance
Continue planning with the community to determine the future of the Borough's historic Avenue of Honour and how best to manage the replacement of trees along the Avenue.	Completed
Implement the priority recommendations of the 2017 Queenscliffe Planning Scheme Amendment (C27) by undertaking a review of the heritage provisions in the Queenscliffe Planning Scheme and the related amendment to the Planning Scheme.	In progress
Seek funding opportunities to support a future review of the Neighbourhood Character provisions in the Queenscliffe Planning Scheme.	Completed
Promote local heritage through arts, cultural and reconciliation activities and events.	Completed
Promote Council's Heritage Fund to facilitate conservation of privately owned significant heritage assets.	Completed
Facilitate pre-application planning between Council and applicants considering a planning permit application related to properties with significant heritage values.	Completed
Improve regulation of statutory planning compliance.	Completed
Implement Council's asset renewal and maintenance program to ensure the safe and effective use of Council-owned and managed community buildings, open space and other infrastructure.	Completed
Complete a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve.	Completed



The following statement provides information in relation to the services funded in the 2018-19 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'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. Specifically, the program manages project design, tendering and contract management activities as well as the implementation and supervision of Council's annual capital works program. It also manages issues associated with private development activities such as building over easements, legal point of discharge, vehicle point of access and unit development infrastructure.	Actuals	202
		Budget	208
		Variance	(6)
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. The program implements Council's Planning Scheme and prepares major policy documents including the Municipal Strategic Statement. It maintains and processes amendments to the Queenscliffe Planning Scheme and carries out research on demographic, economic and social issues affecting Council. The program administers Council's statutory planning responsibilities, including the various processes associated with the assessment of planning permit applications and defence of Council decisions at the Victorian Civil and Administrative Tribunal.	Actuals	158
		Budget	323
		Variance	(165)
Heritage Conservation Advice	The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form. It adds value to the Land Use Planning program by providing an external heritage expert to advise development applicants on how to respect and achieve compliance with heritage objectives, and to inform Council's assessment of planning permit applications in relation to heritage conservation.	Actuals	38
		Budget	61
		Variance	(23)
Building Control	The Building Control program ensures that building construction and maintenance is such that the community remains safe. It provides statutory building services including processing of siting variation consent, emergency management responsibilities, building inspections, building safety audits, and investigation of complaints and illegal works.	Actuals	2
		Budget	45
		Variance	(43)
Total	Actuals		400
	Budget		637
	Variance		(237)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Roads Maintenance and Works - Roads				
Indicator: Satisfaction of use Measure: Sealed local road requests [Number of sealed local road requests / Kilometres of sealed local roads] x100	283.33	442.86	319.05	The higher than average requests is partly attributed to all local sealed roads being urban and no rural roads existing within the Borough of Queenscliffe.
Indicator: Condition Measure: Sealed local roads below the intervention level [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	100.00%	
Indicator: Service cost Measure: Cost of sealed local road reconstruction [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$31.39	\$27.39	\$163.00	Higher result in 2018–19 due to \$216,000 spent on a new roundabout. Total spend in 2017–18 was \$31,000. The increased cost, coupled with the smaller area and more complex works results in a higher cost per m ² .
Measure: Cost of sealed local road resealing [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$5.14	\$9.86	\$28.37	In 2018–19 Council used an asphalt overlay, which is approximately 3 times the cost of bitumen resealing that was used in 2017–18.
Indicator: Satisfaction Measure: Satisfaction with sealed local roads [Community satisfaction rating out of 100 with how Council has performed on the condition of sealed local roads]	65	65	65	

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Planning and Development Control - Statutory Planning				
Indicator: Timeliness Measure: Time taken to decide planning applications [The median number of days between receipt of a planning application and a decision on the application]	91.00	105.00	75.00	The result for 2018–19 has improved when compared to the 2017–18 result, which was impacted on by a number of complex applications.
Indicator: Service standard Measure: Planning applications decided within 60 days [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	62.24%	49.65%	65.83%	Queenscliffe's result was impacted on by a number of complex applications.
Indicator: Service cost Measure: Cost of statutory planning service [Direct cost of the statutory planning service / Number of planning applications received]	\$1,386.66	\$1,664.91	\$1,922.18	The outcome for 2018–19 is an increase in cost of \$258 per application, which is largely due to a reduction in the number of planning applications (from 128 in 2017–18 to 116 in 2018–19). Staff continue to manage more complex applications and undertake strategic planning.
Indicator: Decision-making Measure: Council planning decisions upheld at VCAT [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] x100	100.00%	40.00%	50.00%	Six application decisions were subject to review by VCAT, of which three were upheld and three set aside Council's decision in relation to planning applications.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Local Law Enforcement - Animal Management				
Indicator: Timeliness Measure: Time taken to action animal requests [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	Cumulative gross number of 24-hour days. If a request is responded to in less than 24 hours, time taken is counted as one day.
Indicator: Service standard Measure: Animals reclaimed [Number of animals reclaimed / Number of animals collected] x100	97.56%	88.10%	88.00%	Cost is consistent with previous years.
Indicator: Service cost Measure: Cost of animal management service [Direct cost of the animal management service / Number of registered animals]	\$108.39	\$114.99	\$106.05	
Indicator: Health and safety Measure: Animal management prosecutions [Number of successful animal management prosecutions]	0.00	0.00	0.00	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Library				
Indicator: Utilisation Measure: Library collection usage [Number of library collection item loans / Number of library collection items]	3.41	3.44	3.43	
Indicator: Resource standard Measure: Standard of library collection [Number of library collection items purchased in the last five years / Number of library collection items] x100	58.31%	56.44%	58.19%	
Indicator: Service cost Measure: Cost of library service [Direct cost to Council of the library service / Number of visits]	\$7.92	\$6.85	\$6.80	Indicator represents in-person visits only. Indicator does not capture online visits by library users, e.g. use of online resources.
Indicator: Participation Measure: Active library members [Number of active library members / Municipal population] x100	39.70%	39.98%	36.92%	Indicator does not capture other library activity, e.g. children and youth programs, digital literacy programs and literary events, the use of public internet PCs, the use of facilities such as meeting rooms or study areas, or the use of services such as WiFi or collections.

Achievements

Queenscliff Recreation Reserve upgrades

Council completed a highly anticipated upgrade to the Queenscliff Sport and Recreation Precinct in October 2018 that included the installation of new netball courts, new cricket practice nets, oval lighting and goal netting. A new netball game-day facility was also constructed that incorporated change rooms, toilets, showers, a kitchenette, and covered decking for spectators. The courts are bordered by a new 93-space car park and the site utilises best-practice environmentally sensitive drainage and water-saving infrastructure.

Consultation commenced for Hesse Street Revitalisation

Council has been seeking ways to conduct earlier and more effective consultation on major projects. The revitalisation of Hesse Street is an important project for residents, traders and the Queenscliff community, and Council has sought to implement an early consultation approach on this project.

Consultation activities included resident surveys and detailed workshops with traders. The response to consultation has been positive and encouraging for the early engagement framework. Council has now presented the results back to participants, and will use the outcomes to inform the design of the project in the coming financial year.

Council has applied this community consultation methodology to other projects, such as the bike safety upgrade proposal for Murray Road, and this is already showing positive results.

Disappointments

Developing a marine and coastal management plan

Council intended to progress precinct plans for specific areas of coastal Crown land in the Borough. The Victorian legislative changes and the introduction of the *Marine and Coastal Act 2018* introduced more stringent requirements for all Crown land managers. This resulted in Council having to delay its development of its precinct plans and demanded a more comprehensive local application of the Victorian Government's Marine and Coastal Management Plan. Council has allocated funds in its 2019–20 Budget to progress its Marine and Coastal Management Plan.

Challenges

Drainage renewal

The age and heritage of the Borough manifests in significant challenges relating to drainage assets that are increasingly not performing to modern standards as Council experiences more frequent severe weather events associated with climate change. In the 2019–20 financial year, Council will be examining ways of designing and constructing water catchment areas within neighbourhoods in Point Lonsdale to reduce pressure on Council's drainage assets while providing an environmental benefit.

Year ahead

- Continue and complete the Borough's Heritage Review.
- Commence Urban Design/Neighbourhood Character Review.
- Develop design concept and continue consultation for Hesse Street Revitalisation.
- Continue development of the Borough's Marine and Coastal Management Plan.

Governance and performance

Primary focus areas

- Provide transparent and accountable governance and meet all legislative requirements.
- Ensure the continuing financial sustainability and independence of the Borough.
- Enhance communication and community engagement in decision-making across the 3225 postcode area.
- Advocate on opportunities and issues of key concern to the local community to other levels of government.
- Continually review and plan to meet corporate needs while enhancing organisational capacity and performance.
- Maximise the return on Council assets and leverage external funding opportunities.
- Strengthen and promote the Borough as a place to explore and implement innovative approaches to environmental, technological, social and economic initiatives.
- Foster partnerships with community organisations, business, neighbouring councils and statutory organisations and other levels of government.

2018–19 successes

- Adopted rate cap of 2.25% complies with rate capping legislation.
- Council's 'People Plan' continues to shape organisational culture following review.
- Revised risk management policy adopted in December 2018.
- New approaches to community engagement through early consultation have proved positive.
- 23.69% of residents have now signed up to receive their rates notices electronically.

2018–19 Council Plan Initiatives

Initiatives	Council's performance
Ensure that Councillor and Council officer behaviour complies with the respective Codes of Conduct.	Completed
Ensure adherence to guidelines on prudent management of debt, cash and asset renewal.	Completed
Effectively manage public and organisational risk and meet all legislative requirements.	Completed
Strengthen organisation development and workforce planning to more effectively meet community service expectations and statutory obligations.	Completed
Produce and forward the Council Plan, Strategic Resource Plan, Performance Statement and annual Budget to the Minister for Local Government 28 days following Council adoption and in accordance with statutory timeframes.	Completed
Complete an annual review of Council's Strategic Resource Plan and long-term (10-year) financial plan as part of Council's annual Budget preparation process.	Completed
Continue to administer the Fire Services Property Levy in accordance with State Government legislative requirements.	Completed
Continue to meet Council's extensive Crown land management obligations.	Completed
Implement Council's 'Community Information and Engagement' policy to improve public participation in Council's decision making processes.	Completed
Enhance the provision of community information on Council's key decisions and the progress of priority projects.	Completed
Establish reference groups on major community projects as determined by Council.	Completed
Assess and report on community perceptions on Council's performance through the annual Local Government Community Satisfaction Survey.	Completed
Continue to improve Council's records management systems.	In progress
Enhance online services available on Council's website.	Completed
Implement the Organisational Development & Workforce Management Plan.	In progress
Produce an IT strategy focused on provision of service to the community and on internal efficiencies.	In progress

The following statement provides information in relation to the services funded in the 2018-19 Budget and the persons or sections of the community who provided the service.

Service area	Description of services provided		\$'000
Council Governance	The Council's Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed municipal Council. The program is structured to meet all legislative requirements associated with the <i>Local Government Act 1989</i> and any other applicable Act. It supports Council's compliance with the Councillor Code of Conduct and its key relationships and memberships with organisations such as the MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.	Actuals	239
		Budget	256
		Variance	(17)
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. This includes supporting organisation development and statutory compliance, and seeking to ensure that the behaviour of all staff complies with the Staff Code of Conduct. Key outputs of the program are the preparation and/or review of the Council Plan, Strategic Resource Plan and long term budget, Annual Implementation Plan and Council's Annual Budget.	Actuals	1,168
		Budget	1,152
		Variance	(16)
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. It includes practical and strategic advice regarding Council's internal and external communications and issues management, and supports first point of contact to customers at the Council office. The program provides records management services in accordance with Council policy and procedures, administers the requirements of the privacy and freedom of information legislation, coordinates Council and Committee meetings, and provides other associated administrative support.	Actuals	530
		Budget	581
		Variance	(51)
Financial and Risk Management	The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough of Queenscliffe. Council ensures sound financial management, and cohesiveness and performance of the organisation's operations, through the maintenance of appropriate systems. The service provides long term financial planning, robust internal risk management, adherence to guidelines on prudent management of debt, cash and asset renewal, and reviews its assets to improve the return on Council's investments. The service predominantly includes management of Council's finances, the raising and collection of revenue, payment of salaries and wages to Council employees, procurement and contracting of services, management and maintenance of robust computer systems, fleet management, insurance and risk management systems. The program also includes the revaluation of properties for rating purposes, processing of supplementary rates and the administration of the State Government's Fire Services Property Levy. The depreciation expense for all Council assets is also included as part of this program.	Actuals	775
		Budget	798
		Variance	(23)
Total	Actuals		2,712
	Budget		2,787
	Variance		(75)

The following statement provides the results of the prescribed service performance indicators and measures including explanation of material variations.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Governance				
Indicator: Transparency Measure: Council resolutions made at meetings closed to the public [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100	6.51%	11.63%	10.97%	Council resolutions made at meetings closed to the public in 2018–19 are due to the consideration and awarding of a number of tenders where components of the tenders were commercial in confidence. Other confidential items related to the awarding of honours, grants and awards.
Indicator: Consultation and engagement Measure: Satisfaction with community consultation and engagement Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement	58	56	51	Council has undertaken a high level of community consultation associated with a set of large capital projects. This consultation has generated a comparatively high level of community involvement and feedback with a level of resistance related to particular components of these projects. Council is introducing earlier and additional consultation practices with all future major projects including offering more ways residents can stay up to date with Council activities.
Indicator: Attendance Measure: Councillor attendance at Council meetings [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100	95.00%	90.00%	93.85%	Councillor attendance was 61 of a possible 65 instances (13 meetings x 5 councillors) in 2018–19, compared with 72 of a possible 80 instances (16 meetings x 5 councillors) in 2017–18.

	Result 2017	Result 2018	Result 2019	Material variations and other general comments
Indicator: Service cost Measure: Cost of governance [Direct cost of the governance service / Number of Councillors elected at the last Council general election]	\$38,508.12	\$37,332	\$36,299	
Indicator: Satisfaction Measure: Satisfaction with Council decisions [Community satisfaction rating out of 100 with how Council has performed in making decisions in the interest of the community]	58	53	49	Council has undertaken a high level of community consultation associated with a set of large capital projects. This consultation has generated a comparatively high level of community involvement and feedback with a level of resistance related to particular components of these projects. Council is introducing earlier and additional consultation practices with all future major projects including offering more ways residents can stay up to date with Council activities.

Achievements

Increasing information and communication to residents

Council begun piloting new approaches to community engagement to give residents more ways to have their say on the direction of major projects. This included early consultation on the shared path proposal for Murray Road, and an additional consultation round for Destination Queenscliff. In both cases, Council advertised consultation broadly, and received a significant volume of feedback.

Greater attention was also paid to publication of consultation results – this ensured residents had a greater awareness of how their feedback had been used, and of the majority position of consultation respondents. Council received positive feedback directly from residents about results publication in particular.

State and federal grant revenue maximised

Total grant funding received by Council in 2018-19 was \$4,927,908.

Successful funding programs which are particularly noteworthy include:

- Queenscliff Sport and Recreation Precinct
- Destination Queenscliff
- Queenscliffe Hub
- Hesse Street South improvements.

Refer to page 107–110 for an overview of the grants and subsidies received.

Effective financial reporting

Council won a Gold Award for its 2017–18 Annual Report at the Australasian Reporting Awards.

Long-term financial sustainability

Applying the seven indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered 'low' risk in six of the seven financial sustainability indicators for the 2018–19 year.

The seven indicators of financial sustainability, as assessed by VAGO, are as follows:

1. **Net result** – Comprehensive result as a percentage of total revenue;
2. **Adjusted underlying result** – An entity's ability to generate surplus in the ordinary course of business;
3. **Liquidity** – Current assets as a percentage of current liabilities;
4. **Indebtedness** – Non-current liabilities as a percentage of own-sourced revenue;
5. **Internal financing** – Net operating cash flows as a percentage of net capital expenditure;
6. **Capital replacement** – Cash outflows for property, infrastructure, plant and equipment as a percentage of total depreciation; and
7. **Renewal gap** – Renewal and upgrade expenditure as a percentage of total depreciation.

The Borough of Queenscliffe Council continues its focus on long-term financial sustainability, considering the VAGO financial sustainability indicators as described above, as well as benchmarking on a range of other key financial indicators used within the industry including the

Victorian Local Government Indicators and those in the Local Government Performance Reporting Framework.

Disappointments

Community Satisfaction Survey

Council's Community Satisfaction Survey results for 2018–19 identified a number of areas for improvement. Council has hired a new Communications Coordinator to lead a number of initiatives to address these shortcomings, including more frequent and earlier consultation; improving email and social media communication; and clearer project messaging.

Challenges

Local Government Act reforms

The Victorian Government's proposed reforms to the Local Government Act would pose significant governance challenges for Council. Notably, the proposal would require the Borough to implement single-member wards, and institute a very low threshold for community-generated inquiries into Councillor conduct. Council has already engaged in extensive advocacy in response, and will continue to advocate for improvements to the proposed legislation in the coming financial year.

Year ahead

- Develop a workforce plan that translates Council's strategic and operational objectives and priorities into workforce requirements.
- Conduct a review of the Borough of Queenscliffe's Local Law No. 1 and No. 2.
- Continue to improve Council's records management systems.
- Develop an IT strategy to increase internal efficiencies.
- Launch a presence on social media.

Legislative compliance

Best Value

During 2018–19, the organisation continued its Best Value Program in accordance with legislative requirements. Our annual Budget and business planning processes encompassed best value principles and continuous improvement, enabling us to review, learn and improve.

This approach was also applied to the ongoing review of Council services to ensure they continue to deliver best value for our community. The procurement requirements of the *Local Government Act 1989* together with our procurement policy underpinned all procurement decisions made during the year.

Documents available for inspection

In accordance with Regulation 12 of the Local Government (General) Regulations 2015, the following documents are available for inspection at the Council offices (50 Learmonth Street, Queenscliffe) during normal business hours.

Some of these can also be accessed via our website (www.queenscliffe.vic.gov.au).

1. Details of overseas or interstate travel undertaken in an official capacity by any councillor or member of Council staff.
2. Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
3. Names of Councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
4. Minutes of ordinary and special meetings held in the previous 12 months which are kept under Section 93 of the Act (except if closed to members of the public under section 89 of the Act).
5. Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if closed to members of the public under section 89 of the Act).
6. The register of delegations kept under sections 87 and 98 of the Act.
7. A document containing details of all leases involving land which were entered into by Council as lessor.
8. The register of authorised officers appointed under section 224 of the Act.

9. List of donations and grants made by the Council during the financial year.
10. List of the names of the organisations of which the Council was a member during the financial year.
11. Contracts required to be listed valued at \$150,000 or more.

Domestic (feral and nuisance) animals

Under the *Domestic (Feral and Nuisance) Animals Act 1994*, Council is required to create a domestic animal management plan and to report on its implementation in the annual report.

The Domestic Animal Management Plan 2017–21 is a reissued edition of the Plan adopted by Council on 24 July 2013. It was prepared in accordance with the requirements and responsibilities under the following legislation and guiding documents:

- *Domestic (Feral and Nuisance) Animals Act 1994*
- *Impounding of Livestock Act 1994*
- Borough of Queenscliffe Local Law No. 2, 2010 – Community Amenity, and
- Relevant Council policies.

The domestic animal management plan identifies a number of key issues including the importance of the provision of information and education to encourage responsible pet ownership, the value of microchipping and desexing pets, and the need for a strategic approach to manage domestic animals in the community.

Domestic animal management statistics for the past five years appear in the tables on page 106.

Fire prevention

Under the *Country Fire Authority Act 1958*, Council is required to have a Municipal Fire Prevention Plan and to report on its implementation in its annual report. Council's Fire Prevention Plan is in place and being revised on an ongoing basis awaiting further direction from the CFA.

Council's 2018–19 annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In 2018–19, 15 properties were issued with a Schedule 15 Fire

Prevention Notice (FPN), with 100% compliance. This figure remains consistent across the last five years and is likely attributed to the substantial advertising campaign implemented by the State Government. The number of vacant allotments within the municipality is being reduced due to new home construction activity which has also impacted the numbers of notices issued.

Freedom of Information Act 1982

In accordance with Section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982*, the organisation is required to publish certain statements, in the annual report or separately on Council's website, concerning its functions and information available. While we have chosen to publish the statements on our website, the following summary of the application and operation of the *Freedom of Information Act 1982* is provided here.

Our Freedom of Information Statement outlines the organisation's role, key services, functions and reports, and how a person can access the information required.

The *Freedom of Information Act 1982* establishes a legally enforceable right for individuals or organisations to access information from certain records held by Council. Access to documents in Council's possession may be obtained through written request to the Freedom of Information Officer as follows:

- It should be in writing
- It should identify as clearly as possible which document is being requested
- It should be accompanied by the appropriate application fee, and
- It may be lodged in person, online or by email.

Access charges may also apply once documents have been processed and a decision on access is made (e.g. search and photocopying charges). Further information regarding Freedom of Information can be found at www.ovic.vic.gov.au and on Council's website.

During 2018-19, Council received three valid requests for information.

Local laws

Council's Local Law No. 2 (2010) – Community Amenity aims to maintain peace and order across the municipality. Outcomes for the past five years are reported in the tables on page 106.

Details related to Local Law No.1 (2010) – Process of Municipal Government appear in the Council Governance section of this report.

Privacy and Data Protection Act 2014

Council is committed to protecting the personal privacy of residents and ratepayers. We will only collect, use or disclose personal information where it is necessary to perform Council functions or where required by law, as per the *Privacy and Data Protection Act 2014*. Our information privacy policy is available on the website.

Information requests and any questions or complaints regarding people's rights under the privacy legislation and Council's information privacy policy can be discussed with the organisation's Privacy Officer on 5258 1377 or via email: privacy@queenscliffe.vic.gov.au.

Information and records management

The Borough has been keeping hard copy records since 1863. Many of these documents are archived offsite in storage facilities that ensure the long-term security and preservation that such records require. This action is undertaken in accordance with the *Public Records Act 1973* and the Public Records Office Victoria Standards.

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2019. The revaluation was applied for the rating year 2019-20. The next revaluation is scheduled for 1 January 2020.



Protected Disclosure Act 2012

In accordance with the *Protected Disclosure Act 2012*, Council must include information in the annual report about how to access the procedures established by Council under Part 9 of the Act. Council is also required to provide certain information about the number and types of protected disclosures complaints investigated during the financial year.

The Act's main objective is to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and by providing protection for people who make disclosures.

The Act provides protection from detrimental action to any person affected by a protected disclosure, whether it is the person who makes a disclosure, a witness or the person who is the subject of an investigation. Procedures on how to make a disclosure are publicly available on Council's website.

Council recognises the value of transparency and accountability in its administrative and management practices. It supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment.

Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

During 2018–19, no disclosures were made to the Borough of Queenscliffe or to the Independent Broad-based Anti-corruption Commission (IBAC).

