

**BOROUGH OF QUEENSCLIFFE
ANNUAL REPORT
2021–2022**



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

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, featuring ecological values of global significance, our rich architectural heritage and our military history fundamental to Australia’s defence.

ACKNOWLEDGEMENT

The Borough of Queenscliffe acknowledges the Traditional Owners of these lands, waters and skies, the Wadawurrung People. We acknowledge and respect their continuing connections to their lands, waters, skies, culture and the contribution they make to the life and spirit of our community. We pay respect to their past and present Elders and their emerging leaders, and extend this respect to all Aboriginal and Torres Strait Islander peoples.

COMMUNITY VISION

CENTRAL STATEMENT:

The Borough is a special and restorative place, renowned for its distinctive coast, rich living heritage and vibrant culture. Our community is caring, and welcoming to visitors. We have a deep respect for the Wadawurrung People and are taking action to protect Country.

SUPPORTING PILLARS

ENHANCING HEALTH AND WELLBEING:

Our community encourages an active and outdoor lifestyle and nurtures the welfare of all.

PROTECTING COUNTRY AND OUR NATURAL ENVIRONMENT:

We mitigate and adapt to the risks of climate change and preserve our ecosystems and biodiversity.

SUPPORTING BUSINESS AND COMMUNITY PROSPERITY:

We have a thriving local economy and community that is underpinned by high quality infrastructure and services.

ENCOURAGING AN INCLUSIVE AND ENGAGED COMMUNITY:

We have a welcoming, connected and diverse community that is supported by informed and consultative leadership.

PROTECTING AND CELEBRATING WADAWURRUNG AND BOROUGH HERITAGE:

Our cultural and built history is conserved and celebrated.

About this Annual Report

The Borough of Queenscliffe Annual Report 2021–22 highlights Council’s performance over the financial year.

The Council Plan 2021–2025 sets out five portfolios against which Council’s performance is measured. The strategic objectives of each of portfolio define Council’s priorities for service planning and delivery over a four-year period.

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

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

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

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

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

This Annual Report includes information about Council’s performance, achievements and challenges for each of these strategic directions within the 2021–22 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 2020*, Planning and Reporting Regulations 2020, 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.

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Cover image: Point Lonsdale Lighthouse
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WELCOME

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From the Mayor and CEO

The 2021–22 financial year has brought both recovery and new challenges to the Borough of Queenscliffe. While the end of coronavirus lockdowns has allowed us to reconnect with our community and return to a more familiar style of operation, supply shortages, high inflation and staff welfare have made for a volatile financial year requiring a carefully balanced and agile management response.

Implementing new plans

Following the election of a new Council in late 2020, the Borough of Queenscliffe now has a new Council Plan and Community Vision. Combined with the Climate Emergency Response Plan and the development of an Active Transport Strategy, Council is beginning the work of implementing these new strategies and investing in the future of our community.

Key achievements this year have included securing funding for electric vehicle upgrades and transitioning to the use of 100% renewable power at Council, as well as beginning the transition to kerbside food waste collection. Infrastructure projects like the soon-to-be-completed construction of a new amenities block in the Queenscliff Recreational Reserve and major facilities upgrades at the Point Lonsdale Tennis Club also reflect Council’s commitment to delivering on the liveability goals set in our Council Plan.

Council’s challenge in the coming year will be to maintain this momentum despite rising construction costs and staff shortages. Continuing to develop Councillor and Officer capabilities for project and financial management will be key to navigating these impacts.

Recovering from COVID

This financial year has seen a significant change in the progression of the coronavirus pandemic, moving from extensive lockdowns to suppress transmission to a new approach of relying on vaccination while businesses, events and offices reopen. These changes have been a mixed bag in their effect on Council, bringing some significant benefits, as well as new challenges.

Most notably, the end of pandemic-related lockdowns has seen a return to more normal revenue levels from Council’s caravan parks. Council has also transitioned from expansive financial support to more targeted support for members of our community facing disadvantage. These two changes have had a positive effect on Council’s finances, with Council’s long-term financial position returning to a balance between revenues and expenses, and achieving our goal of a debt-free balance sheet.

On the other side of the column, a backlog of tasks delayed by lockdowns and disruptions has combined with resourcing challenges to create a sudden increase in Council’s project workload. While Council is working hard to meet our community’s expectations for project and service delivery, we’ve faced challenges in the second half of the year working through projects delayed by the pandemic while also taking advantage of new opportunities. Councillors and officers will continue to look for opportunities, including grant funding, that allow us to transition through the recovery period and meet our high standards for community service.

“One of the Borough’s strongest assets is our effective and highly skilled team, who have navigated the challenges of the pandemic with creativity and continued to deliver essential services to our community.”



Staff welfare

One of the Borough's strongest assets is our effective and highly skilled team, who have navigated the challenges of the pandemic with creativity and continued to deliver essential services to our community. While the end of coronavirus lockdowns has allowed staff to return to working from the office, the pandemic has begun to impact staff in a new way.

Staff shortages due to illness, caring responsibilities and recovery have resulted in resourcing challenges at the Borough over the past year, with some projects delayed or reprioritised as staff rightly focus on their health and avoid spreading illness to their colleagues. A number of key staff have also retired over the course of the financial year, and though we wish them a well-deserved retirement, Council has faced additional retraining and recruitment requirements at the Borough compared to previous years. These trends are sector-wide and not exclusive to the Borough, but are likely to continue for some time and impact a range of Council services.

Despite these challenges, Council's staff from across our departments are continuing to perform outstanding work. One of our longest-serving staff was acknowledged for 25 years of service to our community this year. Another was recognised as the LGPro Young Achiever of the Year for his exceptional contribution to our Communications team. Across the Borough, Council's staff are continuing to persevere despite setbacks and challenges, and we want to acknowledge them for their ongoing contribution to making our community such a special place to live.

Challenging projects

A combination of the coronavirus pandemic and the Russian invasion of Ukraine has caused widespread shortages of materials throughout the country. Stock limitations have also generated price rises, contributing to sharp growth in construction costs over the past year. While these problems are global in nature, the Borough of Queenscliffe has not escaped their impacts.

Initially expected to be opened at the beginning of 2022, the new Queenscliffe Hub is finally nearing completion at the end of the financial year. Material cost increases, labour shortages and weather-related delays resulted in changes to both the project's cost and timeline, with Council required to absorb the cost differences compared to initial project estimates. Similar issues have affected the Victorian Government's upgrade to the Borough-managed boat ramp in Queenscliff, with challenges arising during the construction period that have resulted in project delays.

While both projects are approaching completion without major changes in project scope, Council's experience with project management this year indicates higher volatility and risk are likely to remain features in major projects for the foreseeable future. Council's project management and finance teams will use what we've learned from these projects to inform financial and project management decisions going forward. While global challenges may inform how we go about Council business, they won't affect our commitment to delivering for our community.

"Our Council Plan for 2021–2025 has a focus on recognising diversity, and Council has taken great strides in this work this financial year."

New opportunities to connect with our community

Engaging our community has always been a key focus of the work we do at the Borough, but it's more important than ever for Council to ensure we speak to and celebrate everyone in the Borough for the individual contribution they make. Our Council Plan for 2021–2025 has a focus on recognising diversity, and Council has taken great strides in this work this financial year.

For more than two centuries since European settlement, the Traditional Owners of the land we now call the Borough – the Wadawurrung People – have not been given the recognition and acknowledgement they rightly deserve. This has included the work of Council, which has historically had an absent or ineffective relationship with our Wadawurrung community and history. This year, we have taken substantial steps towards righting this wrong, including having Councillors and senior staff take part in cultural awareness training, more regularly engaging Wadawurrung experts before beginning major projects, and allocating \$40,000 of funding to develop a Reconciliation Action Plan and Wadawurrung community signage in the coming year. The road toward reconciliation is a long one, but it is a journey Council is eager to make in partnership with the Wadawurrung.

Council also celebrated the International Day Against Homophobia, Biphobia and Transphobia for the first time this year, holding a flag-raising ceremony outside the Town Hall. Local government has a leadership role to play in ensuring everyone in our community feels safe and welcome, and visible reminders of our commitment to equality in our community are not ancillary to our work on Council – they are core Council business. We look forward to continuing to celebrate our community's diversity in many ways in the years to come.

While global events continue to surprise and challenge, our staff and our community have responded with unity and strength. Early in this financial year, the Borough of Queenscliffe became the first local government area in the nation to reach the 80% two-dose coronavirus vaccination target set by the government. This extraordinary fact is a testament to our ability to face challenges together, and demonstrates that despite our small size, our Borough continues to achieve extraordinary things. It's that same potential that we'll be taking into the next financial year as we continue to build a stronger, safer and more connected Borough of Queenscliffe.



THE YEAR IN REVIEW

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The highlights



Taking out top gong for our Climate Emergency Response Plan

The Borough’s community-led Climate Emergency Response Plan was officially recognised when it took out the Community Choice Award at November’s Cities Power Partnership Climate Awards. Competing against seven other jurisdictions from across the country – including the ACT Government, Brisbane City Council and City of Adelaide – the Borough’s efforts gained top marks in the publicly-voted prize, organised by the Climate Council.

The Plan, which was adopted at Council’s Ordinary Meeting in May 2021, commits Council to supporting the community in achieving net-zero emissions by 2031, as well as interim steps including matching local energy consumption with a 100% renewable supply by 2025. Many of the short-term actions in the Plan are now underway. These include working towards emission reduction targets through Council’s support of projects such as the Queenscliffe Battery Feasibility Study, the installation of EV chargers at Council offices, moving to renewable energy supply for all of Council’s operations, and the ongoing commitment to our partnership with the Queenscliffe Climate Action Group. Council has commenced the community’s transition to a four-bin waste and recycling collection system with the introduction of a kerbside food and garden organics collection service scheduled for August 2022, which will result in a reduction of approximately 480 tonnes of waste to landfill.



Raising the rainbow flag for IDAHOBIT

The rainbow flag was flown at the Queenscliff Town Hall for the very first time in May as part of a ceremony held to support and acknowledge IDAHOBIT – the International Day Against Homophobia, Biphobia, Interphobia and Transphobia. Mayor Ross Ebbels raised the flag alongside the Australian and Aboriginal flags at Council offices to reinforce that the Borough welcomes everyone, regardless of their sexuality, gender identity or appearance.

The Borough’s 2021–2025 Council Plan – developed by Council in collaboration with the Queenscliff and Point Lonsdale community – specifically calls for the promotion of diversity and gender equality. This extends to events that Council sponsors such as Uniting Queenscliff’s Sacrededge Festival, an annual conference promoting voices of diversity, the marginalised and the vulnerable.



Producing our first Gender Equality Action Plan

Council achieved a major milestone in its work toward gender equality with the production and approval of its first Gender Equality Action Plan in March. A requirement of the *Gender Equality Act 2020*, the Plan outlines the main objectives and strategies Council will undertake over the next four years to address gender inequality in its workforce. These tasks are guided by the workforce data audit undertaken by the Borough across July and August, which formed a significant part of the Plan. Council submitted the Plan to the Commission for Gender Equality in the Public Sector in March and, pleasingly, it was approved.



Improving pedestrian safety across the Borough

Council completed its biggest cumulative improvement to pedestrian safety in more than a decade when the last of a suite of six new crossings and pedestrian refuges was installed in November. Beginning in July, improvement works across Queenscliff and Point Lonsdale introduced new pedestrian crossings, refuges, slow points and 40km/h speed limits to promote safer driving, change road use priority, and provide more connections between existing walking paths.