Road Management Act 2004

As a road authority, in accordance with Section 22 of the *Road Management Act 2004*, Council is required to publish a copy or summary of any direction received from the Minister in its annual report. We received no such ministerial directions during 2018–19.

Infringement, registrations and permit issued 2014-19

The following tables report the infringement notices, registrations and permits issued under Local Law No. 2 (2010) – Community Amenity over the past five years.

Infringement notices	2018-19	2017-18	2016-17	2015-16	2014-15
Parking infringements	109	146	185	203	263
Animal infringements	4	13	6	4	1
Local law infringements	3	0	1	2	2
Fire prevention	0	0	0	0	0
Planning	0	0	1	0	0
Total	116	159	193	209	266

Court briefs	2018-19	2017-18	2016-17	2015-16	2014-15
Court briefs	0	0	0	0	0
Total	0	0	0	0	0

Local law permits	2018-19	2017-18	2016-17	2015-16	2014-15
Consume alcohol	13	13	7	16	17
Weddings	15	25	12	13	20
Major events	44	47	31	28	29
Bulk rubbish bins	3	8	11	5	12
Disabled parking	53	64	246	52	168
Outdoor eating facilities	23	10	21	20	14
Goods for sale	22	14	22	22	8
A-frames	60	21	54	39	25
Residential parking	0	0	0	0	0
Boat ramp	204	224	232	240	252
Other	48	27	30	42	39
Total	485	453	666	477	584

Animal management	2018-19	2017-18	2016-17	2015-16	2014-15
Animals registered	753	756	676	751	758
Dogs	635	636	576	622	629
Cats	118	120	100	129	129
Impounded animals	19	42	31	33	33
Door knocks (streets)	112	90	47	82	74
Animal warning notices	464	436	418	396	178
Native animal responses	58	32	53	47	39
Total	1406	1356	1225	1309	1,082

Notices	2018-19	2017-18	2016-17	2015-16	2014-15
Fire prevention	15	14	13	16	11
Non-compliance of notices	0	0	0	0	0
Total	15	14	13	16	11

Outside hours	2018-19	2017-18	2016-17	2015-16	2014-15
After hours calls	238	241	227	197	98
After hours call-outs	75	70	61	53	34
Total	313	311	288	250	132

Grants and donations to local organisations

In 2018–19, Council gifted a total of \$99,025 to support local community groups and organisations in undertaking various cultural, recreational, environmental and community support projects and activities.

Recipient	Purpose of community grants and donations	2018–19	2017–18	
Community events				
Anzac Day	Event support including Anzac Day events	\$16,911	\$4,073	
Queenscliff Music Festival (QMF)	Support of the event (cash donation and in-kind support)	\$6,412	\$16,841	
Australia Day	Australia Day celebrations	\$6,014	\$5,328	
Senior Citizens Week	Senior Citizens Week activities	\$5,630	\$2,097	
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	\$3,979	\$3,962	
Refugee Welcome Zone	Refugee welcome event	\$2,088	\$3,594	
Artists in Residence	Arts event	\$1,650	\$2,625	
Volunteer Day	Volunteer Day celebrations	\$867	\$4,281	
Maritime Weekend	Maritime Weekend activities	\$ -	\$2,000	
Sea of Words	Sea of Words event	\$ -	\$12	
Sub Total: Community events		\$43,550	\$44,813	
Contribution to operating costs				
Life Saving Victoria	Lifeguard services	\$31,853	\$31,076	
Sub Total: Contribution to operating costs		\$31,853	\$31,076	
Arts & Cultural Development Grants				
	2018–19	2017–18		
Queenscliff Kindergarten	Kitchen upgrade	Kinder explorer's program equipment – clothing, clothes line and wagon	\$2,528	\$2,827
Bellarine Community Health	‘Bounce Back’ post-natal weekly exercise group		\$2,000	\$ -
Queenscliff Golf Club	Replacement of damaged flooring		\$2,000	\$ -
Queenscliff Community Sports Club	Sound and visual equipment		\$2,000	\$ -
Queenscliffe Lighthouse Theatre Group	Shelving for storage shed	New light mixer	\$2,000	\$1,800
Point Lonsdale Tennis Club	Tennis Court maintenance		\$1,511	\$ -
Queenscliff Lonsdale Yacht Club	Discover sailing and canoeing family days		\$1,377	\$ -
State Emergency Service Bellarine Unit	Purchase of a defibrillator		\$1,800	\$ -
Queenscliff and District Neighbourhood House	Primary colours of the Borough	Knitting for Queenscliff's needy	\$1,240	\$1,000
Victorian Fisheries	Marine discovery rangers		\$1,818	\$ -

Recipient	Purpose of community grants and donations		2018–19	2017–18
	2018–19	2017–18		
Point Lonsdale Board Riders Club	Safety and identity coloured vests	Sound system for clubhouse	\$636	\$1,807
Queenscliff Point Lonsdale RSL Sub Branch		Anzac Day 2018 civic commemorations	\$ -	\$2,000
Queenscliff Music Festival		Princess and Lower Princess Park preliminary power upgrade works	\$ -	\$2,000
The Rip Chamber Incorporated		Local shopping bags	\$ -	\$2,000
Lighthouse Arts Collective		Sound and digital investment	\$ -	\$2,000
Queenscliffe Historical Museum		Upgrading basement shelving	\$ -	\$1,610
Point Lonsdale Primary School		Netball Uniforms	\$ -	\$500
Youth Cultural Program		Youth week	\$ -	\$820
Combined Probus Club of Queenscliff		Projector and screen projector	\$ -	\$813
Sub Total: Arts & Cultural Development Grants			\$18,910	\$19,177
Education Awards				
Bellarine Secondary College	Scholarship	Scholarship	\$1,000	\$1,000
Point Lonsdale Primary School		Scholarship	\$ -	\$100
St Aloysius Catholic Primary School		Scholarship	\$ -	\$100
Sub Total: Education Awards			\$ 1,000	\$ 1,200
Community Environment Alliance Grants				
Swan Bay Environment Association	Gardens for Wildlife Program	Gardens for Wildlife Program	\$2,050	\$2,300
Uniting Church Queenscliff & Point Lonsdale	Host workshops in household waste minimisation		\$1,197	\$ -
Point Lonsdale Primary School	Promoting reusable cups		\$465	\$ -
Queenscliffe Neighbourhood House		To reduce the use of plastic bags in the community by providing reusable fabric bags	\$ -	\$2,000
St Aloysius Catholic Primary School		To fund their contribution to the 'Kids Teaching Kids' local conference 2018	\$ -	\$2,000
Sub Total: Community Environment Alliance Grants			\$3,712	\$6,300
Total grants and donations paid to local organisations			\$99,025	\$102,566

Grants and subsidies received

In 2018–19, Council received a total of \$4,927,908 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2018–19 Actual (Received)	2017–18 Actual (Received)
Aged care – domestic assistance	Operating	Recurrent	Federal	Department of Health	\$229,211	\$153,082
General purpose	Operating	Recurrent	Federal	Department of Environment, Land, Water and Planning – VGC	\$203,890	\$ -
HACC – domestic assistance	Operating	Recurrent	Federal	Department of Health	\$171,620	\$ -
Roads to Recovery	Capital	Recurrent	Federal	Department of Infrastructure	\$144,794	\$ -
Aged care – personal care	Operating	Recurrent	Federal	Department of Health	\$64,995	\$63,219
Local roads	Operating	Recurrent	Federal	Department of Environment, Land, Water and Planning – VGC	\$60,120	\$ -
Senior Citizens Centre	Operating	Recurrent	Federal	Department of Health	\$43,695	\$14,516
Aged care – assessments	Operating	Recurrent	Federal	Department of Health	\$43,153	\$43,153
Aged care – home maintenance	Operating	Recurrent	Federal	Department of Health	\$39,729	\$38,640
Aged care – respite care	Operating	Recurrent	Federal	Department of Health	\$34,595	\$33,639
Victorian Seniors Festival – Senior Citizens Week	Operating	Recurrent	Federal	Department of Health	\$2,600	\$2,700
Capital roads – Roads to Recovery	Capital	Non-recurrent	Federal	Department of Infrastructure, Regional Development and Cities	\$ -	\$86,480
General purpose	Operating	Recurrent	Federal	Victoria Grants Commission	\$ -	\$228,580
Aged care – community aged care packages	Operating	Recurrent	Federal	Department of Health	\$ -	\$141,294
Local roads	Operating	Recurrent	Federal	Victoria Grants Commission	\$ -	\$56,719
Community Development Officer	Operating	Recurrent	Federal	Department of Health	\$ -	\$28,178
Sub Total: Federal funding					\$1,038,403	\$890,200
Queenscliff Sports & Recreation Precinct development	Capital	Non-recurrent	State	Sport & Recreation Victoria – Department of Health & Human Services	\$1,035,000	\$1,000,000
Destination Queenscliff (Stage 2) Instalment 1 – RDV	Capital	Non-recurrent	State	Department of Economic Development	\$886,227	\$100,000
Cultural Hub Living Libraries Program	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	\$50,000	\$ -
Fixing Local Roads – Stage 2	Capital	Non-recurrent	State	VicRoads	\$361,823	\$ -
Fixing Local Roads – Bowen Road widening	Capital	Non-recurrent	State	Regional Roads Victoria	\$360,000	\$ -
Point Lonsdale Tennis Club	Capital	Non-recurrent	State	Department of Health and Human Services	\$225,000	\$ -
Pick My Project outdoor gym equipment	Capital	Non-recurrent	State	Department of Premier and Cabinet	\$92,364	\$ -
Fixing Local Roads – Rail Trail connection	Capital	Non-recurrent	State	VicRoads	\$90,000	\$ -
Point Lonsdale Lighthouse Reserve searchlight emplacement structure	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	\$81,000	\$ -
Maternal and Child Health	Operating	Recurrent	State	Department of Education & Early Childhood Development	\$46,681	\$44,321
Fire Services Levy implementation	Operating	Recurrent	State	State Revenue Office – Department of Treasury & Finance	\$38,973	\$38,022
School crossing supervisors	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$30,205	\$23,642
Fixing Local Roads – Milne Court sealing	Capital	Non-recurrent	State	VicRoads	\$30,000	\$ -

Purpose	Type	Period	Funding	Source	2018–19 Actual (Received)	2017–18 Actual (Received)
2018 Rates Annual Valuations – reimbursement	Operating	Non-recurrent	State	State Revenue Office	\$26,868	\$ -
Natural disaster funding	Operating	Non-recurrent	State	Department of Treasury and Finance	\$25,000	\$ -
Low Light Festival	Operating	Non-recurrent	State	Visit Victoria	\$5,000	\$15,000
Kindergarten capacity	Operating	Non-recurrent	State	Department of Education and Training	\$15,000	\$ -
Walk to School	Operating	Recurrent	State	VicHealth	\$15,000	\$ -
Fixing Local Roads – Murray Road	Capital	Non-recurrent	State	VicRoads	\$15,000	\$ -
Beach cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	\$10,458	\$ -
Beach cleaning – seaweed	Operating	Recurrent	State	Department of Environment Land Water and Planning	\$9,909	\$ -
Avenue of Honour tree replacement program	Operating	Non-recurrent	State	Department of Premier and Cabinet	\$8,485	\$ -
Point Lonsdale Cenotaph upgrades	Capital	Non-recurrent	State	Department of Premier and Cabinet	\$6,600	\$ -
Anzac Day	Operating	Non-recurrent	State	Department of Veteran Affairs	\$5,500	\$5,500
Kerbside waste recycling	Operating	Non-recurrent	State	Department of Environment, Land, Water and Planning	\$5,334	\$18,880
Walking tracks and signs	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	\$3,150	\$ -
Signage upgrade	Operating	Non-recurrent	State	Department of Environment Land Water and Planning	\$3,150	\$ -
Aged Care – Community Development and Assistance	Operating	Recurrent	State	Department of Education and Training	\$774	\$ -
Open Space strategy	Capital	Non-recurrent	State	Department of Environment Land Water and Planning	\$615	\$ -
Fort Queenscliff business case	Operating	Non-recurrent	State	Regional Development Victoria	\$ -	\$118,000
Point Lonsdale Lighthouse Reserve Stage 1	Capital	Non-recurrent	State	Department of Economic Development	\$ -	\$100,000
Walk to School	Operating	Non-recurrent	State	Vic Health	\$ -	\$10,000
Bushfire Management Overlay communications	Operating	Non-recurrent	State	Department of Environment, Land, Water and Planning	\$ -	\$5,285
Climate Resilient Communities of the Barwon South West Adaptation Planning Project	Operating	Non-recurrent	State	Victorian Adaptation and Sustainability Partnership (VASP)	\$ -	\$4,000
Supporting Queenscliff and Point Lonsdale to prepare for climate change	Operating	Non-recurrent	State	Department of Environment, Land, Water and Planning	\$ -	\$3,000
Tourism & Economic Development Strategy	Operating	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	-\$10,000	\$20,000
Sub Total: State funding					\$3,883,116	\$1,478,649
Tobacco Activity Program	Operating	Non-recurrent	Other	Municipal Association Victoria	\$6,390	\$18,529
Sub Total: Other funding					\$6,390	\$18,529
Total Grants and Subsidies Received by Council					\$4,927,908	\$2,387,377

Membership of organisations

Council is a member of a number of groups and organisations, including the following key memberships.

Organisation	Membership Contribution	
	2018–19	2017-18
Tourism Greater Geelong and the Bellarine – Membership	\$17,785.96	\$17,267.95
Bellarine Catchment Network	\$11,520.00	\$11,520.00
Municipal Association of Victoria – Membership	\$8,188.55	\$ -
Municipal Association of Victoria – Step Asset Management Program	\$6,450.00	\$6,400.00
G21 Geelong Region Alliance	\$6,584.55	\$6,440.00
Association of Bayside Municipalities	\$5,057.50	\$5,058.00
Victorian Caravan Parks Association	\$4,280.00	\$4,831.36
Municipal Association of Victoria – Small Rural Councils of Victoria	\$3,000.00	\$3,000.00
Infrastructure Design Association	\$3,000.00	\$ -
Local Government Professionals	\$2,572.87	\$2,299.08
Municipal Association of Victoria – Australian Standards Sector-Wide Access Program	\$2,500.00	\$2,291.67
Tourism Greater Geelong and the Bellarine – Tourism Excellence Professional Development Program	\$1,818.18	\$2,000.00
CPA Australia	\$1,761.60	\$1,636.37
Tourism Greater Geelong and the Bellarine – Caravan Parks Membership	\$781.82	\$ -
Victorian Tourism Industry Council – Membership	\$700.00	\$660.00
Victorian Tourism Industry Council – Tourism Accreditation Program	\$431.82	\$462.27
Revenue Management Association	\$600.00	\$200.00
Mainstreet Australia	\$500.00	\$ -
Local Government Finance Professionals	\$407.87	\$397.35
International Association for Public Participation – Australasian Membership	\$180.00	\$ -
Environmental Health Professionals	\$70.00	\$703.27
Volunteering Geelong	\$38.32	\$ -
School Crossings Victoria	\$ -	\$95.00
ANSTAT	\$ -	\$93.07
Municipal Association of Victoria – LG Information Communications Technology	\$ -	\$238.54
Total Membership Contributions	\$78,229.04	\$65,593.93

Governance and management checklist

The following are the results in the prescribed form of Council's assessment against the prescribed governance and management checklist.

	Governance and Management Item	Required	YES NO	Dates if YES (multiple items/dates)
GC1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation	YES	Current policy in operation. Date of operation of current policy: 24/09/2014 Currently under review. Estimated completion end of 2019
GC2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation	YES	Current guidelines in operation. Date of operation of current guidelines: 24/09/2014 Currently under development. Estimated completion end of 2019
GC3	Strategic Resource Plan (plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act	YES	Plan adopted in accordance with section 126 of the Act, on 20/06/19
GC4	Annual Budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act	YES	Budget adopted in accordance with section 126 of the Act, on 20/06/19
GC5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation	YES	Current plans in operation. Date of adoption of current plans: Roads, Footpath and Kerb Assets 20/06/2019 Building Assets 20/06/2019 Open Space Assets 20/06/2019 Urban Stormwater Drainage 20/06/2019
GC6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation	YES	Rating strategy revised and adopted at Council's Ordinary Council Meeting on 20/06/19
GC7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation	YES	Current policy in operation. Date of operation of current policy: 13/12/2018 Next planned review in December 2020
GC8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation	YES	Current policy in operation. Date of operation of current policy: 01/03/2018 Next planned review in March 2021

GC9	Municipal emergency management plan (plan under section 20 of the <i>Emergency Management Act 1986</i> for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986	YES	Prepared and maintained in accordance with section 20 of the Emergency Management Act 1986 Date prepared and maintained in accordance with section 20 of the Emergency Management Act 1986: 22/01/2019
GC10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Prepared and approved in accordance with section 186A of the Local Government Act	YES	Current plan in operation. Date of operation of current plan: 15/06/2016 Plan currently under review; review due for completion in August 2019
GC11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation	YES	Current plan in operation. Date of operation of current plan: 15/06/2016 Plan currently under review; review due for completion in October 2019
GC12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation	YES	Current plan in operation. Date of operation of current plan: 28/06/2017 Plan currently under review; review due for completion in October 2019
GC13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation	YES	
GC14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act	YES	Committee established in accordance with section 139 of the Act on 30/10/2013
GC15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor engaged	YES	Internal auditor engaged. Date of engagement of Internal auditor: 24/08/2017

GC16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation	YES	Current framework in operation. Date of operation of current framework: 04/06/2014
GC17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Current report	YES	Dates of performance reporting review: 2017-18 Quarter 4 Council Plan Progress Report 20/09/2018 2018-19 Quarter 1 Council Plan Progress Report 25/10/2018 2018-19 Quarter 2 Council Plan Progress Report 28/02/2019 2018-19 Quarter 3 Council Plan Progress Report 24/04/2019
GC18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act	YES	Quarterly statements presented to Council in accordance with section 138(1) of the Act. Dates of Quarterly statements presented to Council in accordance with section 138(1) of the Act: 2017-18 Quarter 4 Finance Report 20/09/2018 2018-19 Quarter 1 Finance Report 25/10/2018 2018-19 Quarter 2 Finance Report 28/02/2019 2018-19 Quarter 3 Finance Report 24/04/2019
GC19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented	YES	December 2018 Internal Audit Report June 2019 Internal Audit Report
GC20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented	YES	Dates of presentation of reports: 2017-18 Performance Report 20/09/2018 2018-19 YTD (6 months) Performance information included in 2018-19 Quarter 3 Finance Report 28/02/2019

GC21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act	YES	Annual report considered at a meeting of Council in accordance with section 134 of the Act. Date considered: 25/10/2018 Ordinary Council Meeting
GC22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act	YES	Code of conduct reviewed in accordance with section 76C of the Act. Date of review of code in accordance with section 76C of the Act: 16/02/2017 Next planned review in January 2020
GC23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act	YES	Delegations reviewed in accordance with section 98(6) of the Act. Section 98(6) of the Act requires that delegations be reviewed within 12 months of a general election. Local government election held 22 October 2016. Date of review of delegations in accordance with section 98(6) of the Act: 21/09/2017 (reviewed again on 07/05/19)
GC24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act	YES	Meeting procedures local law made in accordance with section 91(1) of the Act. Date local law was made in accordance with section 91(1) of the Act: 14/12/2010

Certification of the governance and management checklist

I verify that this information presents fairly the status of Council's governance and management arrangements.



Leonard Jenner
Chief Executive Officer

Date: 19 September 2019
Queenscliff



Councillor Bob Merriman
Mayor

Date: 19 September 2019
Queenscliff

Community satisfaction

The annual Local Government Community Satisfaction Survey provides valuable feedback on Council's performance in core performance and service-related areas.

The table below summarises the Borough's results for the past three years and compares 2019 core performance scores against state-wide and small rural shire averages. These provide the Borough with an opportunity to benchmark its performance against other councils and to identify areas where service delivery improvements are needed.

In 2019, the Borough performed above state-wide and small rural average core performance scores for customer service and sealed local roads; matched the scores for overall performance and advocacy; and fell below those for community consultation, making community decisions and overall council direction. As previous years' results show, apart from customer service and sealed local roads, our performance continued to trend downward in 2019.

Across service-related areas, the survey results indicated that Council performed above the state-wide and small rural shire averages in elderly support services, community and cultural activities, family support services, traffic management, local streets and footpaths, and parking facilities. Areas for improvement included art centres and libraries, local laws enforcement, informing the community and business/ community development and tourism.

Council has noted the issues emerging from the latest survey results and identified a series of actions to be implemented during 2019–20 to address them. Given the survey report highlights the role of community engagement and communication in influencing overall performance ratings, many improvements actions focus on these areas. They include clearer project messaging, more frequent communication and better consultation.

The effectiveness of these actions will be assessed as they are implemented during the year ahead.

Core Performance Measures	Queenscliffe 2017	Queenscliffe 2018	Queenscliffe 2019	Small Rural 2019	State-wide 2019
Overall performance	66	62	58	58	60
Community consultation	58	56	51	56	56
Advocacy	59	58	55	55	54
Making community decisions	58	53	49	55	55
Sealed local roads	65	65	65	53	56
Customer service	71	74	73	70	71
Overall council direction	56	49	45	53	53

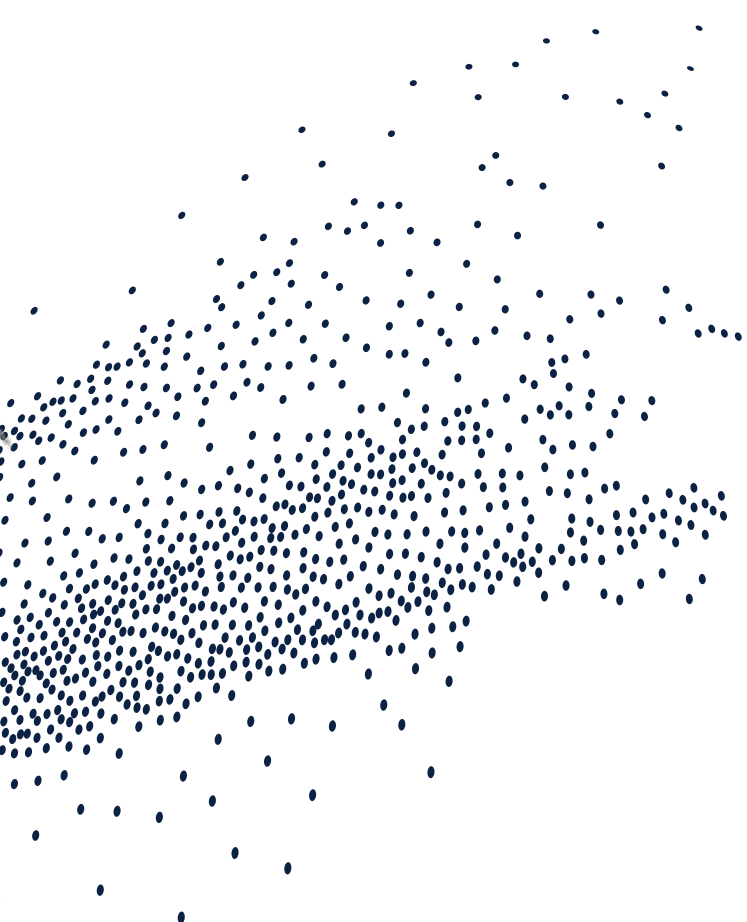
“Being part of creating a happy and vibrant Borough is extremely rewarding, and that involves maintaining a strong collaborative relationship with local businesses and community groups. Without that teamwork, we wouldn’t have been able to achieve some of the outstanding events and festivals held during the last year. I really value our community and I’m passionate about understanding and responding to their needs. Being able to do that as a Council representative is a privilege that I’m proud of.”

Carly Douglas – Economic and Community Development Officer



Performance Statement

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Understanding the Performance Statement

Local Government Performance Reporting Framework

The *Local Government Act 1989* (the Act) states the primary objective of a Council is to endeavour to achieve the best outcomes for the local community having regard to the long-term and cumulative effects of decisions.

The Act states it is essential there is a legislative framework that provides for Councils to be accountable to their local communities in the performance of functions and the exercise of powers and the use of resources. It is a statutory requirement under the Act that Councils prepare and report on medium and short-term plans to discharge their duties of accountability and transparency to their communities.

A mandatory system of performance reporting exists for Councils that prescribe performance information to be included in Council's Annual Report from 1 July 2014. The framework aims to ensure that performance information reported in the Annual Report is relevant, balanced, appropriate and clearly aligned with Council Plan strategic objectives to ensure performance reporting is meaningful to the community.

The Act requires Council's Annual Report to contain an audited Performance Statement, including audited results achieved against the prescribed performance indicators and measures of service performance outcome, financial performance and sustainable capacity.

In addition to the performance information required to be disclosed in the Performance Statement, Councils are also required to disclose other performance-related information in the report of operations in the Annual Report, including:

- A governance and management checklist (page 112–115)
- Other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (page 125–132)
- A statement that reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan (page 71–102).

This performance information in the report of operations along with the performance statement forms part of the Local Government Performance Reporting Framework.

Taking an integrated approach to performance reporting can help councils understand how well they are performing in meeting the needs of their communities as well as achieving the strategic objectives in the Council Plan.

What is the Performance Statement?

The Performance Statement contains information about the performance of Council for the financial year whereby Council makes itself accountable to the community. Council's performance for the financial year is reported against the key strategic activities that were adopted as part of the annual Budget process.

Council must describe the prescribed indicators and measures in the Performance Statement so it is clear about what is being measured.

The Performance Statement must include the results achieved in relation to prescribed:

- Service performance outcomes
- Financial performance, and
- Sustainable capacity.

Councils must also provide an explanation of any material variations in the results between the current year and other years disclosed, to enable the reader to form an understanding of the reason for the variation.

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 121 for the Certification of the Performance Statement and page 123–124 for the VAGO Independent Auditor's Report.

What is the Governance and Management Checklist?

The Governance and Management Checklist measures whether a Council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision-making. It includes 24 qualitative measures against which Council is assessed each year. This checklist is included within the 'Our Performance' section of the Annual Report (page 112–115).

Snapshot of the Borough of Queenscliffe

The Borough of Queenscliffe is located south of Melbourne on the south-eastern tip of the Bellarine Peninsula. The Borough has a land area of 10.7 square kilometres, all of which is essentially coastal land.

The Borough was proclaimed a municipality in 1863 and is unique in Victoria in that it is the only local government untouched by any boundary change. It remained unchanged through the amalgamation process in the first half of the 1990s.

Population

On the night of the 2016 Census, the Borough's permanent resident population was 2,853 (2011: 3,000), with 1,538 people residing in Point Lonsdale (2011: 1,596) and 1,315 in Queenscliff (2011: 1,404) as well as a significant non-residential population. The Borough's population increases to around 17,000 people over the summer period.

The estimated resident population as at 30 June 2018 was 2,982 (2017: 2,959). It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non-permanent ownership of property.

Ageing population

On the night of the 2016 Census, the population aged 65 years and older was 40.4% (2011: 33.7%), compared with the Victorian average of 15.6% (2011: 14.2%). Our population is older than Victoria's, with 11.5% of the Borough's population aged between 0 and 15 years (2011: 14.2%), compared to 18.3% for Victoria (2011: 18.7%). The median age is 60 (2011: 55).

The Borough's population aged 65 years and older is estimated to be 45% by 2031. For this reason, there is significant emphasis on the need to provide aged services, although it is also acknowledged that age is not the sole determinant of the need for particular health services.

Council has a strong commitment to providing aged care and prides itself on maintaining a 'zero waiting list' for aged care services.

Births

New births in the Borough remain relatively low, with 15 babies being born in 2018–19 (2017–18: 16 births).

Housing

On the night of the 2016 Census, there were 2,802 dwellings (2011: 2,777) in the Borough of Queenscliffe, with an average household size of 2.0 persons (2011: 2.09).

Property values in the Borough are generally high, with the top quartile averaging \$1,589,978 and the overall median house price being \$748,000.

Government grants

Council has continued to attract significant levels of government grant funding, including for the Queenscliff Sports & Recreation Precinct, Queenscliffe Community Hub and Destination Queenscliff projects. Council has also sourced significant funds through the Fixing Country Roads and Roads to Recovery programs. Government funding is an important source of income for the Borough, in reducing the pressure on Council's rates budget and user fees and charges in order to achieve the same level of services as is currently provided for the community.

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.



Gihan Kohobange CA, CPA, FCCA
Principal Accounting Officer

Date: 19 September 2019
Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2019 fairly presents the results of Council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

The performance statement contains the relevant performance indicators, measures and results in relation to service performance, financial performance and sustainable capacity.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the performance statement to be misleading or inaccurate.

We have been authorised by the Council and by the *Local Government (Planning and Reporting) Regulations 2014* to certify this performance statements in its final form.



Councillor Bob Merriman
Mayor

Date: 19 September 2019
Queenscliff



Councillor Susan Salter
Councillor

Date: 19 September 2019
Queenscliff



Leonard Jenner
Chief Executive Officer

Date: 19 September 2019
Queenscliff



VAGO Independent Auditor's Report on the Performance Statement



Independent Auditor's Report

To the Councillors of the Borough of Queenscliffe

Opinion	<p>I have audited the accompanying performance statement of the Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none">• description of municipality for the year ended 30 June 2019• sustainable capacity indicators for the year ended 30 June 2019• service performance indicators for the year ended 30 June 2019• financial performance indicators for the year ended 30 June 2019• other information for the year ended 30 June 2019 (basis of preparation)• certification of the performance statement. <p>In my opinion, the performance statement presents fairly, in all material respects, the performance of the council for the year ended 30 June 2019, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Performance Statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the performance statement	<p>The Councillors of the council are responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>
Auditor's responsibilities for the audit of the performance statement	<p>As required by the <i>Audit Act 1994</i>, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.</p> <p>Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance</p>

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VAGO Independent Auditor's Report on the Performance Statement


Engagements will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users taken on the basis of this performance statement.

As part of an audit in accordance with the Australian Standards on Assurance Engagements, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the performance statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the overall presentation, structure and content of the performance statement, including the disclosures, and whether the performance statement represents the underlying events and results in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

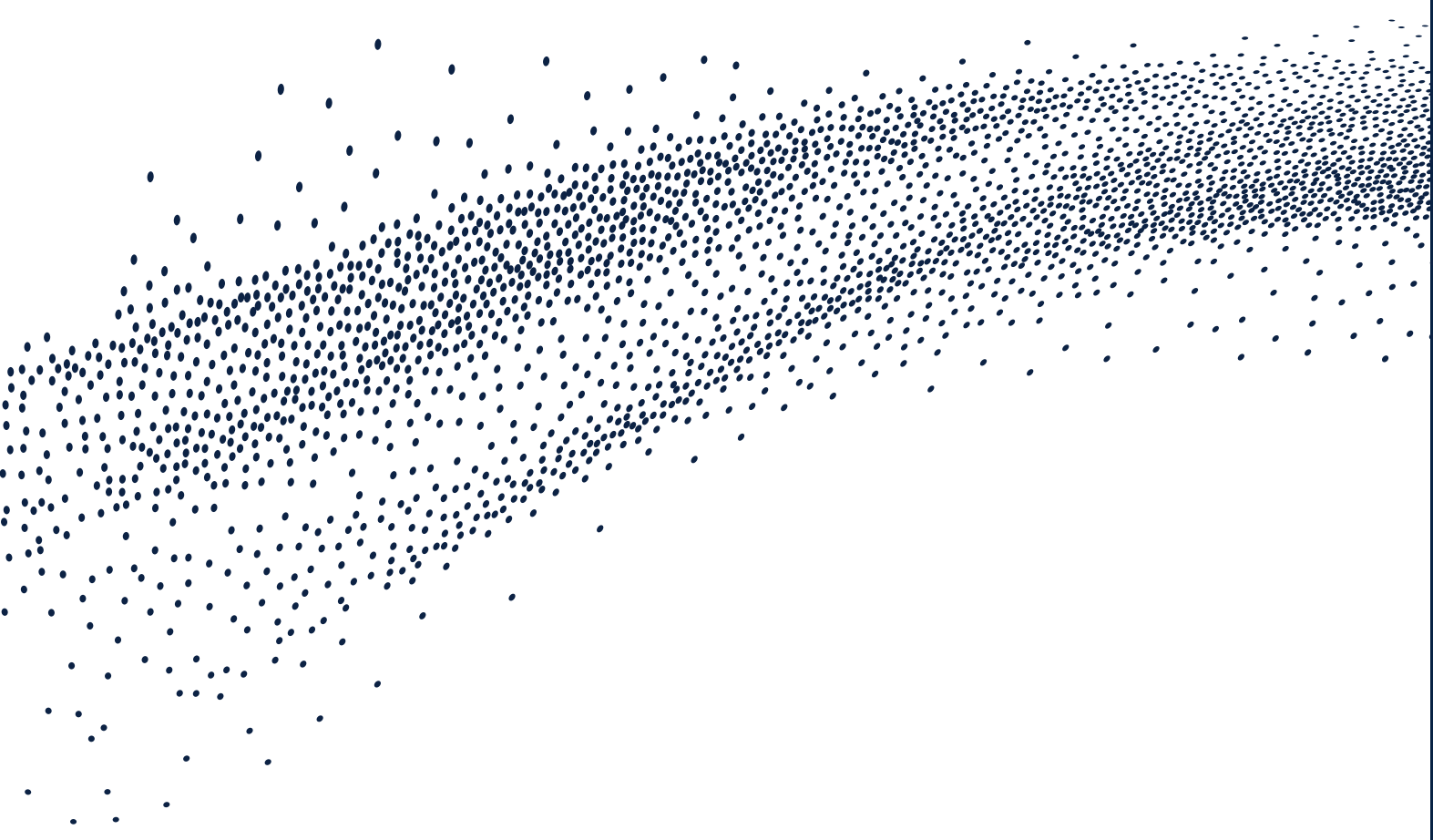
Sustainable Capacity Indicators

For the Year Ended 30 June 2019

Indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Results 2017/18	Results 2018/19	Material Variations
Indicator: Own-source revenue Measure: Own-source revenue per head of municipal population [Own-source revenue / Municipal population]	\$2,781	\$2,964	\$3,155	\$3,199	\$3,264	The Borough's own source revenue includes municipal rates, and a comparatively high level of user fees and charges income, particularly with respect to fees from caravan parks and camping.
Indicator: Recurrent grants Measure: Recurrent grants per head of municipal population [Recurrent grants / Municipal population]	\$302	\$222	\$322	\$344	\$403	Council's recurrent grant funding is largely for Aged Services and the allocation of the Financial Assistance Grant (FAG) program. Queenscliffe still receives the lowest VGC funding allocation in the State.
Indicator: Population Measure: Expenses per head of municipal population [Total expenses / Municipal population]	\$3,569	\$3,624	\$3,440	\$3,593	\$3,705	Queenscliffe has a very small population base of 2,982 when compared to other municipalities. Over 55% of rateable properties in Queenscliffe are non-permanent residences that are not considered in this indicator.
Indicator: Population Measure: Infrastructure per head of municipal population [Value of infrastructure / Municipal population]	\$10,893	\$11,449	\$11,974	\$12,187	\$12,038	The 2018/19 result is consistent with previous years.
Indicator: Population Measure: Infrastructure per head of municipal population [Municipal population / Kilometres of local roads]	71	70	68	68	69	Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road.
Indicator: Disadvantage Measure: Relative socio-economic disadvantage [Index of Relative Socio-economic Disadvantage by decile]	9	9	9	10	10	Queenscliffe's relative socio-economic disadvantage has improved, from 9 at the 2011 Census to 10 in the 2016 Census.

Definitions

- **infrastructure:** non-current property, plant and equipment excluding land.
- **local road:** a sealed or unsealed road for which Council is the responsible road authority under the Road Management Act 2004.
- **non-recurrent grant:** a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by Council's Strategic Resource Plan.
- **own-source revenue:** adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).
- **population:** the resident population of a municipality as estimated by the ABS.
- **recurrent grant:** a grant other than a non-recurrent grant.
- **relative socio-economic disadvantage:** the disadvantage of the area in which the municipality is located according to the Socio-Economic Index for Areas, published by the ABS.



Service Performance Indicators

For the Year Ended 30 June 2019

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Results 2017/18	Results 2018/19	Material Variations
Governance						
Indicator: Satisfaction Measure: Satisfaction with council decisions [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	62	54	58	53	49	Council has undertaken a high level of community consultation associated with a set of large capital projects. This consultation has generated a comparatively high level of community involvement and feedback with a level of resistance related to particular components of these projects. Council is introducing earlier and additional consultation practices with all future major projects including offering more ways residents can stay up to date with Council activities.
Statutory Planning						
Indicator: Decision making Measure: Council planning decisions upheld at VCAT [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] x100	0%	67%	100%	40%	50%	Six application decisions were subject to review by VCAT, of which three were upheld and three set aside council's decision in relation to planning applications.
Indicator: Participation Measure: Active library members [Number of active library members / Municipal population] x100	37%	46%	54%	55%	53%	This is a comparatively very high proportion of the population. This Indicator does not capture other library activity for example children and youth programs, digital literacy programs and literary events, the use of public internet pcs, using facilities such as meeting rooms or study areas, or using services such as wifi, or in library use of collections.

Service/indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Results 2017/18"	"Results 2018/19	Material Variations
Waste Collection						
Indicator: Waste diversion						Minor change consistent with previous years.
Measure: Kerbside collection waste diverted from landfill						
[Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37%	46%	54%	55%	53%	
Aquatic Facilities						
Indicator: Utilisation						Queenscliffe does not provide this service.
Measure: Utilisation of aquatic facilities	N/A	N/A	N/A	N/A	N/A	
[Number of visits to aquatic facilities / Municipal population]						
Animal Management						
Indicator: Health and safety						Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.
Measure: Animal management prosecutions						
[Number of successful animal management prosecutions]	0	0	0	0	0	
Food Safety						
Indicator: Health and safety						
Measure: Critical and major non-compliance notifications						
[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 a food premises] x100	100%	100%	100%	100%	100%	

Service/indicator/measure	"Results 2014/15"	"Results 2015/16"	"Results 2016/17"	"Results 2017/18"	"Results 2018/19"	Material Variations
Home and Community Care (HACC)						
Indicator: Participation Measure: Participation in HACC service [Number of people that received a HACC service / Municipal target population for HACC services] x100	45%	53%	"Reporting ceased 1 July 2016"	"Reporting ceased 1 July 2016"	"Reporting ceased 1 July 2016"	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Indicator: Participation Measure: Participation in HACC service by CALD people [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	36%	21%	"Reporting ceased 1 July 2016"	"Reporting ceased 1 July 2016"	"Reporting ceased 1 July 2016"	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Maternal and Child Health (MCH)						
Indicator: Participation Measure: Participation in the MCH service [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75%	75%	92%	88%	72%	55 children attended the maternal and child health service at least once, of the 76 infants enrolled, in 2018/19 (2017/18: attended by 70, of 81 enrolled in the service).
Indicator: Participation Measure: Participation in the MCH service by Aboriginal children [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0%	0%	0%	100%	100%	One Aboriginal child was enrolled in, and attended at least once, the maternal and child health service in 2018/19 (2017/18: 1 Aboriginal child enrolled in the service).

Definitions

- **Aboriginal child:** a child who is an Aboriginal person.
- **Aboriginal person:** a person belonging to the indigenous peoples of Australia, including the indigenous inhabitants of the Torres Strait Islands, and any descendants of those peoples.
- **Active library member:** a member of a library who has borrowed a book from the library.
- **CALD:** people from a Culturally And Linguistically Diverse background.
- **Critical non-compliance outcome notification:** a notification received by Council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health.
- **Food premises:** any premises at, on or from which food is sold or handled with the intention that it be sold, under the definition provided in the *Food Act 1984*.
- **HACC service:** home help, personal care or community respite provided under the Home and Community Care program.
- **Local road:** a sealed or unsealed road for which the Council is the responsible road authority under the *Road Management Act 2004*.
- **Major non-compliance outcome notification:** a notification received by Council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken.
- **MCH:** the Maternal and Child Health Service provided by Council to support the health and development of children within the municipality from birth until school age.
- **Population:** the resident population of a municipality as estimated by the ABS.
- **VCAT:** the Victorian Civil and Administrative Tribunal, a part of the Victorian justice system that deals with legal cases regarding civil and administrative matters, residential tenancies, and human rights.

Financial Performance Indicators

For the Year Ended 30 June 2019

Dimension/indicator/ measure	"Results 2014/15"	"Results 2015/16"	"Results 2016/17"	"Results 2017/18"	"Results 2018/19"	"Forecast 2019/20"	"Forecast 2020/21"	"Forecast 2021/22"	"Forecast 2022/23"	Material Variations
Operating position										
Indicator: Adjusted underlying result										Underlying deficit in 2018/19 reflects a number of projects, for which grant funding was received and/or Council budgets allocated, carried forward for completion in 2018/19. Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. Redevelopment of the tourist parks is expected to result in a decline in user fees income over the short-term.
Measure: Adjusted underlying surplus (or deficit)										
[Adjusted underlying surplus (deficit)/ Adjusted underlying revenue] x100	(2%)	(2%)	2%	1%	0%	(7%)	(3%)	(2%)	(1%)	
Liquidity										
Indicator: Working capital										The increased result is due to more cash being held at year end in term deposits, and a piece of land being reclassified as held for sale, meaning it moved from non current, to current assets.
Measure: Current assets compared to current liabilities	218%	280%	306%	288%	504%	215%	227%	222%	224%	
[Current assets / Current liabilities] x100										
Indicator: Unrestricted cash										The improved result is due to council's current term deposits having an initial maturity date of less than 90 days, and therefore being considered unrestricted.
Measure: Unrestricted cash compared to current liabilities	84%	90%	0%	-52%	59%	35%	39%	48%	50%	
[Unrestricted cash / Current liabilities] x100										
Obligations										
Indicator: Loans and borrowings										Proposed new loan not drawn down in 2018/19, however it will be drawn down in 2019/20 as projects are completed. The increasing forecast trend for this measure reflects planned further borrowings of \$903,000 in 2019/20.
Measure: Loans and borrowings compared to rates										
[Interest bearing loans and borrowings / Rate revenue] x100	9%	5%	2%	1%	1%	13%	11%	10%	8%	
Indicator: Loans and borrowings repayments										Proposed new loan not drawn down in 2018/19, however it will be drawn down in 2019/20 as projects are completed. The increasing forecast trend for this measure reflects planned further borrowings of \$903,000 in 2019/20.
Measure: Loans and borrowings repayments compared to rates										
[Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4%	4%	3%	1%	0%	0%	2%	2%	1%	

Indebtedness

Indicator: Non-current liabilities compared to own source revenue										Proposed new loan not drawn down in 2018/19, however it will be drawn down in 2019/20 as projects are completed. The increasing forecast trend for this measure reflects planned further borrowings of \$903,000 in 2019/20.
Measure: Non-current liabilities compared to own source revenue	1%	1%	1%	1%	1%	9%	8%	7%	6%	
Indicator: Asset renewal										Significant asset renewal expenditure during 2018/19 is predominantly due to work continuing on the Queenscliff Sport and Recreation Precinct project & Destination Queenscliff.
Measure: Asset renewal compared to depreciation [Asset renewal expenses / Asset depreciation] x100	81%	137%	52%	81%	119%	288%	49%	54%	65%	

Stability

Indicator: Rates concentration										Rates concentration is typically in excess of 60% of total income for Council, noting this depends on the success in attracting significant government grants.
Measure: Rates compared to adjusted underlying revenue [Rate revenue / Adjusted underlying revenue] x100	58%	67%	67%	65%	65%	68%	68%	69%	69%	
Indicator: Rates effort										No material variations.
Measure: Rates compared to property values [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.27%	0.28%	0.27%	0.28%	0.26%	0.26%	0.26%	0.27%	0.28%	

Efficiency

Indicator: Expenditure level										The majority of expenditure incurred by Queenscliff 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 other local councils.
Measure: Expenses per property assessment [Total expenses / Number of property assessments]	\$3,572	\$3,286	\$3,249	\$3,429	\$3,536	\$3,729	\$3,625	\$3,669	\$3,744	
Indicator: Revenue level										Rate revenue represents a high proportion of Queenscliff's revenue with the majority of expenditure non-discretionary and spread across a very small ratepayer base.
Measure: Average residential rate per residential property assessment [Residential rate revenue / Number of residential property assessments]	\$1,989	\$2,063	\$1,919	\$2,033	\$2,018	\$2,068	\$2,120	\$2,173	\$2,228	

Indicator: Workforce turnover Measure: Resignations and terminations compared to average staff [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8%	15%	3%	11%	17%	0%	0%	0%	0%	This represents 9 resignations out of 53 permanent staff. Low staff numbers mean that a small change in resignations has a large percentage impact. Council does not forecast for resignations.
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Definitions

- **Adjusted underlying revenue:** total income other than:
 - a. non-recurrent grants used to fund capital expenditure; and
 - b. non-monetary asset contributions; and
 - c. contributions to fund capital expenditure from sources other than those referred to in points (a) and (b).
- **Adjusted underlying surplus (or deficit):** adjusted underlying revenue less total expenditure.
- **Asset renewal expenditure:** expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability.
- **Capital improved value:** the total market value of a piece of land plus buildings and other improvements.
- **Current assets:** cash and other assets that are expected to be converted to cash within a year.
- **Current liabilities:** a company's debts or obligations that are due to be paid within a year.
- **Non-current assets:** all assets other than current assets.
- **Non-current liabilities:** all liabilities other than current liabilities.
- **Own-source revenue:** adjusted underlying revenue other than revenue that is not under the control of Council (including government grants).
- **Property assessment:** the procedure used by government assessors to determine the value of a property in order to charge rates.
- **Population:** the resident population estimated by Council.
- **Rate revenue:** revenue from general rates and service charges.
- **Residential rates:** revenue from general rates and service charges levied on residential properties.
- **Restricted cash:** cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year.
- **Unrestricted cash:** all cash and cash equivalents other than restricted cash.