Hesse Street in Queenscliff received two new raised pedestrian crossings (replacing the previous informal crossings) as well as a permanent speed reduction to 40km/h. King Street and Flinders Street each had pedestrian refuges added near popular destinations, including the Queenscliff General Store Café and Cottage by the Sea. Meanwhile in Point Lonsdale, the main street had a new raised pedestrian crossing installed opposite the Bowls Club, and Ocean Road received a raised pedestrian crossing, permanent speed reduction and slow points to increase safety for locals and tourists near the back beach.



Upgrading our internal ICT systems to better support collaboration

Phase one of a long-running ICT transformation project began in February, enabling a greater level of collaboration inside and outside of the organisation. Council officers now have access to the full capability of the Microsoft 365 ecosystem – communicating via Teams, working simultaneously on documents via SharePoint, and hosting large email attachments via OneDrive.

Staff were given extensive training and in-person presentations by external IT services provider Logicalis, who assisted officers ‘on the ground’ in the initial few days of the rollout. Phase two of the transformation project will include a new file management system and overhaul of Council’s existing document structure, to be completed in 2023.



Coming together with the Wadawurrung in the name of reconciliation

In December, work began on the Borough of Queenscliffe’s Reconciliation Action Plan (RAP), building on the relationship between Council and the Wadawurrung Traditional Owners Aboriginal Corporation that has strengthened significantly in recent years. Not only is the creation of a RAP crucial to ensuring alignment between Council’s annual operational plans and the Wadawurrung’s Healthy Country Plan Paleert Tjaara Dja, but it is also a key action in the Council Plan and Climate Emergency Response Plan.

Council has chosen to develop a Reflect RAP, which is one of four RAP types outlined by Reconciliation Australia. A Reflect RAP is typically in place for 12 months and sets out steps to prepare an organisation for reconciliation initiatives in future RAPs. The Borough’s Reflect RAP will review Council’s internal systems and consult across the RAP’s pillars, while engaging with the Wadawurrung, Councillors and Council staff. Officers have also been provided with cultural awareness training by the Wadawurrung to help better understand what should be included in the RAP.



Supporting our local businesses more than ever

As the COVID-19 pandemic continued its unpredictable impact on the local economy, Council appointed a specialised COVID Business Support Officer to provide one-on-one support to businesses, event organisers and community groups. Made possible thanks to funding provided by the Victorian Government, the role further enhanced Council's relationships with local businesses, which has been strengthened through the continuation of the '3225 Love Local Shop Local' social media page, the business e-newsletter, and regular After 5 events.

Officers also successfully secured the Victorian Government's Local Councils Outdoor Eating and Entertainment Funding Package, which facilitated and implemented extended outdoor dining permits and associated insurance, the installation of new street furniture including bench seats and picnic tables, and refreshed green spaces and pop-up dining areas. The funding also supported the design and installation of promotional flags for the Queenscliffe Literary Festival and the Queenscliff Music Festival, the delivery of the 'Lighting of the Tree' Christmas street party in Point Lonsdale, late night Christmas shopping and entertainment in Queenscliff, and a street trading activation during Easter.



Serving up an ace new tennis facility in Point Lonsdale

Tennis players in Point Lonsdale received a welcome start to their summer when major upgrade works completed as part of the Point Lonsdale Tennis Club Improvement Program were officially opened to the public in November. With funding for the project first announced in October 2018, the three-year process featured upgraded accessible clubrooms as the centrepiece of the renovation, which also included resurfacing of two courts, as well as LED lighting and poles for the remaining courts.

An online membership and court booking system was also implemented, which led to a 54% increase in court usage at the club. The facility was opened by Member for Bellarine Lisa Neville in a ceremony that featured representatives from Council, Tennis Australia, Point Lonsdale Tennis Club and the local community. The project was supported by \$250,000 of funding from the Victorian Government, \$53,177 from the Point Lonsdale Tennis Club, and \$46,000 from Tennis Australia. Council provided \$30,000 of project funding, as well as project management for the upgrade works.



Developing a vision for the future alongside our community

Community members and Councillors worked hand in hand to deliver the inaugural Borough of Queenscliffe Community Vision in August. A requirement of the *Local Government Act 2020*, the ten-year vision statement describes our community's aspirations for the future of the Borough. The document was developed in partnership with community representatives, with a panel of residents and ratepayers creating a central statement supported by five pillars.

The initial round of consultation, which generated thousands of individual ideas and pieces of feedback, was consolidated to a second round of engagement headed by a 25-member community panel that took part in five separate workshop sessions. The vision is explained in more detail on page 59.

The 2021–2025 Council Plan, another important strategic document, also stemmed from the ideas shared by the more than 250 respondents to the consultation. The plan sets Council's strategic direction for the four-year term around five portfolios which each contain their own strategic objectives, priorities and intended actions. The plan also contains five values that guide the way Councillors and Council staff work and serve the Queenscliffe community. The plan is explained in more detail on page 58.



Helping to keep our residents protected

A race of a different kind took place in September when the mayors of the Borough of Queenscliffe and Buloke Shire challenged their communities to become the first in the state to reach an 80% full COVID-19 vaccination rate.

The two rural councils were first and second respectively in the vaccination 'race' at the conclusion of August. This led Queenscliffe Mayor Cr Ross Ebbels and Buloke Mayor Cr Daryl Warren to issue a challenge to their residents, with a friendly wager as inspiration – the losing Mayor would agree to host the winning Mayor for dinner and a night's accommodation when it was safe to do so.

The Borough hit the magic milestone on 22 September, prompting a big thank you to residents from both mayors. Queenscliffe's generous and compassionate community spirit – aided by its comparatively small size and elderly population – allowed it to lead many COVID-19 vaccination target measures across the country throughout the rest of the year.

The challenges

Cleaning up after a destructive storm

A significant thunderstorm event in October ravaged the Bellarine Peninsula and surrounds, and the Borough was no exception. Wild weather not seen in Queenscliff and Point Lonsdale for years felled numerous mature trees and caused damage to buildings and caravans, with more than 30 locations requiring urgent action by Council identified in one day alone.

Council offices and tourist parks went without power for almost 24 hours, and Council contractors required more than eight weeks to complete clean-up works across the Borough, such was the magnitude of debris and trees requiring assessment.