Other information

For the Year Ended 30 June 2019

Basis of preparation


Council is required to prepare and include a performance statement within its Annual Report. The performance statement includes the results of the prescribed sustainable capacity, service performance and financial performance indicators and measures, together with a description of the municipal district and an explanation of material variations in the results. This statement has been prepared to meet the requirements of the *Local Government Act 1989* and Local Government (Planning and Reporting) Regulations 2014.

Where applicable, the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from Council information systems or from third parties (e.g. Australian Bureau of Statistics).

The performance statement presents the actual results for the current year and for the prescribed financial performance indicators and measures, the results forecast by the Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2014 require explanation of any material variations in the results contained in the performance statement. Council has adopted materiality thresholds relevant to each indicator and measure and explanations have not been provided for variations below the materiality thresholds unless the variance is considered to be material because of its nature.

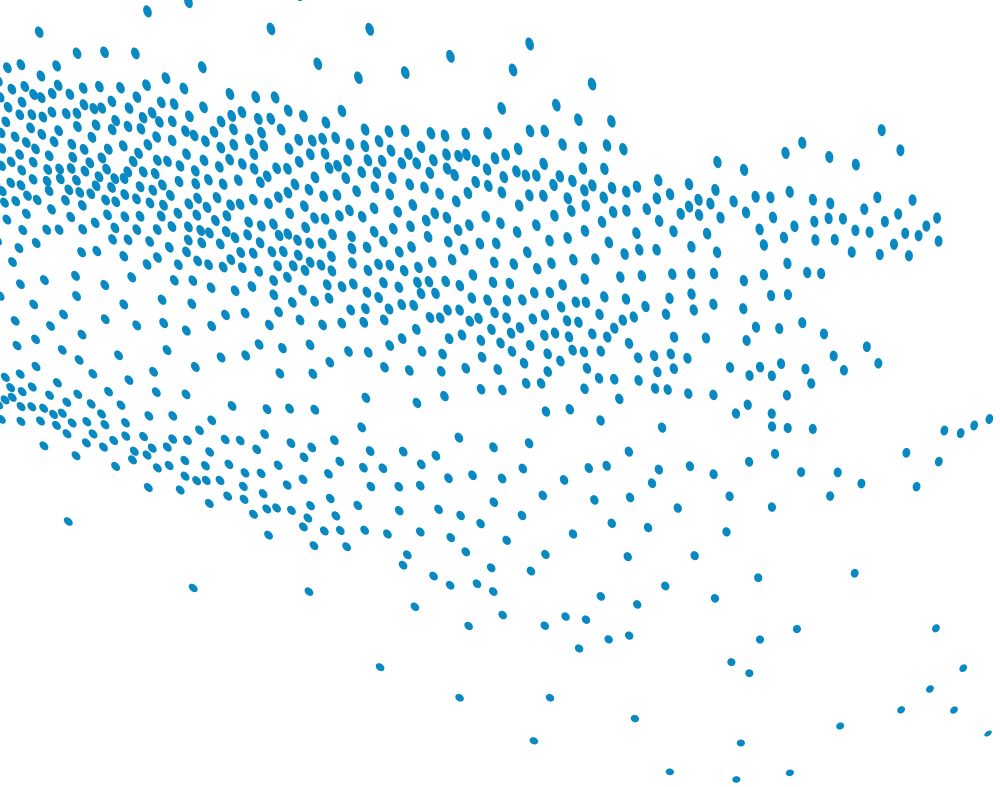
The forecast figures included in the performance statement are those adopted by Council in its draft strategic resource plan on 20 June 2019 and which forms part of the Council Plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting Council.





“The finance department has traditionally been full of paper and folders, but our team is working towards a digital office environment to save on time, space and resources. We’re also continuing to work closely with Councillors during budget workshops, which keeps us on track for future commitments as well as prioritising community projects. Personally, I like to think I’m approachable and I’m always happy to help anyone, which has made the dynamic between finance and the rest of the organisation really strong.”

Alex Tonkin
Business Services Accountant



Financials

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Understanding the Financial Report

Introduction

Financial viability or sustainability is reviewed and assessed using many different tools. The most important tools in understanding Council's financial performance for the period are the financial performance indicators disclosed in the Performance Statement (page 118–133) and the Financial Report (page 136–197).

The Financial Statements show how Council performed financially during the 2018–19 financial year and the overall position at the end of the financial year.

Council presents its Financial Report in accordance with the Australian Accounting Standards. Particular terms required by the standards may not be familiar to some readers. The Borough of Queenscliffe is committed to accountability. It is in this context that the following explanations have been developed to assist readers to understand and analyse the Financial Report.

What is contained in the Financial Report?

Council's Financial Report has two main sections: the Report and the Notes. There are five statements and eight notes. These are prepared by Council staff, examined by the Audit Committee, Council and audited by the Victorian Auditor-General's Office.

The five statements included in the first few pages of the report are the:

1. Comprehensive Income Statement
2. Balance Sheet
3. Statement of Changes in Equity
4. Statement of Cash Flows
5. Statement of Capital Works

The Notes detail Council's accounting policies and the make-up of values contained in the statements.

Comprehensive Income Statement

The Comprehensive Income Statement measures Council's performance over the year and shows if a surplus or a deficit has been made in delivering services. The surplus or deficit is the same as a profit or loss.

This statement includes all sources of income, less all operating expenses incurred in delivering Council services. This includes depreciation, or the consumption, of the value of buildings, roads, footpaths and cycle ways, drains and all other assets that are used to deliver Council services. These assets are depreciated over the life of the asset as they are consumed – in other words, we measure how much of an asset we have consumed. Capital costs or new assets acquired or created during the year are excluded from the statement but, as indicated above, are depreciated as they are used.

The statement is prepared on an 'accrual' basis. This means that all income and costs for the year are recognised even though the income may not yet be received (such as interest on bank deposits) or expenses not yet paid (invoices not yet received for goods and services already used).

If the statement is in a deficit (loss) situation, this means that Council is not creating a sufficient surplus (profit) to replace infrastructure assets at the time when they need to be replaced. Continual deficits may indicate concern about Council's ability to be financially viable in the longer term.

The key figure to look at is the surplus/(deficit) for the year. A surplus means that the revenue was greater than the expenses. The 2018–19 result is a surplus of \$3,701,000 (2017–18: \$1,272,000 surplus).

Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial situation as at 30 June 2019. It shows what the Council controls as assets and what it owes as liabilities. The bottom line of this statement is net assets. This equates to the total equity (net worth) of Council, which has been built up over many years. The 2018–19 net assets is \$140,028,000 (2017–18: \$137,635,000).

The assets and liabilities are separated into current and non-current. Current means those assets or liabilities that will fall due or will be consumed in the next 12 months.

Statement of Changes in Equity

During the course of the year, the value of total equity as set out in the Balance Sheet changes. The Statement of Changes in Equity shows the value of such changes and how these changes arose. The main reason for a change in equity stems from:

- The 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year
- The use of monies from Council's reserves and transfers to Council's reserves
- Revaluation of assets – this takes place in a staggered fashion every two years for land and building assets and every three years for road network, footpaths and cycle ways, drainage and off-street car park assets (Buildings were revalued during the 2018–19 financial year, which can be seen on the Statement of Changes in Equity as a \$1,308,000 decrease), and
- Prior period adjustments, where applicable (there were no prior period adjustments in 2018–19).

Statement of Cash Flows

The Statement of Cash Flows summarises Council's cash payments and cash receipts for the year. This statement is presented according to a very specific Accounting Standard and needs some care in analysis. The values may differ from those shown in the Comprehensive Income Statement because this statement is prepared on an accrual accounting basis. In addition, the amounts disclosed in the Statement of Cash Flows are at gross value including GST where applicable. Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash (refer to both Cash and Other Financial Assets in the Current Assets section of the Balance Sheet).

Statement of Capital Works

The Statement of Capital Works breaks capital expenditure down, firstly by fixed asset class and secondly by the nature of the spend, i.e. whether the expenditure represents renewal or upgrade of existing assets, or new assets that may have been constructed during the period.

The three major fixed asset groups are property, plant and equipment, and infrastructure. Each of these is further broken down by individual asset class (e.g. property into land and buildings).

Capital expenditure tends to fluctuate from one year to the next, often depending on the level of government grants secured for capital works, and also noting some projects occur over multiple years. Total capital expenditure is \$3,412,000 for the 2018–19 financial year (\$2,115,000 in 2017–18).

Notes to the Financial Statements

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive on a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described throughout the notes. Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the statements.

The Note numbers are shown beside the relevant items in the Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity and the Statement of Cash Flows. Where Council wishes to disclose other information that cannot be incorporated into the statements, it is shown in the Notes. The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

Certification by Principal Accounting Officer and Councillors

The Certification of the Principal Accounting Officer is made by the person responsible for the financial management of Council and confirms that in their opinion, the financial statements have met all the statutory and professional reporting requirements.

The Certification of Councillors is made by two Councillors on behalf of Council and confirms that, in their opinion, the financial statements are fair and not misleading. The Chief Executive Officer also endorses and signs the certification.

Auditor-General's Report

The Independent Audit Report is the external and independent opinion on the financial statements.

It provides the reader with a totally independent opinion on the financial statements. The opinion covers both the statutory and professional requirements and also the fairness aspects of the financial statements.

Certification of Financial Report

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 1989*, the *Local Government (Planning and Reporting) Regulations 2014*, Australian Accounting Standards and other mandatory professional reporting requirements.



Gihan Kohobange CA, CPA, FCCA
Principal Accounting Officer
Date: 19 September 2019
Queenscliff

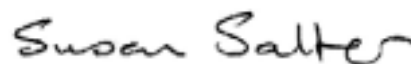
In our opinion, the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2019 and the financial position of the Council at that date.

As at the date of signing, we are not aware of any circumstances which would render any particulars in the financial statements to be misleading or inaccurate.

We have been authorised by the Council and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.



Councillor Bob Merriman
Mayor
Date: 19 September 2019
Queenscliff



Councillor Susan Salter
Councillor
Date: 19 September 2019
Queenscliff



Leonard Jenner
Chief Executive Officer
Date: 19 September 2019
Queenscliff



VAGO Independent Auditor's Report on the Financial Report



Independent Auditor's Report

To the Councillors of the Borough of Queenscliffe

Opinion	<p>I have audited the financial report of the Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none">• balance sheet as at 30 June 2019• comprehensive income statement for the year then ended• statement of changes in equity for the year then ended• statement of cash flows for the year then ended• statement of capital works for the year then ended• notes to the financial statements, including significant accounting policies• certification of the financial statements. <p>In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2019 and its financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the <i>Local Government Act 1989</i> and applicable Australian Accounting Standards.</p>
Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. I further describe my responsibilities under that Act and those standards in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 <i>Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the financial report in Victoria. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p> <p>In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless it is inappropriate to do so.</p>

VAGO Independent Auditor's Report on the Financial Report

Auditor's responsibilities for the audit of the financial report

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the council's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillors
- conclude on the appropriateness of the Councillors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the council to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Councillors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

MELBOURNE
23 September 2019


Jonathan Kyvelidis
as delegate for the Auditor-General of Victoria

Summary of Financial Performance

Financial reporting provides essential information for understanding the financial position of the Borough of Queenscliffe and assessing our performance over the past year. It also enables our community and our stakeholders to consider the ability of Council to deliver current services and maintain existing facilities in the longer term.

In brief, Council:

- Ended with an underlying deficit of \$22,000, which was an improvement of \$1,265,000 on the budgeted underlying deficit of (\$1,287,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet), additional income and operational savings achieved in 2018–19; and
- Ended the financial year with a cash and short-term investments balance of \$6,894,000.

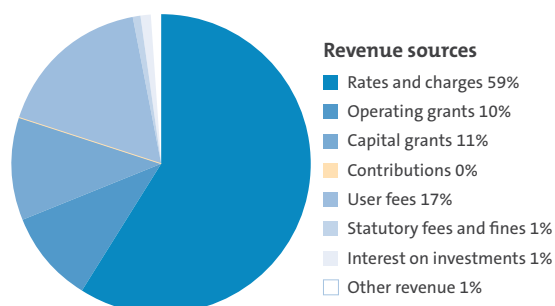
Adjusted underlying result

Council's result for 2018/19 was an underlying deficit of \$22,000. The deficit results in the 2014–15, 2015–16 and 2018–19 years are due to the delivery of carry forward projects for which Council successfully attracted significant external grant funding in previous financial years.

Revenue

Council's total revenue for the 2018–19 year was \$14,748,000 (up from \$11,812,000 in 2017–18). The increased income is predominately due to more capital grant funding in 2018–19, compared with the 2017–18 year.

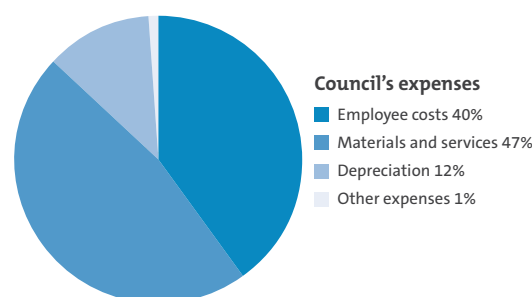
Council's revenue is sourced as follows:



Expenditure

Council's total expenses for the 2018–19 year was \$11,047,000 (up from \$10,540,000 in 2017–18). This increase in expenditure is mainly due to \$577,000 in assets that were written off the 2018–19 year as part of the Queenscliff Sports & Recreation Precinct project. Expenditure on employee costs and materials and services actually reduced in the 2018–19 year.

Council's expenses are categorised as follows:



Assets

Council's total asset base is \$142,098,000.

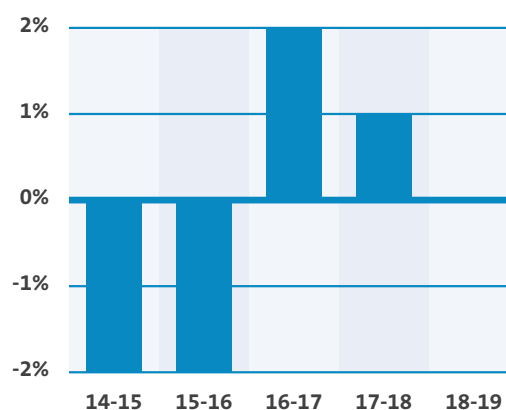
The major components of assets are:

- Property, infrastructure, plant and equipment; and
- Cash and financial assets (cash investments with maturity dates between 3–12 months).

Together these asset categories account for 99% of all assets.

Property, infrastructure (including Crown land assets), plant and equipment is valued at \$131,713,000.

Adjusted underlying result five-year comparison, 2014–15 to 2018–19:



Capital works

During the financial year, Council invested \$3,412,000 (before annual depreciation charges) in capital works projects to increase the total asset base. This investment in capital works continues to focus on maintenance and renewal of the community's existing assets.

Key projects undertaken during the year included:

- Completion of the Queenscliff Sports & Recreation Precinct including the new netball game-day facility.
- Fixing Local Roads projects, including the widening of Bowen Road.
- The continuation of the Destination Queenscliff Project.
- The restoration of the Point Lonsdale Lighthouse Reserve searchlight emplacement structure.
- The continuation of significant annual renewal across all of Council's asset classes.

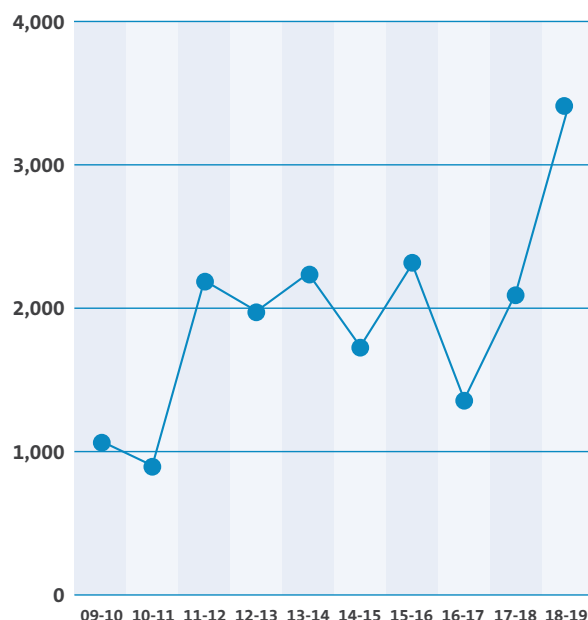
Liabilities

Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,070,000 as at 30 June 2019.

The overall level of liabilities has reduced by \$31,000 from 2017–18 due to a reduction in trade payables and the repayment of borrowings. Council has reduced its loans to a ten-year low of \$46,000, which means that Council is operating well within the Victorian Government's prudential ratio limits.

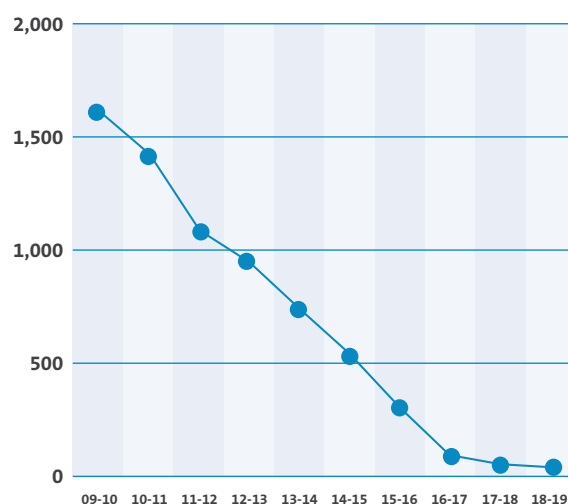
Capital works ten-year comparison, 2009–10 to 2018–19:

Capital Works \$'000



Liabilities ten-year comparison, 2009–10 to 2018–19:

Loan Liabilities \$'000



Financial Indicators

The financial indicators included in the report provide information on the trends developing over time in our performance. The following indicators show that Council continues to be in a strong financial position.

Debt Servicing Ratio

The Debt Servicing Ratio identifies the capacity of Council to service its outstanding debt – that is, how much Council spends on maintaining its outstanding debts (the payment of interest on loan borrowings) compared with how much revenue is earned. The lower the ratio, the better off Council is. Council's ratio is well within the prudential limit of 5% set by the Victorian Government and continues to improve over time.

Debt Commitment Ratio

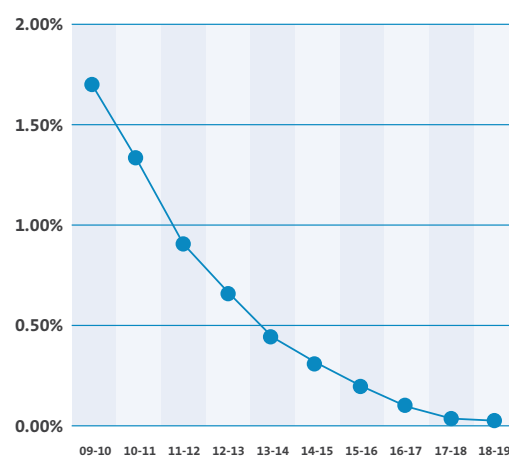
The Debt Commitment Ratio illustrates how much of Council's revenue is used to fund existing debt for the year (including the payment of both loan principal and interest). The lower the ratio, the better off Council is. Council's ratio is well within the prudential limit of 10% set by the Victorian Government and reflects Council's commitment to continued loan redemption.

Debt Exposure Ratio

The Debt Exposure Ratio enables an assessment of Council's solvency and exposure to debt. A low ratio means that Council's realisable assets (those which can be sold and are not subject to restrictions on realisation or use) such as land, buildings, plant and equipment exceed its overall liabilities. Council has a significant holding of Crown land assets, which have been excluded from the calculation of realisable assets, as have road infrastructure assets. Council's ratio has decreased in 2018–19 due to a reduction in loans, reflecting the active repayment of debt in accordance with agreed loan schedules.

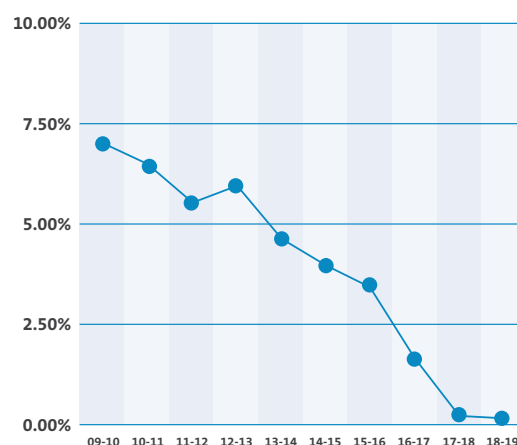
Debt Servicing Ratio ten-year comparison, 2009–10 to 2018–19:

Debt Servicing Ratio



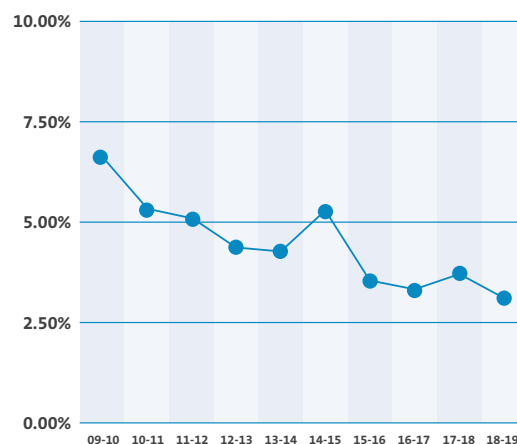
Debt Commitment Ratio ten-year comparison, 2009–10 to 2018–19:

Debt Commitment Ratio



Debt Exposure Ratio ten-year comparison, 2009–10 to 2018–19:

Debt Exposure Ratio



Financial sustainability is defined and assessed in a number of different ways. The generally accepted definition of financial sustainability is whether Councils have sufficient current and prospective financial capacity (inflows) to meet their current and prospective financial requirements (outflows).

To be sustainable, Councils need to have some excess capacity at any point in time to be able to manage future financial risks and shocks without having to radically adjust their current revenue or expenditure policies.