Most impactful has been the forced temporary closures of Victoria Park in Queenscliff. An initial three-week closure period across October and November focused on the most urgently damaged and dying trees, allowing the park to reopen for the busy summer period.

Rectification works continued in the new year following further storm damage in late December. Then in May, WorkSafe inspected the site and directed Council to do more to make the park safe for the public. Council officers worked with qualified arborists to determine what works were needed. The review found that many trees still posed an unacceptable risk to the public due to storm damage and structural weakness, and that despite our best efforts, further works were required to reduce this risk to an appropriate level.

At the end of the reporting period, Victoria Park was again closed to public access and tree management works were ongoing.

Keeping up morale during more lockdowns

Border closures and lockdowns continued to play a part in the lives of Victorians as the COVID-19 pandemic entered a second devastating year. In July, as the state was dealing with a new threat of the Delta variant, a fifth lockdown was announced. After a brief respite, a sixth and then seventh lockdown followed in August for regional Victorians.

Point Lonsdale briefly made national news at this time, as a historic boundary and local government area restrictions meant that residents on one side of Fellows Road were free to go about their day, while those in the City of Greater Geelong area of postcode 3225 were still under lockdown. As both Queenscliff and Point Lonsdale residents continued to roll up their sleeves for vaccination once the rollout became more widespread, the Victorian Government opted to ‘reunite’ Point Lonsdale in late September, signalling the last lockdown event in the region.

While formal travel restrictions were removed across the state by the end of October, the continued uncertainty around mass gatherings forced the cancellation of major annual tourist events in the town, including Queenscliff Music Festival in November and the Queenscliff Rod Run in February.

Dealing with staff shortages

Ongoing staff shortages that continued long beyond restrictions and lockdowns proved a saddening reminder of the pandemic’s fierce impact on the health of our people. As more staff contracted COVID-19 or influenza – several of whom are yet to return to work on a full-time basis due to ill health – the challenge of managing competing priorities and high workloads, in a team working beyond capacity, became acute and started impacting the time it was taking to do things.

These issues, combined with staff departures and resignations, left a few areas severely under-resourced. Council’s finance team had its productivity essentially halved due to position vacancies, and the environmental health officer position was unfilled for five months. For the latter role, this meant Council was only able to inspect 43 of the Borough’s 68 food businesses. However, 100% of businesses were contacted via either email or phone.

Changing economic conditions

Inflationary pressures in the construction industry and more broadly across service industries started to have a fiscal impact on Council. Consultants and contractors increased fees, and building costs rose by about 20% across the financial year. In this environment, with a rate increase of just 1.75% and inflation sitting above 6%, Council was forced to rethink plans, slow down projects, and focus on long-term financial sustainability. Like many local government entities in Victoria, by the end of the financial year, we were in a position of having to do more with less.

Managing project delays

Several major projects that, at the start of the financial year, that were either already underway or soon to begin did not get completed. A combination of external resourcing issues and internal strategic decisions impacted the progress of numerous projects, many of which had already undergone various forms of public consultation.

This included the development of Council’s Active Transport Strategy, Coastal and Marine Management Plan, and Tourist Parks Operational Review, as well as upgrades to the Point Lonsdale Lighthouse Reserve and design development of the Point Lonsdale Bike Park. Crucially, these strategies and plans guide the way in which Council undertakes its operational work (and in the case of the CMMP, is a legal requirement to conduct works on Crown land) and so the progression of these documents is paramount to any future projects considered by Council.

What we hope to achieve in 2022–23

- Install **ELECTRIC VEHICLE** charging infrastructure
- Develop a Reflect **RECONCILIATION** Action Plan
- Review the 3225 **LOVE LOCAL** Shop Local campaign
- Develop a business events campaign to highlight **COLLABORATION** opportunities with TGGB
- Implement an electronic **RECORDS MANAGEMENT** system for Council staff
- Finish and open the **QUEENSCLIFFE HUB**
- Begin phase three of our **ICT TRANSFORMATION** project

- Endorse a design for the Point Lonsdale **BIKE PARK**
- Complete the **COASTAL AND MARINE** Management Plan
- Complete the **ACTIVE TRANSPORT** Strategy
- Prepare an **ASSET MANAGEMENT** Plan
- Construct a new **PUBLIC TOILET** in Hobson Street
- Undertake planting and **REVEGETATION** works in Victoria Park
- Amend and update the Queenscliff **PLANNING SCHEME**

“Listening to and learning from our community isn’t just a statutory requirement for the Borough – it’s an opportunity to ensure our projects and services best meet the needs and aspirations of our community.”

Council regularly conducts structured community engagement by inviting input and seeking feedback on strategies and projects as they’re developed, in line with our Community Engagement Policy. Listening to and learning from our community isn’t just a statutory requirement for the Borough – it’s an opportunity to ensure our projects and services best meet the needs and aspirations of our community.

- Council conducted community engagement on the following projects this financial year:
- Community Vision and Council Plan
 - Queenscliffe Tourist Parks Operational Review
 - Kirk Road roundabout
 - Coastal and Marine Management Plan
 - Active Transport Strategy
 - 2022–23 Budget
 - Point Lonsdale Bike Park

For the development of the Community Vision, Council undertook a deliberative engagement process. In all other engagements, Council used the feedback gathered through submissions, surveys and workshops to inform the next steps in the project.

- Some of the ways Council has responded to community feedback this year include:
- Adjusting language in the Community Vision to reflect community suggestions about stating our welcoming approach to visitors
 - Drafting a Coastal and Marine Management Plan that reflects the use priorities for different coastal areas identified by our community
 - Installing new pedestrian crossings in Hesse Street and Gellibrand Street based on feedback on a consultation in the previous financial year
 - Identifying funding to further develop the Point Lonsdale Bike Park as a priority in this financial year’s budget
 - Installing a trial roundabout in Kirk Road, Point Lonsdale, to test community suggestions about improving road safety in the area.

Engaging with residents and stakeholders makes us more effective at delivering for our community. In 2022–23, we’re looking forward to another year of working alongside our community to implement the objectives our Council Plan.

Stateholder engagement

Stakeholder engagement is the foundation for understanding the diverse needs and aspirations of our local community. It informs decision-making and guides the advocacy that Council conducts on behalf of the community.

Our stakeholder engagement is underpinned by:

- The *Local Government Act 2020*, 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 Community Engagement policy, which outlines how and when we engage and consult with our community and other stakeholders
- Our Customer Service Charter, which sets out the services provided by Council and how our service levels will be measured
- Our Councillor Code of Conduct, and specifically the principles and behaviours relating to Councillors performing their community engagement and advocacy roles
- 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 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 2020* for all Victorian councils.

In 2021–22, we welcomed and sought community involvement in the development of our 2022–23 Budget and 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 2022. We also adopted a new four-year Council Plan and ten-year Community Vision – both statutory requirements as part of the updated Act.

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 2021–22, Council received and responded to 25 public questions raised at the monthly Ordinary Meetings.

Financial summary

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 and service standards in the longer term.

Council's financial position continues to remain sound. A summary of our performance is outlined below. Detailed information relating to council's financial performance is included within the financial statements and performance statement sections of this report.

Surplus/(deficit) for the year

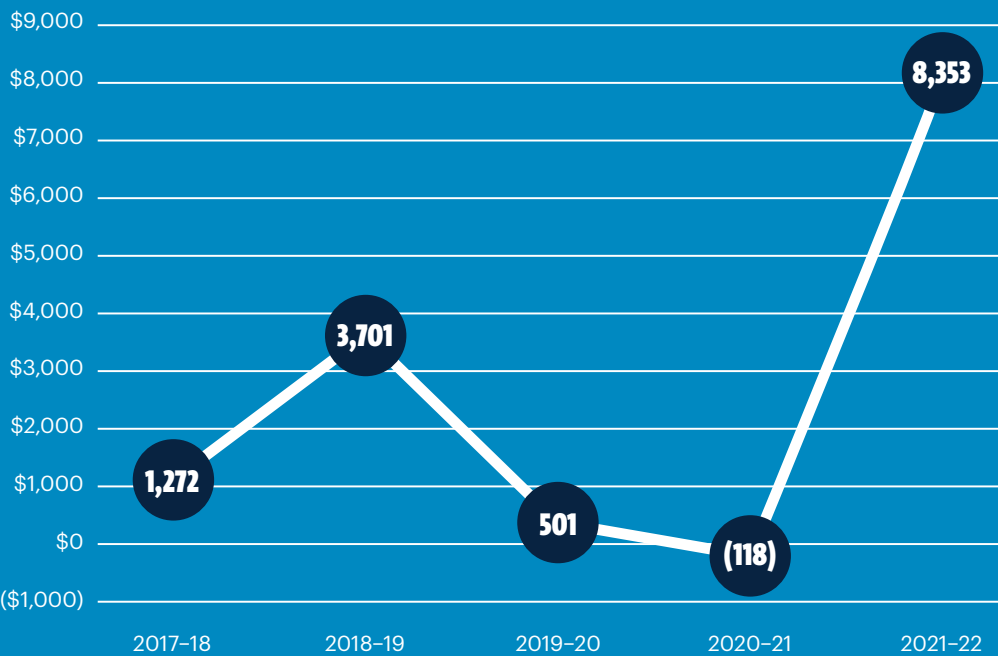
This result represents the difference between total revenues (including grants – capital), expenses (other than capital expenditure), net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.

In other words, the surplus for the year represents the total remaining funds that were available over depreciation expenses for capital work subject to any non-cash accounting adjustments.

Council achieved a surplus of \$8.4 million in 2021–22. This surplus compares favourably to the prior year deficit of \$0.1 million. As per the Comprehensive Income Statement in the Financial Report, the favourable variance is mainly due to the income from capital grants and the favourable variances in loss of disposal of assets and other accounting adjustments (reclassification of capital expenditure as operating expenditure to meet the requirement of accounting standards).

The reported deficit for 2020–21 was mainly impacted by the accounting loss and the reclassification of some capital expenditures. Excluding the impact of these accounting adjustments, Council had recorded a surplus of \$1.3 million for the 2020–21 financial year.

Surplus / deficit (\$'000) 2017–18 to 2021–22



Underlying result

This indicator measures Council's ability to generate a surplus from its ordinary course of business, excluding capital receipts. In other words, this result reflects the difference between recurrent income and recurrent expenses including depreciation expenses.

Based on the Local Government Performance Reporting Framework (LGPRF) definition, the adjusted underlying surplus of Council, is a surplus of \$0.7 million or 5.6% when compared to adjusted underlying revenue. This compares favourably to the expected target of >0%.