The indicators utilised by the Victorian Auditor-General's Office (VAGO) to assess the financial viability of councils are as follows:

- *Net result* – whether enough revenue is generated to cover operating costs including depreciation.
- *Adjusted underlying result* - whether the entity generates a surplus in the ordinary course of business.
- *Liquidity* – whether sufficient working capital exists to meet short-term commitments.
- *Indebtedness* – whether there is an over-reliance on debt to fund capital works expenditure.
- *Internal financing* – whether sufficient operating cash flows are generated to invest in assets and repay debt.
- *Capital replacement* – whether assets have been replaced at a rate consistent with the rate of consumption.
- *Renewal gap* – whether existing assets have been maintained at a consistent rate.

The Borough of Queenscliffe is included within the 'small shire councils' grouping of 19 Councils across the state, with respect to VAGO's annual assessment of financial sustainability indicators. Previous reports by VAGO have included an assessment for each Council, which is a valuable source of benchmarking against other Councils in the group.

Applying the seven indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe remains in a sound financial position and is considered 'low' risk in six of the seven financial sustainability indicators for the 2018–19 year.

The following table shows figures for the Borough of Queenscliffe, applying the six indicators of financial sustainability as measured by VAGO.

Council officers review the VAGO report and provide commentary to Council each year, discussing the above indicators and in some cases making adjustments to provide more relevant and meaningful indicators/results.

The following charts indicate the Borough's trend over the past ten years on the above financial sustainability indicators, except for the adjusted underlying result which is explained in detail on page 131. Note that the 2018–19 results are those calculated by the Borough for each of these ratios, as the final VAGO figures are not expected to be reported to Parliament and subsequently released to the public until late in the 2019 calendar year.

Sustainability indicators	BOQ Result	Risk Level: High	Risk Level: Medium	Risk Level: Low
Net Result (%)	25.09%	Negative or 10% less	Between negative 10% and zero	Greater than zero
Adjusted Underlying Result (%)	-0.20%	Less than 0%	Between 0% and 5%	More than 5%
Liquidity Ratio	5.04	Equal to or less than 0.75	Between 0.75 and 1.0	Greater than 1.0
Indebtedness (%)	0.51%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing (%)	139.62%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement Ratio	2.88	Equal to or less than 1.0	Between 1.0 and 1.5	Greater than 1.5
Renewal Gap Ratio	2.21	Equal to or less than 0.5	Between 0.5 and 1.0	Greater than 1.0

Net Result Ratio

VAGO includes this ratio in its assessment of financial sustainability indicators, as a measure of whether sufficient revenue is generated to meet operating costs. Council continues to achieve at least a break-even result, which is one of its key targets in formulating the Budget each year.

Liquidity Ratio

The Liquidity Ratio or Working Capital Ratio expresses the level of current assets, such as cash and financial assets (investments), that Council has available to meet its current liabilities, including outstanding creditors, loan liabilities and employee entitlements.

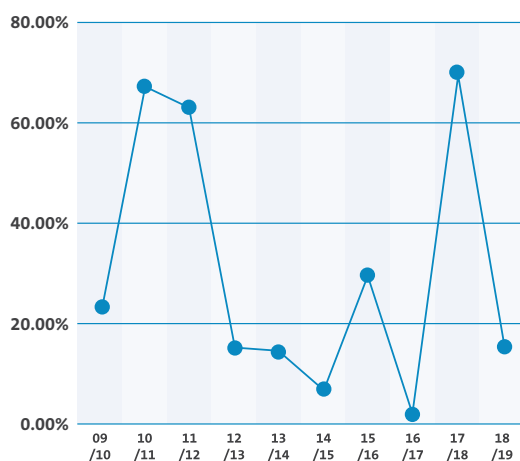
The target in Council's Strategic Resource Plan and Council Plan is to maintain a ratio of at least 100%. Council's current ratio continues to be well over the recommended level of 100% indicated by VAGO. This is a positive result, as it places Council in the 'low' risk category, indicating that there is no immediate issue with repaying liabilities when they fall due.

Indebtedness Ratio

The Indebtedness Ratio indicates Council's ability to repay debt from its own sources of revenue, such as rates and charges. The higher the percentage, the less able Council is to cover non-current liabilities from revenues generated from its own sources, excluding government grants. Council's ratio outcome continues to sit well within recommended limits, which is a reflection of the fact that its bank loans are reaching maturity whilst own-source revenue is increasing at the same time.

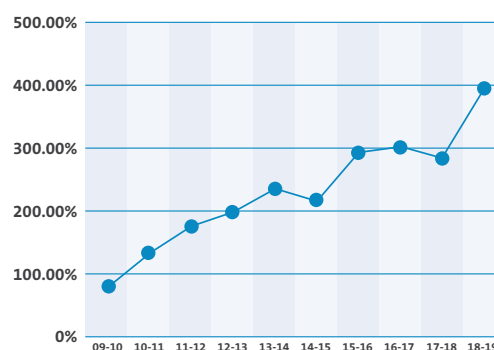
Net Result Ratio ten-year comparison, 2009–10 to 2018–19:

Net Result Ratio



Liquidity Ratio / Working Capital Ratio ten-year comparison, 2009–10 to 2018–19:

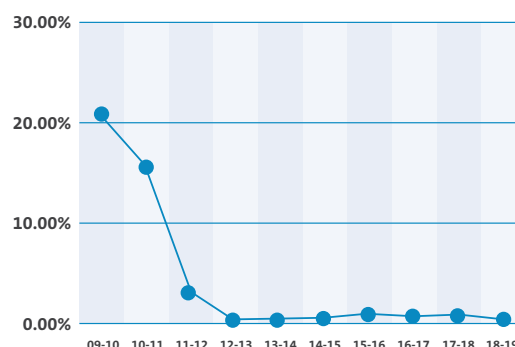
Working Capital Ratio



Note that \$2.075m of non-current assets held for sale has been removed from Council's current assets in the calculation of this indicator.

Indebtedness Ratio ten-year comparison, 2009–10 to 2018–19:

Indebtedness Ratio



Internal Financing Ratio

VAGO includes this ratio in its assessment of financial sustainability indicators, as a measure of whether sufficient operating cash flows are generated to invest in assets and repay debt. This ratio does not factor in cash flows for capital works received in prior financial years, held in reserves and carried forward to fund these works when they are completed.

Capital Replacement Ratio

The Capital Replacement Ratio relates to the total capital expenditure payments made in a year and draws a comparison of the rate of spending on property, infrastructure, plant and equipment with the level of depreciation expense. The outcome for 2018–19 and the long-term average result suggests that Council is at 'low' risk.

Whilst the Capital Replacement Ratio may have some benefit in assessing financial sustainability, Council prefers to focus on the Renewal Gap Ratio (below), as it more clearly demonstrates Council's commitment to capital spending on asset renewal as compared to capital expenditure, including new assets.

Renewal Gap Ratio

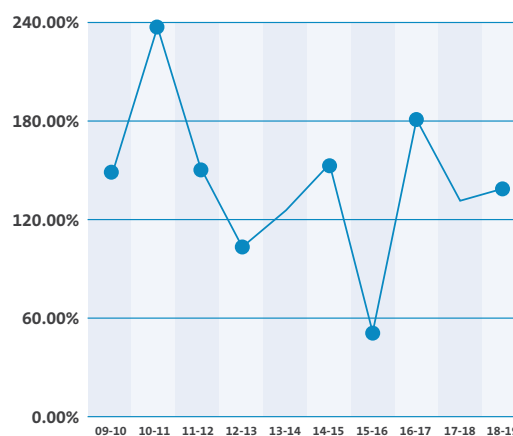
The Renewal Gap Ratio is concerned with the renewal and upgrade of Council's existing assets (i.e. replacing an asset with another that will do the same job). It is a comparison of the rate of spending on existing property, infrastructure, plant and equipment with the level of depreciation expense. Ratios higher than 100% indicate that spending on existing assets is greater than the rate that Council is consuming those assets.

This is a long-term indicator, as capital expenditure compared to depreciation needs to be averaged over a number of years as the peaks and troughs of asset replacement requirements occur. Council has averaged well over 100% for the trend period, demonstrating Council's commitment to maintaining and renewing its assets.

In summary, the outcomes for the financial sustainability indicators in the 2018–19 financial year, in conjunction with the indicators assessed by VAGO each year, continues to illustrate the Borough of Queenscliffe's sound financial position and shows that Council will be considered 'low' risk on six of the seven financial sustainability indicators when VAGO's report is released for 2018–19.

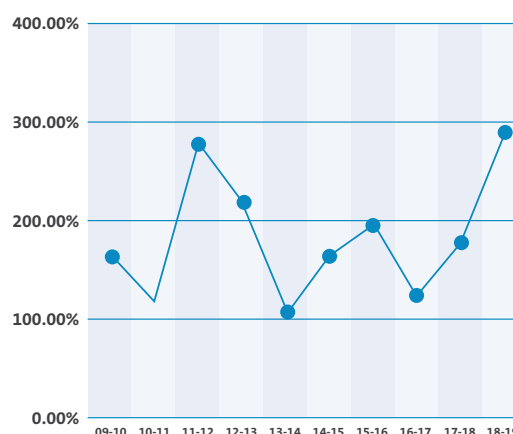
Internal Financing Ratio ten-year comparison, 2009–10 to 2018–19:

Internal Financing Ratio



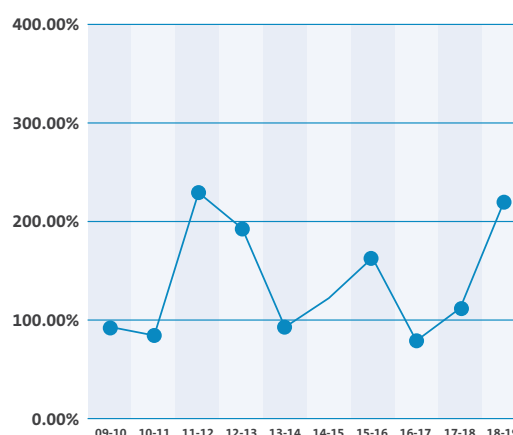
Capital Replacement Ratio ten-year comparison, 2009–10 to 2018–19:

Capital Replacement Ratio



Renewal Gap Ratio ten-year comparison, 2009–10 to 2018–19:

Renewal Gap Ratio



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Comprehensive Income Statement For the Year Ended 30 June 2019

	Note	2019 \$'000	2018 \$'000
Income			
Rates and charges	3.1	7,215	6,940
Statutory fees and fines	3.2	124	146
User fees	3.3	2,075	1,997
Grants - operating	3.4	1,146	1,127
Grants - capital	3.4	3,782	1,283
Contributions - monetary	3.5	86	13
Other income	3.7	333	291
Net gain (or loss) on disposal of property, infrastructure, plant and equipment	3.6	(13)	15
Total income		14,748	11,812
Expenses			
Employee costs	4.1	(4,124)	(4,187)
Materials and services	4.2	(4,890)	(4,912)
Bad and doubtful debts	4.4	-	(3)
Depreciation	4.3	(1,185)	(1,181)
Borrowing costs	4.5	(2)	(3)
Other expenses	4.6	(839)	(254)
Share of net profits (or loss) of associates and joint ventures	6.3	(7)	(0)
Total expenses		(11,047)	(10,540)
Surplus/(deficit) for the year		3,701	1,272
Other comprehensive income			
Items that will not be reclassified to surplus or deficit in future periods			
Net asset revaluation increment/(decrement)	6.2	(1,308)	6,879
Total comprehensive result		2,394	8,151

The above comprehensive income statement should be read in conjunction with the accompanying notes.

Balance Sheet

As at 30 June 2019

	Note	2019 \$'000	2018 \$'000
Assets			
Current assets			
Cash and cash equivalents	5.1	5,868	1,114
Trade and other receivables	5.1	942	258
Other financial assets	5.1	1,026	4,338
Inventories	5.2	6	4
Non-current assets classified as held for sale	6.1	2,075	-
Other assets	5.2	260	342
Total current assets		10,177	6,056
Non-current assets			
Trade and other receivables	5.1	1	-
Investments in an associate	6.3	207	214
Property, infrastructure, plant and equipment	6.2	131,713	133,566
Total non-current assets		131,921	133,780
Total assets		142,098	139,836
Liabilities			
Current liabilities			
Trade and other payables	5.3	781	876
Trust funds and deposits	5.3	100	75
Provisions	5.5	1,029	1,045
Interest-bearing liabilities	5.4	18	17
Other liabilities	5.7	92	87
Total current liabilities		2,020	2,100
Non-current liabilities			
Provisions	5.5	22	55
Interest-bearing liabilities	5.4	28	46
Total non-current liabilities		50	101
Total liabilities		2,070	2,201
Net assets		140,028	137,635
Equity			
Accumulated surplus		91,858	90,658
Reserves	9.1	48,170	46,977
Total Equity		140,028	137,635

The above balance sheet should be read in conjunction with the accompanying notes.

Statement of Changes in Equity For the Year Ended 30 June 2019

	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
2019					
Balance at beginning of the financial year		137,635	90,658	43,874	3,103
Surplus/(deficit) for the year		3,701	3,701	-	-
Net asset revaluation increment/(decrement)	6.2	(1,308)	-	(1,308)	-
Transfers to other reserves	9.1	-	(4,562)	-	4,562
Transfers from other reserves	9.1	-	2,061	-	(2,061)
Balance at end of the financial year		140,028	91,858	42,566	5,604
2018					
Balance at beginning of the financial year		129,484	89,344	36,995	3,145
Surplus/(deficit) for the year		1,272	1,272	-	-
Net asset revaluation increment/(decrement)	6.2	6,879	-	6,879	-
Transfers to other reserves	9.1	-	(1,370)	-	1,370
Transfers from other reserves	9.1	-	1,412	-	(1,412)
Balance at end of the financial year		137,635	90,658	43,874	3,103

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

As at 30 June 2019

	Note	2019 Inflows/ (Outflows) \$'000	2018 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		7,219	7,037
Statutory fees and fines		124	135
User fees		2,060	2,021
Grants - operating		1,255	998
Grants - capital		3,146	1,283
Contributions - monetary		86	13
Interest received		123	115
Trust funds and deposits taken		213	55
Other receipts		271	148
Net GST refund/(payment)		(40)	15
Employee costs		(4,153)	(4,143)
Materials and services		(5,090)	(4,583)
Trust funds and deposits repaid		(188)	(33)
Other payments		(262)	(259)
Net cash provided by/(used in) operating activities		4,764	2,802
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	6.2	(3,412)	(2,115)
Proceeds from sale of property, infrastructure, plant and equipment		108	43
Payments for investments		3,313	(1,152)
Net cash provided by/(used in) investing activities		8	(3,224)
Cash flows from financing activities			
Finance costs		(2)	(3)
Proceeds from borrowings		-	-
Repayment of borrowings		(17)	(42)
Net cash provided by/(used in) financing activities		(19)	(45)
Net increase (decrease) in cash and cash equivalents		4,754	(467)
Cash and cash equivalents at the beginning of the financial year		1,114	1,581
Cash and cash equivalents at the end of the financial year		5,868	1,114

The above statement of cash flows should be read in conjunction with the accompanying notes.

Statement of Capital Works As at 30 June 2019

	2019 \$'000	2018 \$'000
Property		
Land improvements	-	16
Total land	-	16
Buildings	865	439
Total buildings	865	439
Total property	865	455
Plant and equipment		
Plant, machinery and equipment	152	122
Fixtures, fittings and furniture	-	20
Computers and telecommunications	11	43
Total plant and equipment	163	185
Infrastructure		
Roads	780	153
Footpaths and cycleways	42	29
Drainage	178	230
Recreational, leisure and community facilities	850	306
Parks, open space and streetscapes	373	617
Off street car parks	20	118
Other infrastructure	141	22
Total infrastructure	2,384	1,475
Total capital works expenditure	3,412	2,115
Represented by:		
New asset expenditure	795	773
Asset renewal expenditure	1,412	957
Asset upgrade expenditure	1,205	385
Total capital works expenditure	3,412	2,115

Notes to the Financial Report For the Year Ended 30 June 2019

Overview

Introduction

The Borough of Queenscliffe was established by an Order of the Governor in Council on 12 May 1863 and is a body corporate.

The Council's main office is located at 50 Learmonth Street, Queenscliff.

Statement of compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and Notes accompanying these financial statements. The general purpose financial report complies with the Australian Accounting Standards (AAS), other authoritative pronouncements of the Australian Accounting Standards Board, the *Local Government Act 1989*, and the Local Government (Planning and Reporting) Regulations 2014.

Significant accounting policies

a. Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, whereby assets, liabilities, equity, income and expenses are recognised in the reporting period to which they relate, regardless of when cash is received or paid.

Judgements, estimates and assumptions are required to be made about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated judgements are based on professional judgement derived from historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Revisions to accounting estimates are recognised in the period in which the estimate is revised and also in future periods that are affected by the revision. Judgements and assumptions made by management in the application of AAS's that have significant effects on the financial statements and estimates relate to:

- the fair value of land, buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to Note 6.2)
- the determination of employee provisions (refer to Note 5.5)
- other areas requiring judgements.

Unless otherwise stated, all accounting policies are consistent with those applied in the prior year. Where appropriate, comparative figures have been amended to accord with current presentation, and disclosure has been made of any material changes to comparatives.

Unless otherwise stated, amounts in the financial report have been rounded to the nearest thousand dollars. Figures in the financial statements may not equate due to rounding.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget

The performance against budget notes compare Council's financial plan, expressed through its annual budget, with actual performance. The Local Government (Planning and Reporting) Regulations 2014 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10% or \$100,000 where further explanation is warranted. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The budget figures detailed below are those adopted by Council on 21 June 2018. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

These notes are prepared to meet the requirements of the *Local Government Act 1989* and the Local Government (Planning and Reporting) Regulations 2014.

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Variance Ref
Income					
Rates and charges	7,197	7,215	18	0%	
Statutory fees and fines	130	124	(6)	(5%)	
User fees	1,587	2,075	488	31%	1
Grants - operating	716	1,146	430	60%	2
Grants - capital	6,271	3,782	(2,489)	(40%)	3
Contributions - monetary	174	86	(88)	(51%)	4
Other income	266	333	67	25%	5
Net gain on disposal of property, infrastructure, plant and equipment	-	(13)	(13)	0%	
Total income	16,341	14,748	(1,593)	(10%)	
Expenses					
Employee costs	4,173	4,124	49	1%	
Materials and services	5,450	4,890	560	10%	6
Depreciation	1,329	1,185	144	11%	7
Bad and doubtful debts	3	-	3	100%	
Borrowing costs	9	2	7	73%	8
Other expenses	238	839	(601)	(253%)	9
Share of net profits/(losses) of associates and joint ventures	-	7	(7)	0%	
Total expenses	11,202	11,047	155	1%	
Surplus/(deficit) for the year	5,139	3,701	(1,749)	(34%)	

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget cont.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	User fees	The increase in user fees of \$488,000 is largely due to additional tourist park fees above level budgeted (originally expected to be foregone with a reduction in the number of permanent sites at Queenscliff Recreation Reserve).
2	Grants - operating	The increase in operating grants of \$430,000 comprises: 1) \$178,000 additional community aged care packages and grant funding; 2) \$128,000 Victoria Grants Commission funding for general purpose and local roads; 3) \$25,000 natural disaster funding; 4) \$26,000 funding for transition from biennial to annual rates revaluations; 5) \$15,000 funding for the Kindergarten capacity assessment process; 6) \$15,000 funding for the Low Light Festival; 7) \$15,000 funding for Walk to School; 8) \$10,000 additional funding for seawood removal from beaches; 9) \$8,000 funding for the Avenue of Honour tree replacement plan. 10) \$5,500 funding for Anzac Day events; and 11) \$2,000 for other grants < \$10,000 each.
3	Grants - capital	The net reduction in capital grants of \$2,489,000 is due to: 1) (\$3,485,000) shift in timing of major capital works, with some grant funding (and associated capital expenditure) now expected to be received (and spent) in 2019–20, for the following projects: Destination Queenscliff; Queenscliffe Hub; Queenscliff Sports & Recreation Precinct; and Point Lonsdale Lighthouse Reserve. 2) (150,000) Budgeted capital funding for climate change not received; 3) (\$120,000) funding budgeted but not secured (expenditure reduced accordingly) comprising of: \$100,000 enhancing alternate power supply; \$10,000 King Street bus stop; and \$10,000 pathway north of Bellarine Highway from Nelson Road to school crossing; 4) \$857,000 increase in funding, not budgeted, for fixing local roads (Bowen Road widening, Rail Trail connection at Bridge Road, seal entrance of Milne Court, and the design of the shared path at Murray Road.) 5) \$225,000 funding received for lighting upgrades at the Point Lonsdale Tennis Club. 6) \$92,000 funding, not budget, for outdoor gym equipment; 7) \$91,000 other grants secured during the year comprising of: \$81,000 for Point Lonsdale searchlight emplacement structure and \$10,000 upgrade of Point Lonsdale cenotaph, walking tracks, signage and open space.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget cont.

4	Contributions - monetary	The net reduction in monetary contributions of \$89,000 is due to: 1) (\$100,000) budgeted for Point Lonsdale Lighthouse Reserve, now funded by a capital grant instead; 2) (\$55,000) budgeted for outdoor gym equipment, now revised to reflect management by Rotary instead; 3) (\$20,000) budgeted for economic development narrative, not expected to be received (project expenditure reduced accordingly); and 4) \$59,000 new contribution, not budgeted, in lieu of open space provision for a development site as required in the conditions of the planning permit; 5) \$27,000 new contribution, not budgeted, to fund the upgrade of disabled toilets at the pavilion.
5	Other Income	The increase in operating grants of \$67,000 comprises of: 1) \$41,000 additional lease income. 2) \$25,000 interest income from investments.
6	Materials and services	The reduction in materials and services of \$560,000 is largely due to some operating projects carried forward to 2019–20 for completion and operational efficiencies identified during the year, including savings achieved in asset maintenance as a result of renewing assets at the optimum time.
7	Depreciation	The decrease in depreciation expenses of \$144,000 is largely due to assets being written off during the financial year, and therefore no longer depreciated.
8	Borrowing costs	The reduction in borrowing costs of \$7,000 is due to a lower amount for new loans drawn down in the 2018–19 financial year than originally budgeted.
9	Other expenses	The increase in other expenses of \$601,000 is largely due to asset write-offs totalling \$577,000 for buildings demolished as part of the Queenscliff Sports & Recreation Precinct.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget cont.

1.2 Capital works

	Budget 2019 \$'000	Actual 2019 \$'000	Variance 2019 \$'000	Variance %	Variance Ref
Property					
Land improvements	-	-	-		
Total land	-	-	-		
Buildings	1,921	865	(1,056)	(55%)	1
Heritage buildings	-	-	-	0%	
Total buildings	1,921	865	(1,056)	(55%)	
Total property	1,921	865	(1,056)	(55%)	
Plant and equipment					
Plant, machinery and equipment	340	152	(188)	(55%)	2
Fixtures, fittings and furniture	5	-	(5)	(100%)	3
Computers and telecommunications	30	11	(19)	(63%)	4
Total plant and equipment	375	163	(212)	(57%)	
Infrastructure					
Roads	486	780	294	60%	5
Footpaths and cycleways	102	42	(60)	(59%)	6
Drainage	241	178	(63)	(26%)	7
Recreational, leisure and community facilities	1,343	850	(493)	(37%)	8
Parks, open space and streetscapes	6,146	373	(5,773)	(94%)	9
Off street car parks	41	20	(21)	(51%)	10
Other infrastructure	449	141	(308)	(69%)	11
Total infrastructure	8,808	2,384	(6,424)	(73%)	
Total capital works expenditure	11,104	3,412	(7,692)	(69%)	
Represented by:					
New asset expenditure	3,762	795	(2,967)	(79%)	12
Asset renewal expenditure	5,062	1,412	(3,650)	(72%)	12
Asset upgrade expenditure	2,280	1,205	(1,075)	(47%)	12
Total capital works expenditure	11,104	3,412	(7,692)	(69%)	

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget cont.

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Buildings	The decrease of \$1,056,000 is mainly due to: 1) \$762,000 shift in timing for projects, now expected to be completed in 2019–20, including: Queenscliff Sports & Recreation Precinct, Destination Queenscliff, Queenscliff Hub, the future use of Fisherman's Coop Building and Princess Park Kiosk toilet upgrade; 2) \$222,000 budgeted for relocation of cabins from Queenscliff Recreation Reserve to Golightly Park, no longer going to occur; and 3) \$72,000 annual asset renewal program for Council and Crown land building assets, carried over to 2019–20.
2	Plant, machinery and equipment	The decrease of \$188,000 is largely due to a shift in timing for the motor vehicle replacement program, including extending some vehicles out by a further year before they are replaced.
3	Fixtures and fittings	The decrease of \$5,000 is due to office assets renewal budgeted, not required in the 2018–19 year.
4	Computers and telecommunications	The decrease of \$5,000 is due to office assets renewal budgeted, not required in the 2018–19 year.
5	Roads	The net increase of \$294,000 is due to: 1) \$332,000 roads projects funded by new Fixing Local Roads grant secured during the 2018–19 financial year; 2) (\$18,000) efficiency savings achieved; and 3) (\$20,000) balance of Hesse Street streetscape works carried forward to 2019–20 for completion.
6	Footpaths and cycleways	The net decrease of \$60,000 is due to: 1) \$40,000 footpath strategy carried forward to 2019–20; 2) \$34,000 efficiency savings achieved; and 3) (\$14,000) footpath projects funded by new Fixing Local Roads grant secured during the 2018–19 financial year.
7	Drainage	The net decrease of \$63,000 is due to: 1) \$35,000 shift in timing for projects, now expected to be completed in 2019–20, comprising of Simpson Street and King Street storm water asset improvement; 2) \$16,000 reduction in spend for Harbour Street path, road and drainage improvements; and 3) \$12,000 reduction in drainage asset renewal.
8	Recreational, leisure and community facilities	The reduction of \$493,000 is due to a shift in timing of capital funding and associated expenditure (including Council's contribution) for major capital works comprising: 1) \$380,000 Queenscliff Sports & Recreation Precinct; 2) \$55,000 outdoor gym equipment; 3) \$3,000 asset renewal and planning for future projects; and 4) \$55,000 in other projects totalling <\$10,000 each.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 1 - Performance against budget cont.

9	Parks, open space and streetscapes	<p>The reduction of \$5,773,000 is due to a shift in timing of capital funding and associated expenditure (including Council's contribution) for major capital works comprising:</p> <ol style="list-style-type: none"> 1) \$4,856,000 Destination Queenscliff; 2) \$657,000 Point Lonsdale Lighthouse Reserve; 3) \$40,000 Plan for park to focus on children and families; 3) \$180,000 Queenscliff Park; and 4) \$40,000 Queenscliffe Marine and Coastal Management Plan.
10	Off street car parks	<p>The reduction of \$21,000 is due to part of the Destination Queenscliff project carried forward to 2019–20.</p>
11	Other infrastructure	<p>The net reduction of \$308,000 is due to:</p> <ol style="list-style-type: none"> 1) \$350,000 projects budgeted but not proceeding as funding not secured, comprising of: \$200,000 climate change and \$150,000 enhancing alternate power supply; 2) \$30,000 Council contribution to Point Lonsdale Tennis Club lighting, which will continue to be held in carry forward reserves until this project is undertaken in 2019–20; 3) \$22,000 decrease in spend due to funding budgeted but not secured for King Street bus stop; 4) \$19,000 reduction in spend for the replacement of Christmas tree decorations and planning for path lighting; 5) \$11,000 shift in timing for the town's entry and main tourism signage, now expected to be completed in 2019–20; 6) (\$114,000) expenditure associated with new funding secured in 2018–19, comprising of: (\$108,000) Point Lonsdale searchlight emplacement structure; and (\$6,000) upgrade of Point Lonsdale cenotaph; and 7) (\$9,000) funds allocated by Council for Hesse Street artwork.
12	New assets, asset renewal and asset upgrade expenditure	<p>The net reduction totalling \$7,692,000 is largely due to a shift in timing of capital funding and associated expenditure (including Council's contribution) for major capital works. The most significant capital projects for which the carry forward of funds to 2019–20 and future years is involved comprise of: Destination Queenscliff; Queenscliffe Hub and the Point Lonsdale Lighthouse Reserve.</p>

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program

Council delivers its functions and activities through the following programs.

Strategic Objective 1 - Community Wellbeing

2.1 (a) Community Wellbeing

Aged Services

The Aged Services program provides care and assistance to older residents and carers requiring respite so that residents can live independently and remain safe in their homes. The program is focused on maximising the wellbeing, safety and health of frail older people and carers requiring respite. Through the Commonwealth Home Support Programme, support and maintenance services are provided to people living at home, whose capacity for independent living is at risk, or who are at risk of premature or inappropriate admission to long term residential care.

Active Communities

The Active Communities program promotes community wellbeing by supporting people and communities to be involved and active in sport, recreation, arts, culture and other community and civic activities. The program area is responsible for building the capacity of local clubs and community organisations and assisting these organisations to develop and implement projects that support social inclusion, access and equity within the Borough.

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. Council also plays a key role in promoting and acknowledging the significant roles played by volunteers in local organisations.

Maternal and Child Health

The Maternal and Child Health program (MCH) plays a key role in supporting and monitoring the health and wellbeing of local families and children from birth to school age. MCH is a primary health service which provides a comprehensive and focused approach for the promotion, prevention, early detection, and intervention of the physical, emotional or social factors affecting young children and their families. Council currently contracts the City of Greater Geelong to provide the Maternal and Child Health services in the Borough.

Kindergarten

The Kindergarten program is an important part of the Borough's early years services. 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 smooth transition to primary school. Whilst the Queenscliff Kindergarten is operated as a not-for-profit organisation, Council manages the Kindergarten building, facilitates access to external grants and supports the Kindergarten Committee of Management as needs arise.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

Environmental Health

The Environmental Health program monitors and maintains a safe environment for public health and wellbeing. This program is designed to meet Council's statutory obligations regarding public health notably under the Food Act 1984 and Public Health and Wellbeing Act 2008. Mandatory assessments of food safety, accommodation and beauty treatment premises are completed in accordance with the regulations and risk management frameworks. Tobacco control activities reduce the prevalence of smoking in the community. Nuisance complaint investigations remedy public health and amenity concerns and infectious disease investigations control and reduce the likelihood of notifiable disease. The Environmental Health program area also facilitates mosquito control activity.

Asset Management and Appearance of Public Places

The Asset Management and Appearance of Public Places program ensures the safety, functionality and aesthetics of public places and infrastructure. This program promotes community wellbeing and encourages people to be active in public settings. The program ensures safe and efficient active transport settings, including the development of a network of connected walking and cycling routes, facilitates safe access to and use of community facilities, parks and gardens, sports ovals and local amenities. Responsibilities extend to include maintenance of local roads, kerb and channel, footpaths, shared use trails, drainage and street cleanliness. Council implements an asset renewal and maintenance program for infrastructure including roads, paths, drainage and all Council-owned and managed community buildings. It is also responsible for the maintenance, cleaning and renewal of 14 public toilets.

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. This is achieved through management of school crossings, the provision of animal management services including animal registration and a dog and cat collection service, enforcement of local laws, issuing of local law permits, management of the boat ramp and enforcement of parking restrictions. This service is also the first Council respondent to out-of-hours emergencies.

Street Lighting

The Street Lighting program assists in the provision of a safe environment for motorists, pedestrians and cyclists. It involves the operation, maintenance, renewal and energy costs associated with the Borough's street lights. Importantly, Council has upgraded the streetlight infrastructure to achieve a high level of energy efficiency.

Powerline Safety

The Powerline Safety program assists in the provision of a safe environment and protection of the Borough's significant public and private assets and vegetation from fire by maintaining clear zones around powerlines to standards as set by legislation.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

Library

The Library program promotes community wellbeing by encouraging active participation and life-long learning opportunities in a safe, inclusive setting. Libraries can be restorative places and often a safe haven for people outside their own home. The public library service is provided in Queenscliff in a Council-owned building, and is operated by the Geelong Regional Library Corporation under a deed of agreement with Council. Council is one of four municipalities that make up the membership of the Corporation.

Strategic Objective 2 - Environmental Sustainability

Environmental Sustainability

The Environmental Sustainability program sees the Borough playing its part in protecting the natural environment for future generations. This includes Council measuring, monitoring and reducing its carbon emissions as well as assisting the local community to implement various initiatives designed to reduce greenhouse gases through the Community Environment Alliance. Council plays a key role in responding to the challenges of climate change and sea level rise and where possible working with various federal, state, regional and local organisations to inform and educate the community about practices that support environmental sustainability.

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. Under this program, Council implements State Government coastal management policy, manages environmental projects and works with state, regional and local services to enhance its management of coastal Crown land. The program involves weed reduction initiatives and annual planting of trees, shrubs and grasses.

Waste Management and Recycling

The Waste Management and Recycling program seeks to involve the local community in protecting the environment for future generations by minimising waste. Council works with local and regional organisations, including the Barwon South West Waste and Resource Recovery Group and neighbouring councils to increase community awareness and promote behaviours that reduce waste and promote recycling. In addition to regular kerbside waste collection and a hard rubbish collection, the program includes a recycling service, effective e-waste disposal and a green waste bin service for all residential and tourist accommodation properties. A range of public waste services are also provided given the comparatively high level of tourist visitation. It is important to note that full cost recovery of waste management, including recycling, is achieved via application of waste charges to ratepayers in accordance with Council's Rating Strategy.

Strategic Objective 3 - Local Economy

Tourist Parks and Boat Ramp Services

The Tourist Parks and Boat Ramp Services program ensures the Borough remains a special place for visitors while increasing tourism's contribution to the local economy. The program includes management of three tourist parks and one boat ramp. It currently provides approximately 350 camping/caravanning sites and associated facilities, including maintenance of seven amenities blocks, and management of the Queenscliff boat ramp which provides access to fishing opportunities in Port Phillip. While contributing significantly to the local economy, this program generates a net income result, which is used to fund improvements to and maintenance of community facilities, foreshore infrastructure and coastal protection activities on Crown land.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

Visitor Information Centre

The Visitor Information Centre program promotes the Borough as a special place for visitors, and supports local tourism and related businesses through the dissemination of tourism information that plays a key role in supporting a diverse and vibrant local economy. This program manages a year round State accredited tourist information service, with paid staff and volunteers offering information and advice about the visitor experiences on offer across the Borough and through other parts of Victoria.

Tourism & 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. The program is integrated with the activities of state and regional tourism organisations. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and overnight visitors. The program's focus is informed by the Council's Economic Development Strategy and includes supporting local businesses and working with neighbouring municipalities, Tourism Greater Geelong & the Bellarine, G21 and the State Government to implement regional economic development and related infrastructure priorities.

Strategic Objective 4 - Planning and Heritage

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. Specifically, the program manages project design, tendering and contract management activities as well as the implementation and supervision of Council's annual capital works program. It also manages issues associated with private development activities such as building over easements, legal point of discharge, vehicle point of access and unit development infrastructure.

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. The program implements Council's Planning Scheme and prepares major policy documents including the Municipal Strategic Statement. It maintains and processes amendments to the Queenscliffe Planning Scheme and carries out research on demographic, economic and social issues affecting Council. The program administers Council's statutory planning responsibilities, including the various processes associated with the assessment of planning permit applications and defence of Council decisions at the Victorian Civil and Administrative Tribunal.

Heritage Conservation Advice

The Heritage Conservation Advice program aims to retain the unique heritage and rich culture captured in the Borough's built form. It adds value to the Land Use Planning program by providing an external heritage expert to advise development applicants on how to respect and achieve compliance with heritage objectives, and to inform Council's assessment of planning permit applications in relation to heritage conservation.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

Building Control

The Building Control program ensures that building construction and maintenance is such that the community remains safe. It provides statutory building services including processing of siting variation consent, emergency management responsibilities, building inspections, building safety audits, and investigation of complaints and illegal works.

Strategic Objective 5 - Governance and Performance

Council Governance

The Council's Governance program supports the Mayor and Councillors to maintain a cohesive Council and a well-governed municipal Council. The program is structured to meet all legislative requirements associated with the Local Government Act 1989 and any other applicable Act. It supports Council's compliance with the Councillor Code of Conduct and its key relationships and memberships with organisations such as the MAV and G21. Council's participation in the annual Local Government Community Satisfaction Survey also forms part of this program.

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. This includes supporting organisation development and statutory compliance, and seeking to ensure that the behaviour of all staff complies with the Staff Code of Conduct. Key outputs of the program are the preparation and/or review of the Council Plan, Strategic Resource Plan and long term budget, Annual Implementation Plan and Council's Annual Budget.

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. It includes practical and strategic advice regarding Council's internal and external communications and issues management, and supports first point of contact to customers at the Council office. The program provides records management services in accordance with Council policy and procedures, administers the requirements of the privacy and freedom of information legislation, coordinates Council and Committee meetings, and provides other associated administrative support.

Financial and Risk Management

The Financial and Risk Management program seeks to ensure the ongoing independence and financial sustainability of the Borough of Queenscliffe. Council ensures sound financial management, and cohesiveness and performance of the organisation's operations, through the maintenance of appropriate systems. The service provides long term financial planning, robust internal risk management, adherence to guidelines on prudent management of debt, cash and asset renewal, and reviews its assets to improve the return on Council's investments. The service predominantly includes management of Council's finances, the raising and collection of revenue, payment of salaries and wages to Council employees, procurement and contracting of services, management and maintenance of robust computer systems, fleet management, insurance and risk management systems. The program also includes the revaluation of properties for rating purposes, processing of supplementary rates and the administration of the State Government's Fire Services Property Levy. The depreciation expense for all Council assets is also included as part of this program.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
2018					
Community Wellbeing					
Aged Services	589	748	(159)	515	12
Recreation, Arts and Culture and Community	14	176	(162)	13	24,912
Community Events	9	127	(118)	20	-
Maternal and Child Health	44	49	(5)	44	-
Kindergarten	-	1	(1)	-	766
Environmental Health	56	87	(31)	18	-
Asset Management and Appearance of Public Places	64	1,026	(962)	57	55,745
Local Laws, Safety and Amenity	78	304	(226)	29	31
Street Lighting	-	179	(179)	-	-
Powerline Safety	-	65	(65)	-	-
Library	-	195	(195)	-	-
Sub total - Community Wellbeing	854	2,957	(2,103)	696	81,466
Environmental Sustainability					
Environmental Sustainability	7	105	(98)	7	-
Coastal Protection	93	351	(258)	-	12
Waste management and Recycling	23	858	(835)	19	132
Sub total - Environmental Sustainability	123	1,314	(1,191)	26	144
Local Economy					
Tourist Parks and Boat Ramp Services	1,790	891	899	-	18,522
Visitor Information Centre	29	213	(184)	-	-
Tourism & Economic Development	165	366	(201)	138	7,170
Sub total - Local Economy	1,984	1,470	514	138	25,692
Planning and Heritage					
Design and Project Management	-	239	(239)	-	1,751
Land Use Planning	114	241	(127)	-	-
Heritage Conservation Advice	-	38	(38)	-	35
Building Control	21	36	(15)	-	-
Sub total - Planning and Heritage	135	554	(419)	-	1,786
Governance and Performance					
Council Governance	-	247	(247)	-	1,902
Organisational Performance and Compliance	234	1,318	(1,084)	229	6,673
Community Engagement and Customer Service	-	411	(411)	-	-
Financial and Risk Management	7,199	2,269	4,930	38	19
Sub total - Governance and Performance	7,433	4,245	3,188	267	6,692
Total - Strategic Objectives	10,529	10,540	(11)	1,127	115,779
Other non-attributable					
Capital Grants and Contributions	1,283	-	1,283	-	-
Land Under Roads	-	-	-	-	16,237
Other Property & Buildings	-	-	-	-	7,820
	11,812	10,540	1,272	1,127	139,836

Notes to the Financial Report For the Year Ended 30 June 2019

Note 2.1 - Analysis of Council results by program cont.

	Income \$'000	Expenses \$'000	Surplus/ (Deficit) \$'000	Grants included in income \$'000	Total assets \$'000
2019					
Community Wellbeing					
Aged Services	715	728	(13)	628	8
Recreation, Arts and Culture and Community	18	162	(144)	18	24,912
Community Events	25	126	(101)	21	-
Maternal and Child Health	47	70	(23)	47	-
Kindergarten	15	1	14	15	942
Environmental Health	36	95	(59)	6	-
Asset Management and Appearance of Public Places	95	1,044	(949)	85	55,745
Local Laws, Safety and Amenity	79	294	(215)	30	51
Street Lighting	-	30	(30)	-	-
Powerline Safety	-	60	(60)	-	-
Library	-	226	(226)	-	-
Sub total - Community Wellbeing	1,030	2,836	(1,806)	849	81,658
Environmental Sustainability					
Environmental Sustainability	-	108	(108)	-	-
Coastal Protection	166	370	(204)	22	8
Waste management and Recycling	16	930	(915)	16	113
Sub total - Environmental Sustainability	182	1,409	(1,227)	37	121
Local Economy					
Tourist Parks and Boat Ramp Services	1,822	801	1,021	-	18,256
Visitor Information Centre	26	221	(195)	-	-
Tourism & Economic Development	(9)	295	(304)	(10)	6,244
Sub total - Local Economy	1,839	1,316	523	(10)	24,500
Planning and Heritage					
Design and Project Management	-	202	(202)	-	1,288
Land Use Planning	91	249	(158)	-	-
Heritage Conservation Advice	-	38	(38)	-	182
Building Control	32	33	(2)	-	-
Sub total - Planning and Heritage	123	523	(400)	-	1,470
Governance and Performance					
Council Governance	-	239	(239)	-	1,698
Organisational Performance and Compliance	210	1,378	(1,168)	204	10,724
Community Engagement and Customer Service	33	562	(530)	-	-
Financial and Risk Management	7,464	2,209	5,255	66	26
Sub total - Governance and Performance	7,708	4,388	3,319	270	10,750
Total - Strategic Objectives	10,881	10,470	411	1,146	118,498
Other non-attributable					
Capital Grants and Contributions	-	577	(577)	-	-
Capital Grants and Contributions	3,867	-	3,867	-	-
Land Under Roads	-	-	-	-	16,237
Other Property & Buildings	-	-	-	-	7,363
	14,748	11,047	3,701	1,146	142,098

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 3 - Funding for the delivery of our services

3.1 Rates and charges

Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all its improvements.

The valuation base used to calculate general rates for 2018–19 was \$2,881 million (2017–18 \$2,487 million).

	2019 \$'000	2018 \$'000
General rates		
Residential	5,041	5,056
Residential vacant land	146	-
Tourist accommodation	731	675
Commercial	355	380
Total general rates	6,273	6,111
Waste management charges		
Kerbside waste	484	408
Public waste	308	297
Green waste	107	102
Additional bins	18	17
Total waste management charges	917	824
Other rates and charges		
Interest on rates and charges	12	12
Cultural and recreational charges - in lieu of rates	3	4
Supplementary rates and charges	14	9
Less: additional pensioner concession offered by Council	-	(15)
Less: rebate for properties of environmental interest	(4)	(5)
Total other rates and charges	25	5
Total rates and charges	7,215	6,940

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2019, and the valuation will be first applied in the rating year commencing 01/07/2019.

Annual rates and charges are recognised as revenues when Council issues annual rates notices. Supplementary rates are recognised when a valuation and reassessment is completed and a supplementary rates notice issued.

3.2 Statutory fees and fines

Town planning fees	91	114
Infringements and costs	11	17
Permits	15	13
Fines Victoria court recoveries	3	(3)
Land information certificates	4	5
Total statutory fees and fines	124	146

Statutory fees and fines (including parking fees and fines) are recognised as revenue when the service has been provided, the payment is received, or when the penalty has been applied, whichever first occurs.

3.3 User fees

Tourist park fees	1,724	1,679
Boat ramp parking fees - ticket machines	98	111
Aged services	87	74
Registration and other permits	53	60
Valuation fees/supplementary charges	34	5
Building services	32	21
Tourism	27	11
Recycling disposal income	-	5
Other fees and charges (< \$10,000 each)	20	31
Total user fees	2,075	1,997

User fees are recognised as revenue when the service has been provided or Council has otherwise earned the income.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 - Funding for the delivery of our services cont.

	2019 \$'000	2018 \$'000
3.4 Funding from other levels of government		
Grants were received in respect of the following :		
Summary of grants		
Commonwealth funded grants	1,922	889
State funded grants	3,000	1,503
Other grants	6	19
Total grants received	4,928	2,410
(a) Operating Grants		
Recurrent - Commonwealth Government		
Aged Services	627	518
Financial Assistance Grants	264	285
Recurrent - State Government		
Maternal and child health	48	44
Fire Services Property Levy administration	39	38
School crossing supervision	30	24
Beach cleaning	20	13
Other (<\$10,000 each)	23	0
Recurrent - Other		
Tobacco Activity Program	6	0
Total recurrent operating grants	1,057	922
Non-recurrent - State Government		
Tourism and economic development	5	153
Waste management and recycling	5	5
Coastal protection	12	-
Transition to annual rates revaluation	27	-
Local laws, safety and amenity	-	5
Sustainability and environment	25	7
Community development	15	16
Non-recurrent - Other		
Environmental health	-	19
Total non-recurrent operating grants	89	205
Total operating grants	1,146	1,127
(b) Capital Grants		
Recurrent - Commonwealth Government		
Roads to recovery	145	86
Total recurrent capital grants	145	86
Non-recurrent - Commonwealth Government		
Parks, open space and streetscapes	886	-
Non-recurrent - State Government		
Buildings	967	-
Roads	783	-
Recreation, leisure and community facilities	582	1,000
Parks, open space and streetscapes	1	197
Footpaths and cycleways	105	-
Other infrastructure	313	-
Total non-recurrent capital grants	3,637	1,197
Total capital grants	3,782	1,283
Total Grants	4,928	2,410

Notes to the Financial Report For the Year Ended 30 June 2019

Note 3 - Funding for the delivery of our services cont.