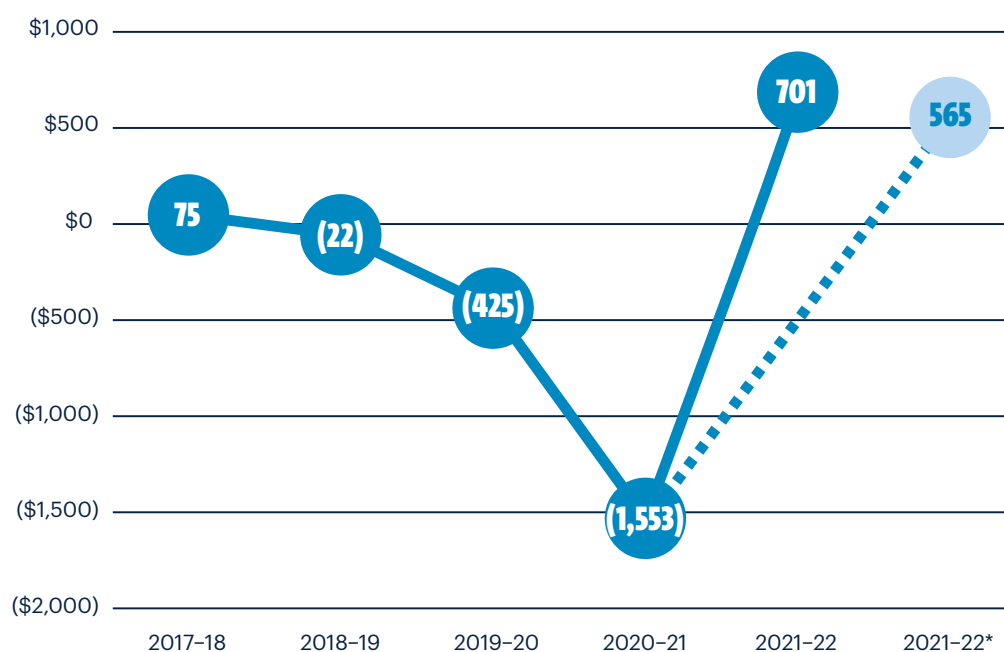
However, in most instances, the reported underlying result is impacted by the timing of recurrent operating grants (especially Financial Assistance Grants), non-recurrent operating grants and non-recurrent operating expenses included in the budget of a particular year. As a result, the underlying result is more meaningful when it is assessed

excluding the impact of non-recurrent operating income and expense items and adjusted for the timing of recurrent operating grants where applicable as defined in the Council Plan of the Borough.

Based on the Council Plan definition, Council has reported an underlying surplus of \$0.6 million (5.5%) for the 2021–22 financial year. Savings are due to cancellation of events, staff vacancies and prioritising grant-funded operating projects over rates-funded projects have had a significant positive impact on the adjusted underlying result for 2021–22. On the same basis, Council reported an underlying deficit of \$0.15 million for the previous financial year.

Sustaining an adjusted underlying surplus is a critical financial strategy that provides capacity to renew community assets under Council's control.

Underlying result (\$'000) 2017–18 to 2021–22

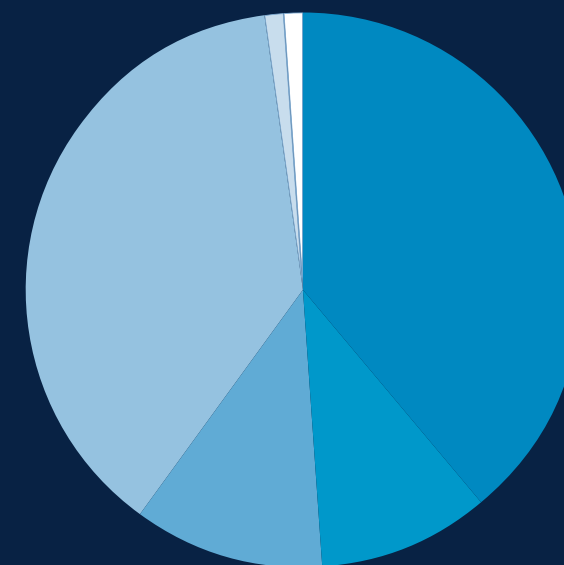


*Based on the Council Plan definition

Revenue

Council's total revenue for the 2021–22 year is \$20.2 million (up from \$12.8 million in 2020–21). The increase in income is predominately due to the increase in income recognised from operating and capital grants.

Revenue sources (\$'000) 2021–22



Revenue sources

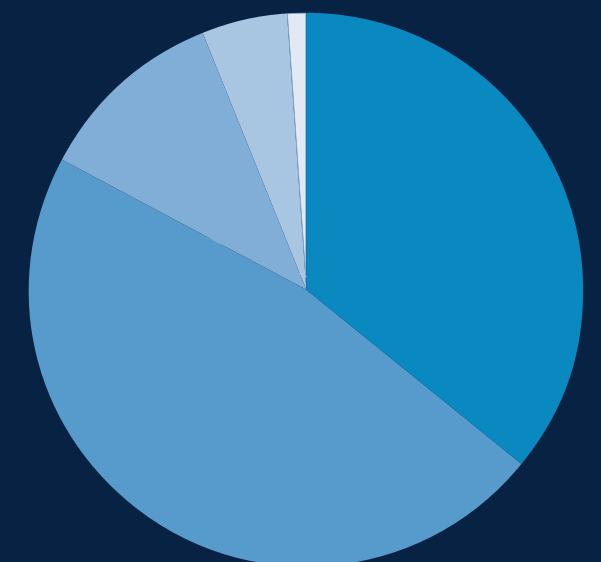
- Rates and charges 39% - **\$7,957**
- User fees 10% - **\$2,020**
- Operating grants 11% - **\$2,136**
- Capital grants 38% - **\$7,652**
- Other revenue 1% - **\$251**
- Statutory fees and fines 1% - **\$204**

Operating expenses

Council's total operating expenses for the 2021–22 year is \$11.9 million (down from \$12.9 in 2020–21). This decrease in expenses is mainly due to favourable variances in loss of disposal of assets and other accounting adjustments (reclassification of capital expenditure as operating expenditure to meet the requirement of accounting standards).

There is a decrease in employee costs due to staff vacancies. Cost of materials and services has increased mainly due to the cost associated with one-off grant-funded operating projects, increased cost of public places cleaning contracts and additional vegetation management expenses incurred due to the storm event that took place during the 2021–22 financial year.