	2019 \$'000	2018 \$'000
(c) Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,106	1,017
Received during the financial year and remained unspent at balance date	1,863	377
Received in prior years and spent during the financial year	(847)	(287)
Balance at year end	2,122	1,106

Grant income is recognised when Council obtains control of the contribution. Control is normally obtained upon receipt (or acquittal).

3.5 Contributions

Monetary	86	13
Total contributions	86	13

Monetary and non monetary contributions are recognised as revenue when Council obtains control over the contributed asset.

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

Proceeds of sale	104	43
Written down value of assets disposed	(117)	(28)
Total net gain/(loss) on disposal of property, infrastructure, plant and equipment	(13)	15

The profit or loss on sale of an asset is determined when control of the asset has passed to the buyer.

3.7 Other income

Interest - investment of surplus cash	121	110
Other rent - lease of Crown Land properties	131	81
Other rent - lease of Council properties	46	46
Reimbursements	35	52
Donation Income	-	2
Total other income	333	291

Interest is recognised as it is earned.

Other income, including reimbursements, is measured at the fair value of the consideration received or receivable and is recognised when Council gains control over the right to receive the income.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 4 - The cost of delivering services

	2019 \$'000	2018 \$'000
4.1 (a) Employee costs		
Wages and salaries	3,583	3,620
Superannuation	320	333
Overtime	123	125
WorkCover	47	53
Fringe benefits tax	51	56
Total employee costs	4,124	4,187
(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	8	19
	<u>8</u>	<u>19</u>
Employer contributions payable at reporting date.	-	-
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	164	166
Employer contributions - other funds	139	129
	<u>303</u>	<u>295</u>
Employer contributions payable at reporting date.	31	30
Refer to note 9.3 for further information relating to Council's superannuation obligations.		
4.2 Materials and services		
Roads, parks and reserves maintenance	597	586
Cleaning of council buildings, amenities and BBQ's	131	98
Maternal and Child Health	70	49
Drainage maintenance	60	59
Home and community care home maintenance	46	58
Valuation services	15	34
General service delivery	1,161	1,001
Waste management	938	858
Non-recurrent operating projects (rates funded)	42	120
Labour contracts (I.T, building surveyor, heritage advisor and specialist backfill)	397	300
Foreshore and open space maintenance	286	245
Buildings, works, plant and equipment maintenance	214	400
Utilities	227	242
Contribution to Geelong Regional Library Corporation	211	210
Insurance	198	190
Information technology software and maintenance agreements	126	167
Local Government election costs	29	-
Non-recurrent operating projects (grant funded)	101	132
Office administration	41	163
Total materials and services	4,890	4,912
4.3 Depreciation		
Property	419	422
Plant and equipment	154	160
Infrastructure	612	599
Total depreciation	1,185	1,181

Notes to the Financial Report For the Year Ended 30 June 2019

Note 4 - The cost of delivering services cont.

	2019 \$'000	2018 \$'000
4.4 Bad and doubtful debts		
Parking fine debtors	-	2
Other debtors	-	1
Total bad and doubtful debts	-	3
Movement in provisions for doubtful debts		
Balance at the beginning of the year	6	8
New provisions recognised during the year	-	3
Amounts already provided for and written off as uncollectible	(4)	(5)
Balance at end of year	2	6
Provision for doubtful debt is recognised based on an expected credit loss model. This model considers both historic and forward looking information in determining the level of impairment.		
4.5 Borrowing costs		
Interest - Borrowings	2	3
Total borrowing costs	2	3
Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council.		
4.6 Other expenses		
Councillors' allowances	148	145
Auditors' remuneration - VAGO	39	40
Auditors' remuneration - Internal	31	24
Auditors' remuneration - Other	6	
Operating lease rentals	19	23
Others	19	22
Assets written-off / impaired	577	-
Total other expenses	839	254

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 - Our financial position

	2019 \$'000	2018 \$'000
5.1 Financial assets		
(a) Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	1,239	1,112
Term deposits	4,627	-
Total cash and cash equivalents	5,868	1,114
(b) Other financial assets		
Term deposits - current	1,026	4,338
Total other financial assets	1,026	4,338
Total financial assets	6,894	5,452

Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:

- Trust funds and deposits (Note 5.3)	100	75
Total restricted funds	100	75
Total unrestricted cash and cash equivalents	5,768	1,039

Intended allocations

Although not externally restricted the following amounts have been allocated for specific future purposes by Council:

- Cash held to fund carried forward projects (Note 9.1(b))	5,122	2,202
- Cash held to fund future asset replacement requirements (Note 9.1(b))	421	840
- Cash held to fund future calls on the defined benefits superannuation fund (Note 9.1(b))	40	40
- Cash held to fund future waste management costs (Note 9.1(b))	21	19
Total funds subject to intended allocations	5,604	3,101

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

Other financial assets are valued at fair value, at balance date. Term deposits are measured at original cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(c) Trade and other receivables

Current

Statutory receivables

Rates debtors	94	103
Pensioner rebate	23	22
Infringement debtors	13	8
Provision for doubtful debts - infringements	(2)	(6)

Non statutory receivables

Other rent - Lease of ties	-	6
Other debtors		
Other	134	64
Grants receivable	579	-
Net GST receivable	101	61

Total current trade and other receivables

Total current trade and other receivables	942	258
Non-current		
Other	1	-
Total trade and other receivables	943	258

Short-term receivables are carried at invoice amount. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred. Long-term receivables are carried at amortised cost using the effective interest rate method.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 - Our financial position cont.

	2019 \$'000	2018 \$'000
(d) Ageing of Receivables		
The ageing of the Council's trade and other receivables (excluding statutory receivables) that are not impaired was:		
Current (not yet due)	147	38
Past due by up to 30 days	484	24
Past due between 31 and 180 days	62	10
Past due between 181 and 365 days	118	1
Past due by more than 1 year	3	-
Total trade and other receivables	814	73
(e) Ageing of individually impaired Receivables		
At balance date, other debtors representing financial assets with a nominal value of \$1,812 (2018: \$6,124) were impaired. The amount of the provision raised against these debtors was \$1,812 (2018: \$6,124). They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements.		
The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	-	1
Past due by more than 1 year	2	7
Total trade and other receivables	2	8
5.2 Non-financial assets		
(a) Inventories		
Inventories held for sale	6	4
Total inventories	6	4
Inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.		
(b) Other assets		
Prepayments	217	131
Accrued income	43	211
Total other assets	260	342
5.3 Payables		
(a) Trade and other payables		
Trade payables	524	648
Accrued expenses	151	143
Accrued wages and salaries	106	85
Total trade and other payables	781	876
(b) Trust funds and deposits		
Retention amounts	-	-
Other refundable deposits	100	75
Total trust funds and deposits	100	75

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 5 - Our financial position cont.

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited. Trust funds that are forfeited, resulting in council gaining control of the funds, are to be recognised as revenue at the time of forfeit.

Purpose and nature of items

Refundable deposits – Deposits are taken by Council as a form of surety in a number of circumstances, including in relation to building works, tender deposits, contract deposits and the use of civic facilities

Fire Service Levy – Council is the collection agent for fire services levy on behalf of the State Government. Council remits amounts received on a quarterly basis. Amounts disclosed here will be remitted to the State Government in line with that process.

Retention amounts – Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

	2019 \$'000	2018 \$'000
5.4 Interest-bearing liabilities		
Current		
Borrowings - secured	18	17
	18	17
Non-current		
Borrowings - secured	28	46
	28	46
Total	46	63

Borrowings are secured by the general rates of Council as contemplated in Section 148(1) of the *Local Government Act 1989* (the Act).

(a) The maturity profile for Council's borrowings is:

Not later than one year	18	17
Later than one year and not later than five years	28	46
	46	63

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest method.

The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

	Annual Leave \$'000	Long Service Leave \$'000	Accrued days off \$'000	Total \$'000
5.5 Provisions				
2019				
Balance at beginning of the financial year	329	743	28	1,100
Additional provisions	299	86	7	392
Amounts used	(317)	(124)	(5)	(445)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	4	-	-	4
Balance at the end of the financial year	315	705	30	1,051

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 - Our financial position cont.

	Annual Leave \$'000	Long Service Leave \$'000	Accrued days off \$'000	Total \$'000
2018				
Balance at beginning of the financial year	305	728	23	1,056
Additional provisions	87	145	14	246
Amounts used	(62)	(130)	(9)	(201)
Change in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	-	-	(1)
Balance at the end of the financial year	329	743	28	1,100
	2019			2018
	\$'000			\$'000
(a) Employee provisions				
Current provisions expected to be wholly settled within 12 months				
Annual leave		82		132
Long service leave		105		40
Accrued days off		30		28
		217		200
Current provisions expected to be wholly settled after 12 months				
Annual leave		233		197
Long service leave		579		648
		812		845
Total current employee provisions		1,029		1,045
Non-current				
Long service leave		22		55
Total non-current employee provisions		22		55
Aggregate carrying amount of employee provisions:				
Current		1,029		1,045
Non-current		22		55
Total aggregate carrying amount of employee provisions		1,051		1,100

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Wages and salaries and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave and accumulated sick leave expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as non current liabilities, measured at the present value of the amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits. LSL is measured at present value. Unconditional LSL is disclosed as a current liability. Conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability.

Key assumptions:

	2019	2018
- index rate	1% - 1.23%	1% - 1.5%
- discount rate	0% - 1.4%	0% - 2.7%
- inflation rate	4.313%	3.875%

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 - Our financial position cont.

	2019 \$'000	2018 \$'000
5.6 Financing arrangements		
The Council has the following funding arrangements in place as at the 30th of June:		
Bank overdraft	5	5
Credit card facilities	27	29
Loan facilities	46	63
Total facilities	78	97
Used facilities	54	70
Unused facilities	24	27
5.7 Other liabilities		
Income received in advance	92	87
Total other liabilities	92	87

5.8 Commitments

The Council has entered into the following commitments. Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value and presented inclusive of the GST payable.

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2019					
Operating					
Roads, parks and reserves maintenance	789	836	886	-	2,511
Garbage collection	538	571	-	-	1,109
Cleaning contract for council buildings	594	39	-	-	633
Cleaning services for amenities blocks & BBQ facilities	64	67	68	-	199
Internal audit	76	82	-	-	158
Print services	41	37	-	-	78
Information systems & technology	60	-	-	-	60
Review of Planning Scheme Heritage Provisions	56	-	-	-	56
Design services for civil works: Destination Queenscliff	19	-	-	-	19
Queenscliff Winter Weekends Event Management	7	-	-	-	7
Total	2,244	1,632	954	-	4,830
Capital					
Queenscliff Recreation Reserve Sport Precinct civil construction	75	-	-	-	75
Fixing Country Roads – Bowen Road widening	61	-	-	-	61
Rehabilitation of searchlight	42	-	-	-	42
Access stairs to searchlight	25	-	-	-	25
Decking for Queenscliff Neighbourhood House	23	-	-	-	23
Fixing Country Roads – Bellarine Rail Trail Link at Bridge Street, Queenscliff	16	-	-	-	16
Roundabout construction at Point Lonsdale Road & Ocean Road	1	-	-	-	1
Total	243	-	-	-	243.04

Notes to the Financial Report For the Year Ended 30 June 2019

Note 5 - Our financial position cont.

	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
2018					
Operating					
Garbage collection	506	517	527	-	1,550
Roads, parks and reserves maintenance	793	-	-	-	793
Powerline & sundry tree clearance	560	145	-	-	705
Information systems & technology	41	41	36	-	118
Cleaning contract for amenities blocks and BBQ's	62	16	-	-	78
Cleaning contract for Council buildings	68	-	-	-	68
Provision of valuation services	21	21	-	-	42
Print services	40	-	-	-	40
Design services for civil works: Destination Queenscliffe	40	-	-	-	40
Planning for the future of Council- managed tourist parks	35	-	-	-	35
Pedestrian, cyclist and road safety strategy (footpath)	23	-	-	-	23
Internal audit	14	8	-	-	22
Point Lonsdale Lighthouse reserve landscape improvements	13	-	-	-	13
Total operating	2,216	748	563	-	3,527
Capital					
Queenscliff Recreation Reserve Sport Precinct civil construction	544	-	-	-	544
Netball game-day facility construction	507	-	-	-	507
Fort Queenscliff business case	70	-	-	-	70
Total capital	1,121	-	-	-	1,121
Total commitments	3,337	748	563	-	4,648

Operating lease commitments

At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of land and photocopier equipment for use within Council's activities (these obligations are not recognised as liabilities):

	2019 \$'000	2018 \$'000
Not later than one year	11	23
Later than one year and not later than five years	-	11
Later than five years	-	-
	11	34

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage

	2019 \$'000	2018 \$'000
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6.1 Non current assets classified as held for sale

Land - At fair value	2,075	-
Total non current assets classified as held for sale	2,075	-

Non-current assets classified as held for sale are measured at the lower of its carrying amount and fair value less costs of disposal, and are not subject to depreciation. Non-current assets are treated as current and classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset's sale is expected to be completed within 12 months from the date of classification.

6.2 Property, infrastructure, plant and equipment

6.2 a Summary of property, infrastructure, plant and equipment

	At Fair Value 30 June 2018 \$'000	Accumulated Depreciation \$'000	WDV at 30 June 2018 \$'000
Property	122,459	(9,985)	112,472
Plant and equipment	1,458	(822)	636
Infrastructure	28,383	(10,311)	18,071
Work in progress	2,386	-	2,386
	154,686	(21,118)	133,566

	Additions \$'000	Revaluation \$'000	Disposal \$'000	Write-off \$'000	Transfers \$'000	Depreciation \$'000
Property	77	(1,308)	-	(597)	(2,075)	(421)
Plant and equipment	163	-	(102)	-	-	(152)
Infrastructure	585	-	-	-	28	(612)
Work in progress	2,588	-	-	-	(28)	-
	3,412	(1,308)	(102)	(597)	(2,075)	(1,185)

	At Fair Value 30 June 2019 \$'000	Accumulated Depreciation \$'000	WDV at 30 June 2019 \$'000
Property	118,070	(9,922)	108,148
Plant and equipment	1,404	(858)	546
Infrastructure	28,995	(10,922)	18,073
Work in progress	4,946	-	4,946
	153,415	(21,702)	131,713

Summary of Work in Progress

	Opening WIP \$'000	Additions \$'000	Write-off \$'000	Transfers \$'000	Closing WIP \$'000
Property	657	788	-	-	1,445
Plant and equipment	-	-	-	-	-
Infrastructure	1,729	1,800	-	(28)	3,501
Total	2,386	2,588	-	(28)	4,946

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

Summary of Work in Progress

(a) Property

	Land - specialised	Land - non specialised	Land improvements	Total Land & Land Improvements	Heritage buildings	Buildings - specialised	Buildings - non specialised	Building improvements	Total Buildings	Work In Progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	75,302	22,588	-	97,890	-	21,824	2,744	-	24,568	657	123,116
Accumulated depreciation at 1 July 2018	-	-	-	-	-	(9,174)	(810)	-	(9,985)	-	(9,985)
	75,302	22,588	-	97,890	-	12,650	1,934	-	14,582	657	113,131
Movements in fair value											
Additions	-	-	-	-	-	76	1	-	77	788	865
Contributions	-	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	316	(1,437)	(90)	-	(1,211)	-	(1,211)
Reclassification - NCA for sale	(2,075)	-	-	(2,075)	-	-	-	-	-	-	(2,075)
Write-off	-	-	-	-	-	(1,180)	-	-	(1,180)	-	(1,180)
Transfers	-	-	-	-	35	123	(158)	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
	(2,075)	-	-	(2,075)	351	(2,418)	(247)	-	(2,314)	788	(3,601)
Movements in accumulated depreciation											
Depreciation	-	-	-	-	(6)	(370)	(45)	-	(421)	-	(421)
Write-off	-	-	-	-	-	583	-	-	583	-	583
Revaluation	-	-	-	-	(128)	30	-	-	(98)	-	(98)
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	(35)	(42)	77	-	-	-	-
	-	-	-	-	(169)	201	32	-	64	-	64
At fair value 30 June 2019	73,227	22,588	-	95,815	351	19,406	2,496	-	22,254	1,445	119,514
Accumulated depreciation at 30 June 2019	-	-	-	-	(169)	(8,973)	(778)	-	(9,921)	-	(9,921)
	73,227	22,588	-	95,815	182	10,433	1,718	-	12,333	1,445	109,593

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

(b) Plant and Equipment

	Plant machinery and equipment \$'000	Fixtures fittings and furniture \$'000	Computers and telecomms \$'000	Work in Progress \$'000	Total plant and equipment \$'000
At fair value 1 July 2018	528	340	590	-	1,458
Accumulated depreciation at 1 July 2018	(262)	(267)	(292)	-	(822)
	266	73	298	-	636
Movements in fair value					
Additions	152	-	11	-	163
Contributions	-	-	-	-	-
Revaluation	-	-	-	-	-
Disposal	(189)	-	(28)	-	(217)
Write-off	-	-	-	-	-
Transfers	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-
	(37)	-	(17)	-	(54)
Movements in accumulated depreciation					
Depreciation and amortisation	(88)	(21)	(44)	-	(152)
Accumulated depreciation of disposals	98	-	18	-	115
Impairment losses recognised in operating result	-	-	-	-	-
Transfers	-	-	-	-	-
	10	(21)	(26)	-	(36)
At fair value 30 June 2019	491	340	573	-	1,404
Accumulated depreciation at 30 June 2019	(252)	(288)	(318)	-	(858)
	239	52	255	-	546

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

(c) Infrastructure

	Roads	Footpaths and cycleways	Drainage	Recreational, leisure and community	Waste Management	Parks open spaces and streetscapes	Off street car parks	Other Infrastructure	Work In Progress	Total Infrastructure
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
At fair value 1 July 2018	16,923	1,571	4,507	2,467	221	1,603	784	306	1,729	30,111
Accumulated depreciation at 1 July 2018	(5,736)	(630)	(2,163)	(996)	(90)	(320)	(269)	(106)	-	(10,311)
	11,187	941	2,344	1,471	131	1,283	515	200	1,729	19,800
Movements in fair value										
Additions	388	43	34	32	-	37	25	26	1,800	2,385
Contributions	-	-	-	-	-	-	-	-	-	-
Revaluation	-	-	-	-	-	-	-	-	-	-
Disposal	-	-	-	-	-	-	-	-	-	-
Write-off	-	-	-	-	-	-	-	-	-	-
Transfers	23	-	5	-	-	-	-	-	(28)	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
	411	43	39	32	-	37	25	26	1,772	2,385
Movements in accumulated depreciation										
Depreciation and amortisation	(273)	(32)	(45)	(111)	(18)	(101)	(14)	(18)	-	(612)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
Impairment losses recognised in operating result	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-	-	-
	(273)	(32)	(45)	(111)	(18)	(101)	(14)	(18)	-	(612)
At fair value 30 June 2019	17,334	1,614	4,545	2,499	221	1,641	809	331	3,501	32,495
Accumulated depreciation at 30 June 2019	(6,009)	(662)	(2,208)	(1,107)	(108)	(421)	(283)	(124)	-	(10,922)
	11,325	952	2,337	1,392	113	1,220	526	207	3,501	21,573

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

	Depreciation Period	Threshold Limit \$'000
Property		
Land	-	5
Land under roads	-	5
Land improvements	-	5
Buildings	25 - 200 years	10
Plant and Equipment		
Plant, machinery and equipment	2 - 10 years	0.5
Fixtures, fittings and furniture	3 - 10 years	0.5
Computers and telecommunications	3 - 10 years	0.5
Infrastructure		
Roads	12 - 80 years	10
Footpaths and cycleways	20 - 50 years	10
Drainage	15 - 100 years	5
Recreation, leisure and community facilities	10 - 100 years	5
Waste management	5 - 15 years	5
Parks, open space and streetscapes	5 - 25 years	5
Off-street car parks	12 - 80 years	5
Other infrastructure	5 - 100 years	5

Depreciation periods used, as listed above, are consistent with the prior year unless otherwise stated.

Depreciation

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

Straight line depreciation is charged based on the residual useful life as determined each year.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

Repairs and maintenance

Where the repair relates to the replacement of a component of an asset and the cost exceeds the capitalisation threshold the cost is capitalised and depreciated. The carrying value of the replaced asset is expensed.

Valuation of land and buildings

Valuation of land and buildings were undertaken by a qualified independent valuer from Opteon Property Group (Victoria) ("Opteon"), valuer registration number 63379. The valuation of land and buildings is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Land under roads (specialised land) is valued at fair value using site values adjusted for englobo (undeveloped and / or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The date of the current valuation is detailed in the following table.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Freehold Land	-	22,588	-	March 2018
Crown Land (specialised land)	-	-	59,065	March 2018
Land under roads (specialised land)	-	-	16,237	March 2018
Buildings	-	1,717	-	June 2019
Buildings Specialised	-	-	10,615	June 2019
Total	-	24,305	85,917	

Valuation of infrastructure

Valuation of road network infrastructure assets (roads including kerb and channel, footpaths and cycleways) and off street car parks was conducted by Council's engineer, Mr. Stuart Hansen, during 2015–16 using the condition assessment work of Mr. Peter Moloney, Dip C.E.C.MIE Aust conducted in June 2016. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2015–2016. All other infrastructure assets are currently based at cost.

The date of the current valuation is detailed in the following table.

The valuation is at fair value based on the cost approach which utilises the current replacement cost, less accumulated depreciation and adjusted for the condition of the asset. The current replacement cost has been based on a combination of recently tendered work, benchmarking of costs against other councils and Rawlinson's Australia Construction Handbook.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2019 are as follows:

	Level 1	Level 2	Level 3	Date of Valuation
Roads	-	-	11,325	June 2016
Footpaths and cycleways	-	-	952	June 2016
Drainage	-	-	2,336	June 2016
Off street car parks	-	-	526	June 2016
Total	-	-	15,140	

Notes to the Financial Report For the Year Ended 30 June 2019

Note 6 - Assets we manage cont.

Description of significant unobservable inputs into level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$43 and \$2,335 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$451 to \$4,644 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 0 years to 107 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2019	2018
	\$'000	\$'000
Reconciliation of specialised land		
Crown Land	59,065	59,065
Land under roads	16,237	16,237
Total specialised land	75,302	75,302

6.3 Investments in associates, joint arrangements and subsidiaries

(a) Investments in associates

Investments in an associate accounted for by the equity method is:

- Geelong Regional Library Corporation	207	214
--	-----	-----

Geelong Regional Library Corporation

Council recognises its interest in the Geelong Regional Library Corporation by recording an investment in its financial statements at a value based on Council's underlying interest in the net assets of the service disclosed in its audited financial statements for the year ended 30 June 2018. Council's share of the net assets (1.81%) is calculated on the same ratio as it contributes to the operating costs of the service. Annual contributions to the library service are included in the Comprehensive Income Statement.