Council's expenses (\$'000) 2021–22



Council's expenses

- Employee costs 36% - **\$4,300**
- Materials and services 47% - **\$5,548**
- Depreciation 11% - **\$1,324**
- Other expenses 5% - **\$559**
- Net loss on disposal of PPE 1% - **\$130**

Capital expenditure

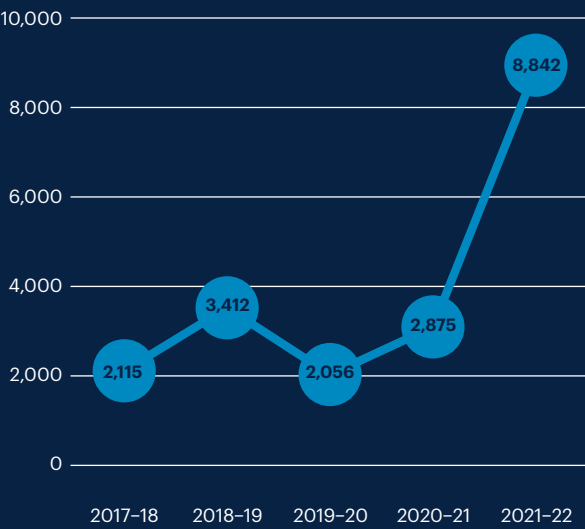
During the financial year, Council invested \$9.1 million in capital work projects to enhance its total asset base. This is the highest amount that Council has invested in upgrading its community assets in nearly 15 years. This investment in capital works continues to focus on the maintenance and renewal of the community's existing assets.

However, the reported values (total of \$8.8 million) in the Statement of Capital Works have been adjusted to reflect the reclassification of capital expenditure of \$0.2 million incurred on road assets managed/controlled by VicRoads.

Key projects undertaken during the year included:

- Completion of various road safety enhancement projects under the Commonwealth Road Safety Program and the Local Roads and Community Infrastructure Program
- Completion of Simpson Street storm water asset improvement work
- Continuation of the Queenscliffe Hub
- Continuation of the Queenscliff Boat Ramp upgrade project
- Continuation of the Queenscliff Sports and Recreation Precinct project
- Continuation of Point Lonsdale Lighthouse Reserve upgrade work
- Commencement of Council's ICT transformation project
- Continuation of annual renewal across all of Council's asset classes.

Capital works (\$'000) 2017-18 to 2021-22



Total assets

Council's total asset base is \$187.2 million as at 30 June 2022. The major components of assets are:

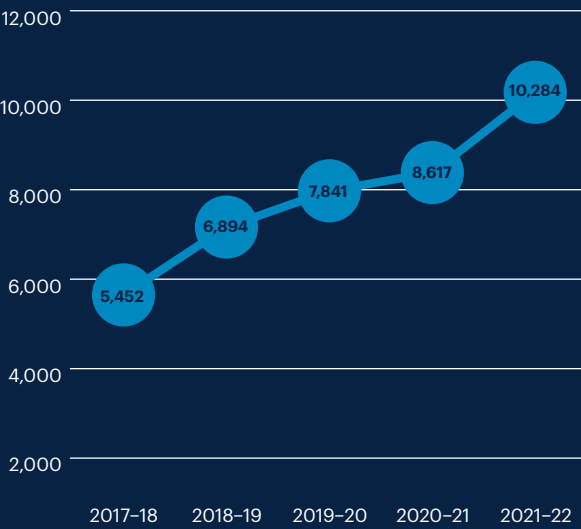
- Property, infrastructure, plant and equipment
- Cash and financial assets (cash investments with maturity dates between 3-12 months)
- Non-current assets classified as held for sale.

Together, these asset categories account for 99.7% of all assets. Property, infrastructure, plant and equipment are valued at \$173.1 million, of which \$97.7 million represent the value of Crown land and land under roads managed by Council.

Liquidity

Cash and cash equivalents and cash investments (maturity dates between 3-12 months) increased to \$10.3 million in 2021-22. Of the total, \$3.3 million is subject to intended allocations, leaving \$6.9 million as unrestricted cash holdings after deducting trust funds and restricted funds. Council has enough unrestricted cash to settle all its liabilities as at 30 June 2022.

Cash and cash investments (\$'000) 2017-18 to 2021-22

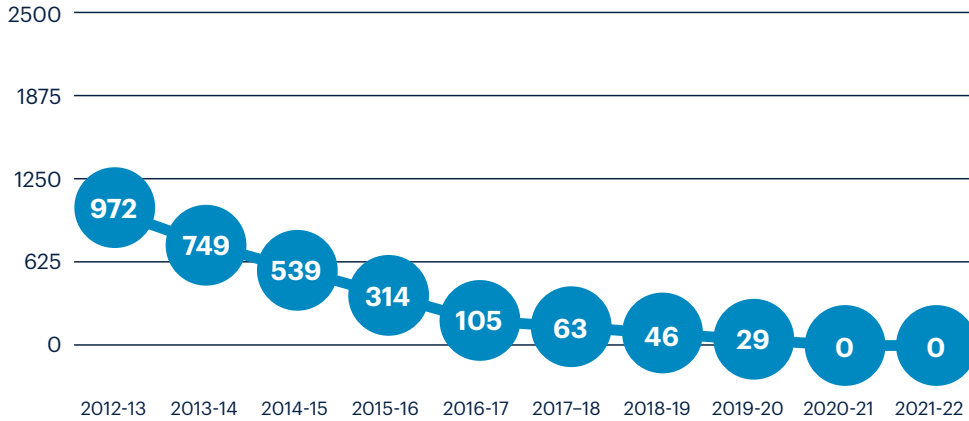


Liabilities

Council's liabilities include amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$4.4 million as at 30 June 2022.

Council has reduced its loans to a ten-year low of zero debt which means that Council has a debt-free balance sheet and is operating well above the Victorian Government's prudential ratio limits.

Loan liabilities (\$'000) 2012-13 to 2021-22



Financial sustainability indicators

The Victorian Auditor-General's Office (VAGO) reports to Parliament in November / December each year on the results of the Local Government Audits for the most recent financial year. In its report, VAGO considers the outcomes for each Council grouping across seven financial sustainability risk indicators.

Profitability indicators

- 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.

Financing indicators

- Liquidity – whether sufficient working capital exists to meet short-term commitments.
- Internal financing – whether sufficient operating cash flows are generated to invest in assets and repay debt.
- Indebtedness – whether sufficient operating cash flows are generated to pay the principal and interest on borrowings, as and when they fall due.