Fair value of Council's investment in Geelong Regional Library Corporation	207	214
Council's share of accumulated surplus/(deficit)		
Council's share of accumulated surplus(deficit) at start of year	214	170
Reported surplus(deficit) for year	(7)	(25)
Council's share of accumulated surplus(deficit) at end of year	207	145
Movement in carrying value of investment		
Carrying value of investment at start of year	214	239
Share of surplus(deficit) for year	(7)	(25)
Carrying value of investment at end of year	207	214

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 7 - People and relationships

7.1 Council and key management remuneration

(a) Related Parties

2019 No.	2018 No.
-------------	-------------

Parent entity

Borough of Queenscliffe is the parent entity.

Subsidiaries and Associates

Interests in subsidiaries and associates are detailed in Note 6.3.

(b) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors

Councillor Bob Merriman - Mayor 22/11/18 - 30/06/19	1	1
Councillor Susan Salter - Mayor 01/07/18 - 22/11/18	1	1
Councillor Tony Francis	1	1
Councillor Ross Ebbels	1	1
Councillor Boyce Pizey	1	1
Total Number of Councillors	5	5

Chief Executive Officer	1	1
General Manager, Organisational Performance & Community Services	1	1
General Manager Planning & Infrastructure	1	1
Total of Chief Executive Officer and other Key Management Personnel	3	3
Total Number of Key Management Personnel	8	8

(c) Remuneration of Key Management Personnel

2019 \$'000	2018 \$'000
----------------	----------------

Total remuneration of key management personnel was as follows:

Short-term benefits	716	829
Long-term benefits	91	112
Termination benefits	-	-
Total	807	941

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

	2019 No.	2018 No.
\$1 - \$9,999	-	-
\$10,000 - \$19,999	-	-
\$20,000 - \$29,999	3	3
\$30,000 - \$39,999	1	1
\$40,000 - \$49,999	1	1
\$60,000 - \$69,000	-	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	1
\$170,000 - \$179,999	1	-
\$250,000 - \$259,999	1	1
	8	9

Notes to the Financial Report For the Year Ended 30 June 2019

Note 7 - People and relationships cont.

(d) Senior Officer Remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

a) has management responsibilities and reports directly to the Chief Executive; or

b) whose total annual remuneration exceeds \$148,000

The number of Senior Officers are shown below in their relevant income bands:

	2019 No.	2018 No.
Income Range:		
\$120,000 - 129,000	-	1
\$130,000 - 139,000	1	-
	1	1
Total \$'000	130	126

7.2 Related party disclosure

(a) Transactions with related parties

2019	2018
\$	\$

During the period Council entered into the following transactions with related parties:

Laguna Pastoral - catering services	247	208
-------------------------------------	-----	-----

(b) Outstanding balances with related parties

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Laguna Pastoral - Outstanding balance owing for electricity on charge	1,197	-
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(c) Loans to/from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2017-18: nil).

(d) Commitments to/from related parties

No commitments are in existence at balance date that have been made, guaranteed or secured during the reporting period by Council to a related party (2017-18: nil).

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 - Managing uncertainties

8.1 Contingent assets and liabilities

(a) Contingent assets

Operating lease receivables

The Council has entered into commercial property leases on its surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually.

Future minimum rentals receivable under non-cancellable operating leases are as follows:

	2019 \$'000	2018 \$'000
Not later than one year	129	126
Later than one year and not later than five years	504	525
Later than five years	714	819
	1,347	1,470

(b) Contingent liabilities

Superannuation

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined below. As a result of the volatility in financial markets the likelihood of making such contributions in future periods exists.

Future superannuation contributions

There were \$Nil contributions outstanding and \$Nil loans issued from or to the defined benefit superannuation scheme as at 30 June 2019 (30 June 2018: \$Nil).

Liability Mutual Insurance (where applicable)

Council is (was) a participant of the MAV Liability Mutual Insurance (LMI) Scheme. The LMI scheme provides public liability and professional indemnity insurance cover. The LMI scheme states that each participant will remain liable to make further contributions to the scheme in respect of any insurance year in which it was a participant to the extent of its participant's share of any shortfall in the provision set aside in respect of that insurance year, and such liability will continue whether or not the participant remains a participant in future insurance years.

8.2 Change in accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2019 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019–20 for LG sector)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Amendments to Australian Accounting Standards – Deferral of AASB 15 for Not-for-Profit Entities (AASB 2016–7) (applies 2019–20)

This Standard defers the mandatory effective date of AASB 15 for not-for-profit entities from 1 January 2018 to 1 January 2019. The likely impact of this recognition of volunteer services is as an increase in revenue and an equivalent increase in cost of this service. For the 2018–19 year the impact would have been approximately \$58,000.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 - Managing uncertainties cont.

Leases (AASB 16) (applies 2019–20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest method, which will result in a gradual reduction of interest expense over the lease term.

Council has elected to adopt the modified retrospective approach to the transition to the new lease standard. This will mean that only existing operating leases for non low value assets, with remaining terms greater than 12 months, will be recognised on transition (1 July 2019). Council currently have no operating leases that fall into this category. A recent change in the procurement policy includes an assessment for any new contracts or leases.

Income of Not-for-Profit Entities (AASB 1058) (applies 2019–20)

This standard is expected to apply to certain transactions currently accounted for under AASB 1004 Contributions and establishes revenue recognition principles for transactions where the consideration to acquire an asset is significantly less than fair value to enable a not-for-profit entity to further its objectives.

G87 8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in the notes of the financial statements. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

G87 (b) Market risk

Market risk is the risk that the fair value or future cash flows of Council financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings at fixed rates which exposes Council to fair value interest rate risk. Council does not hold any interest bearing financial instruments that are measured at fair value, and therefore has no exposure to fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product;
- monitoring of return on investment; and
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 8 - Managing uncertainties cont.

(c) Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause Council to make a financial loss. Council have exposure to credit risk on some financial assets included in the balance sheet. Particularly significant areas of credit risk exist in relation to outstanding fees and fines as well as loans and receivables from sporting clubs and associations. To help manage this risk:

- Council have a policy for establishing credit limits for the entities council deal with;
- Council may require collateral where appropriate; and
- Council only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

Council may also be subject to credit risk for transactions which are not included in the balance sheet, such as when Council provide a guarantee for another party. Details of our contingent liabilities are disclosed in Note 8.1(b).

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of Council's operational liquidity requirements it will not have sufficient funds to settle a transaction when required or will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks, Council:

- have a liquidity policy which targets a minimum and average level of cash and cash equivalents to be maintained;
- have readily accessible standby facilities and other funding arrangements in place;
- have a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitor budget to actual performance on a regular basis; and
- set limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the balance sheet and the amounts related to financial guarantees disclosed in Note 8.1(c), and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 5.4.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of + 1% and - 0.8% in market interest rates (AUD) from year-end rates of 1.80%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 8 - Managing uncertainties cont.

8.4 Fair value measurement

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy, Council's financial assets and liabilities are measured at amortised cost.

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets, other than plant and equipment, are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practicable highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, roads, footpaths and cycleways, drainage and off street car parks assets on a regular basis ranging from two years for land and buildings to four years for roads, footpaths and cycleways, off street car parks and drainage assets. The valuation is performed either by experienced Council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Impairment of assets

At each reporting date, the Council reviews the carrying value of its assets to determine whether there is any indication that these assets have been impaired. If such an indication exists, the recoverable amount of the asset, being the higher of the asset's fair value less costs of disposal and value in use, is compared to the assets carrying value. Any excess of the assets carrying value over its recoverable amount is expensed to the comprehensive income statement, unless the asset is carried at the revalued amount in which case, the impairment loss is recognised directly against the revaluation surplus in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same class of asset.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 8 - Managing uncertainties cont.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Note 9 - Other matters

9.1 Reserves	Balance at beginning of reporting period \$'000	Increment (decrement) \$'000	Balance at end of reporting period \$'000
(a) Asset revaluation reserves			
2019			
Property			
Land			
- Freehold land	20,923	-	20,923
- Crown land	4,664	-	4,664
- Land under roads	3,129	-	3,129
Buildings	9,790	(1,308)	8,482
Total Property	38,506	(1,308)	37,198
Infrastructure			
Roads	4,667	-	4,667
Footpaths and cycleways	192	-	192
Drainage	509	-	509
	5,368	-	5,368
Total asset revaluation reserves	43,874	(1,308)	42,566
2018			
Property			
Land			
- Freehold land	19,133	1,790	20,923
- Crown land	914	3,750	4,664
- Land under roads	1,790	1,339	3,129
Buildings	9,790	-	9,790
Total Property	31,627	6,879	38,506
Infrastructure			
Roads	4,667	-	4,667
Footpaths and cycleways	192	-	192
Drainage	509	-	509
	5,368	-	5,368
Total asset revaluation reserves	36,995	6,879	43,874

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Report For the Year Ended 30 June 2019

Note 9 - Other matters cont.

(b) Other reserves	Balance at beginning of reporting period \$'000	Transfer from accumulated surplus \$'000	Transfer to accumulated surplus \$'000	Balance at end of reporting period \$'000
2019				
Asset Replacement Reserve - Allocated	271	95	(69)	297
Asset Replacement Reserve - Unencumbered	571	330	(777)	124
Future Calls on Defined Benefits Superannuation	40	-	-	40
Funds carried forward to future years				
Grant funding not yet expended - Operating	389	172	(163)	398
Grant funding not yet expended - Capital	715	1,692	(683)	1,724
Incomplete works - Operating	418	186	(67)	537
Incomplete works - Capital	680	2,072	(289)	2,463
Total funds carried forward to future years	2,202	4,122	(1,202)	5,122
Waste management reserves				
Kerbside waste	6	-	(13)	(7)
Public waste	3	7	-	10
Green waste	10	8	-	18
Total waste management reserves	19	15	(13)	21
Total Other reserves	3,103	4,562	(2,061)	5,604
2018				
Asset Replacement Reserve - Allocated	481	92	(302)	271
Asset Replacement Reserve - Unencumbered	449	359	(237)	571
Future Calls on Defined Benefits Superannuation	40	-	-	40
Funds carried forward to future years				
Grant funding not yet expended - Operating	390	233	(234)	389
Grant funding not yet expended - Capital	626	143	(54)	715
Incomplete works - Operating	558	168	(308)	418
Incomplete works - Capital	555	368	(243)	680
Total funds carried forward to future years	2,129	912	(839)	2,202
Waste management reserves				
Kerbside waste	39	-	(33)	6
Public waste	4	-	(1)	3
Green waste	3	7	-	10
Total waste management reserves	46	7	(34)	19
Total Other reserves	3,145	1,370	(1,412)	3,103

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 9 - Other matters cont.

Asset Replacement Reserve (allocated) - represents funds set aside for specific building and infrastructure renewal projects.

Asset Replacement Reserve (unencumbered) - represents funds set aside for future building and infrastructure renewal needs, not yet allocated to specific projects.

Future Calls on Defined Benefits Superannuation - Council resolved to set aside \$20,000 p.a. in both the 2014–15 and 2015–16 budget years, as a provision for future calls on the defined benefits superannuation fund. No call was made on the fund during the 2018–19 financial year (2017–18: \$Nil).

Funds carried forward to future years (capital and operating, grant funded and Council own source funds) represent those projects which are not complete at year end and funding is reserved from current year operations to be carried forward into the following year. Some of the capital projects are recorded as Works in Progress in Note 5.1, whilst details of each project for which grants were received in the financial year and which remain unexpended at balance date are included at Note 2.4(c).

Waste management reserves (kerbside, public and green waste) represent the net surplus waste charges collected from ratepayers, compared with the actual waste costs incurred by Council. The adopted rating strategy provides for full cost recovery of waste management services and an annual reconciliation is completed, with the surplus / (deficit) outcome to be adjusted against these waste management reserves held by Council.

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)	2019 \$'000	2018 \$'000
Surplus/(deficit) for the year	3,701	1,272
Depreciation	1,185	1,181
Profit/(loss) on disposal of property, infrastructure, plant and equipment	13	(15)
Assets written off	577	-
Borrowing costs	2	3
Change in assets and liabilities:		
(Increase)/decrease in trade and other receivables	(684)	70
(Increase)/decrease in inventories	(2)	2
(Increase)/decrease in prepayments	(85)	(14)
(Increase)/decrease in accrued income	168	(98)
(Increase)/decrease in regional library equity	7	-
Increase/(decrease) in trade and other payables	(183)	336
Increase/(decrease) in accrued expenses	(3)	(3)
Increase/(decrease) in accrued wages	91	(1)
Increase/(decrease) in trust funds and deposits	25	23
Increase/(decrease) in income received in advance	1	1
Increase/(decrease) in provisions	(49)	43
Net cash provided by/(used in) operating activities	4,764	2,801

Notes to the Financial Report

For the Year Ended 30 June 2019

Note 9 - Other matters cont.

9.3 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently.

Accumulation

The Fund's accumulation categories receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2019, this was 9.5% as required under Superannuation Guarantee legislation).

Defined Benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan. Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary. For the year ended 30 June 2019, this rate was 9.5% of members' salaries (9.5% in 2017–18).

As at 30 June 2018, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which the Borough of Queenscliffe is a contributing employer was 106.0%. The financial assumptions used to calculate the VBIs were:

- Net investment returns 6.0% pa
- Salary information 3.5% pa
- Price inflation (CPI) 2.0% pa.

Vision Super has advised that the VBI at 30/06/2019 was 107.1%.

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2018 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years

The 2018 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which the Borough of Queenscliffe is a contributing employer. Generally, a full actuarial investigation conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2018 and a full actuarial investigation was conducted as at 30 June 2017.

- A VBI surplus of \$131.9 million.
- A total service liability surplus of \$218.3 million.
- A discounted accrued benefits surplus of \$249.1 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2018.

The total service liability surplus means that the current value of the assets in the Fund's Defined Benefit category plus expected future contributions exceeds the value of expected future benefits and expenses. The discounted accrued benefit surplus means that the current value of the assets in the Fund's Defined Benefit category exceeds the value of benefits payable in the future but accrued in respect of service to the investigation date.

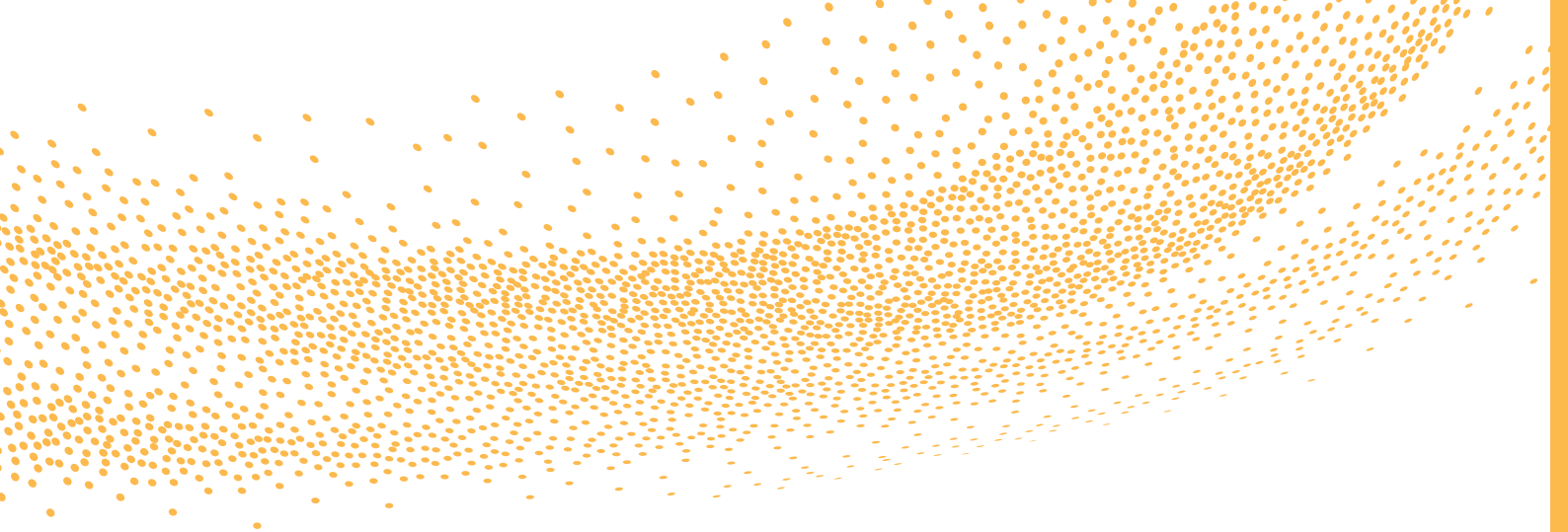
An interim actuarial investigation will be conducted for the Fund's position as at 30 June 2019. It is anticipated that this actuarial investigation will be completed in December 2019.



“Often a friendly tap on the shoulder is all someone needs to help achieve a great outcome for both Council and resident. This year I noticed some works underway that would have required a planning permit, and when I checked with the owner of the property, they were new to the area and didn’t realise the requirements. The owner was more than happy to reinstate their original work and apply for a permit, and were super appreciative of the information I provided them around landscaping provisions and tools to understate the works. With just a bit of cooperation, everyone’s happy.”

Susan Tunnell-Jones
Planning Compliance Officer





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Glossary

Annual Report 2018-19 Glossary

Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts expenditure	Bad debts written off and the movement in the bad debt provision for infringement debtors, caravan park debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity.
Borrowing costs	Interest incurred on loan borrowings.
Cash and cash equivalents assets	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity from the prior year.
Contributions income	Contributions received by Council for the purpose of providing and improving public open space, provision / improvement of the drainage system and in relation to specific projects.
Current assets	Assets for which Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities for which Council expects to fulfil its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation and amortisation expenditure	An expense which recognises the value of a fixed asset as it is used up over time.
Employee benefits expenditure	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax and WorkCover.

Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Equity method	A method of assessing profits earned by joint venture investments. The reported income value is based on Council's share of joint venture assets.
Expense	An outgoing payment made by Council.
Financial Performance Indicator	A prescribed indicator measuring the effectiveness of financial management in Council covering operating position, liquidity, obligations, stability and efficiency.
Fixed assets	See Property, infrastructure, plant and equipment.
G21 Geelong Region Alliance	A formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five member municipalities – Colac Otway Shire, Golden Plains Shire, City of Greater Geelong, Borough of Queenscliffe and Surf Coast Shire.
Governance and Management Checklist	An outline of Council's performance against a set of policies, plans and strategies (e.g. annual Budget, community engagement policy, disaster recovery plan).
Grants – recurrent income	Grant income received on a regular basis (e.g. quarterly or annually) and granted to Council by another entity for specific or general purposes.
Indicator	A measure to demonstrate Council's performance across a variety of areas.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the Magistrates Court Act 1989 (Vic) to deal with unpaid fines.
Interest bearing loans and borrowings	Council's borrowings.
Interest income	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Inventories	A complete listing of merchandise or stock on hand, work in progress, finished goods on hand, etc.
Land – non-specialised	Includes freehold land, where Council is the owner of the land.
Land – specialised	Includes Crown land assets, where Council is the Committee of Management, and land under roads, where Council has operational control of the land.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and services expenditure	Expenditure incurred in relation to contract payments and trade services, building maintenance, general maintenance, plant and equipment maintenance, utilities, consultants, office and administration, insurance, financial and legal costs and information technology costs.
Measure	A unit or set of units against which to determine whether Council has achieved set targets.

Movement in equity for the period	The change in the net surplus (deficit), asset revaluation increments (decrements) and movement in other reserves. This is also equal to the change in equity.
Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net asset revaluation increment (decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses and asset write-offs.
Other income	Income received from investment property rental, other rental income, interest income and reimbursements.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment assets	Often referred to as Fixed Assets, this is the largest component of Council's asset base or worth. It represents the value of all land, buildings, roads, footpaths, drains, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long service leave, annual leave, time in lieu and rostered days off owing to employees at reporting date.
Ramsar Convention	Also known as the Convention on Wetlands of International Importance. It is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.
Rate cap	An annual limit set each year by the Minister for Local Government. The rate cap applies to general rate increases for all councils during a particular financial year. It does not apply to waste management charges or the Fire Services Property Levy. The rate cap for 2018–19 was 2.25%.

Rates and charges	Income received from ratepayers in relation to general rates, waste management charges and special rate schemes.
Reserves	Includes the asset revaluation reserve and the drainage contributions reserve. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'.
Revenue	The amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Service performance indicator	A prescribed indicator measuring the effectiveness and efficiency of Council services covering appropriateness, quality, cost and service outcomes.
Statutory fees and fines income	Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainable capacity indicator	A prescribed indicator measuring whether Council has the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Trade and other payables	Monies owed by Council to other entities / individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges, ticket machine fees, and caravan and camping fees.

Abbreviations

AAS	Australian Accounting Standards
AASB	Australian Accounting Standards Board
ABS	Australian Bureau of Statistics
AM	Member of the Order of Australia
APES	Accounting Professional and Ethical Standards
AUD	Australian dollars
BBQ	Barbeque
BoQ	Borough of Queenscliffe
CA	Chartered Accountant
CALD	Culturally and Linguistically Diverse
CEO	Chief Executive Officer
CHSP	Commonwealth Home Support Programme
CIV	Capital Improved Value
CPA	Certified Practising Accountant
CPI	Consumer price index
CPR	Cardiopulmonary resuscitation
Cr	Councillor
E-waste	Electronic waste
EBA	Enterprise Bargaining Agreement
EMT	Executive Management Team
ERP	Estimated resident population
FCCA	Fellow of Chartered Certified Accountants
FTE	Full-time equivalent
G21	Geelong Region Alliance
GRLC	Geelong Regional Library Corporation
GST	Goods and Services Tax
HACC	Home and Community Care
HR	Human Relations
IT	Information Technology
JMAPP	JLT Municipal Asset Protection Plan Discretionary Trust
JP	Justice of the Peace
LMI	Liability Mutual Insurance
LSL	Long service leave
MAV	Municipal Association of Victoria
MCH	Maternal and Child Health
NA	Not applicable
NDIS	National Disability Insurance Scheme
NES	National Employment Standards
OAM	Medal of the Order of Australia
OHS	Occupational Health and Safety
PC	Personal computer
PS	Primary school
SEIFA	Socio-Economic Indexes for Areas
TGGB	Tourism Greater Geelong and the Bellarine
WDV	Written down value
WIP	Work in progress
VAGO	Victorian Auditor-General's Office
VBI	Vested benefit index
VCAT	Victorian Civil and Administrative Tribunal
VGC	Victoria Grants Commission
VIC	Visitor Information Centre

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