Asset renewal and maintenance indicators

- 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.

Risk assessment matrix

VAGO uses the following risk assessment matrix to assess result against each indicator.

| Financial sustainability indicators | Low | Medium | High |
|---|-------|------------|-------|
| Net result ¹ | >0% | -10% – 0% | <-10% |
| Adjusted underlying result ¹ | >5% | 0% – 5% | < 0% |
| Liquidity | >1.0 | 0.75 – 1.0 | <0.75 |
| Internal financing | >100% | 75% – 100% | <75% |
| Indebtedness | <=40% | 40% – 60% | >60% |
| Capital replacement | >1.5 | 1.0 – 1.5 | <1.0 |
| Renewal gap | >1.0 | 0.5 – 1.0 | <0.5 |

Risk assessment

The following chart indicates the Borough's trend over the past five years on the above financial sustainability indicators. The 2021-22 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 2022 calendar year. Applying the seven indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe remains in a sound financial position.

| Financial sustainability indicators | 2016-17* | 2017-18* | 2018-19* | 2019-20* | 2020-21* | 5Y average | 2021-22** |
|---|----------|----------|----------|----------|----------|------------|-----------|
| Net result ¹ | 2.5% | 10.8% | 25.1% | 4.4% | -0.9% | 8.4% | 41.3% |
| Adjusted underlying result ¹ | 2.3% | 0.7% | -0.2% | -3.7% | -13.7% | -2.9% | 5.6% |
| Liquidity | 3.1 | 2.9 | 5.0 | 5.1 | 2.9 | 3.8 | 3.1 |
| Internal financing | 183.0% | 135.0% | 144.2% | 151.3% | 128.1% | 148.3% | 122.8% |
| Indebtedness | 1.1% | 1.1% | 0.5% | 1.2% | 1.1% | 1.0% | 1.1% |
| Capital replacement | 1.2 | 1.8 | 2.9 | 1.4 | 2.1 | 1.9 | 5.6 |
| Renewal gap | 0.8 | 1.1 | 2.2 | 1.2 | 1.9 | 1.5 | 5.4 |

Source: VAGO

* Based on VAGO reports

** Based on the audited results calculated by BoQ

¹ Net result and the adjusted underlying result are impacted by accounting adjustments, one-off transactions and timing of operating grants.

Description of operations

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

Council delivers services and initiatives under 25 major service categories. Each contributes to the achievement of strategic objectives set out under each portfolio. These range from aged care to environmental health, tourist parks to land use planning, and street lighting to community engagement – just to name a few. The Borough's permanent population of around 3,000 remains steady and its comparatively older demographic enjoys the broad range of community services and infrastructure offered.

Economic factors

Council's financial position continues to remain sound, bolstered by an underlying surplus of \$0.6 million (based on the Council Plan measure) for the 2021-22 financial year and an unrestricted cash and cash investment balance of \$7.0 million at the year end. The COVID-19 pandemic and its associated restrictions continued to provide challenges entering 2021-22 but its financial impacts have abated somewhat by the end of the financial year.

A combination of the coronavirus pandemic and the Russian invasion of Ukraine has caused widespread shortages of materials throughout the country. Stock limitations have also generated price rises, contributing to sharp growth in construction costs over the year 2021-22. While these problems are global in nature, the Borough of Queenscliffe has not escaped their impacts. Council is of the opinion that Council's sound financial position will help the Council to navigate safely through these short-term economic shocks.

Major capital works

During 2021-22, major capital works included the following projects:

Queenscliffe Hub (Wirrng Wirrng)

The Hub is a multi-use community facility that brings the town's library, visitor information centre and historical museum under one roof. Planning approval was granted by Council in August 2020 and major construction commenced in April 2021. The building is expected to open to the public in September 2022. Total cost of the project is \$6.3 million.

Queenscliff Boat Ramp upgrade

This upgrade is being delivered by Better Boating Victoria in partnership with Council. It includes the construction of a third boat ramp lane and floating pontoon to make it quicker and easier for users to launch or retrieve their boat. Planning approval was

granted by Council in April 2021. Construction took part in two stages and commenced in July 2021. The ramp is expected to open to the public in August 2022. Total cost of the project is \$3.9 million.

Queenscliff Sport and Recreation Precinct

This multi-faceted project included a new netball game day facility, new netball courts, new cricket nets, new football goal netting and a new car park. While these upgrades were completed and opened to the public in October 2018, minor tasks such as the scheduled upgrade of the Queenscliff Recreation Reserve amenities block are also funded under this project. Construction began in June 2022 and the building is expected to be open to the public in November 2022. Total cost of the project is \$1.3 million.

Major changes

New organisational structure

On 27 October 2021, Council undertook an internal restructure that replaced the Executive Management Team and its three directorates with a new Management Team that oversaw five directorates. The following changes were implemented:

- The previous directorate of Planning & Infrastructure was essentially split into two new directorates: Planning & Community Safety and Infrastructure & Environment
- The previous directorate of Organisational Performance & Community Services was essentially split into two new directorates: Finance & Corporate Services and Community
- The previous directorate of Executive Services was modified and renamed to Office of the Chief Executive Officer.

ICT transformation project

The Borough of Queenscliffe, like all local government authorities, delivers a broad range of services to its local community. Many of Council's business processes are either manual or lack efficiency and there are significant opportunities to implement a range of improvements to increase productivity, improve service delivery and reduce the risk of information being lost or compromised.

With this in mind, Council engaged a consultant to produce an ICT Architecture Strategy detailing a roadmap for Council to significantly improve its ICT landscape, reduce existing risks and allow for future improvements. The project subsequently began in February and is already having a significant impact on the way Council delivers its services.


Major achievements

A detailed report of Council's achievements during 2021-22 can be found in the 'Highlights' section of this report, beginning page 11.



OUR COUNCIL, OUR PEOPLE

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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.

Borough profile

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

Located at the eastern tip of Victoria's Bellarine Peninsula on Wadawurrung Country, 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 almost 160 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.

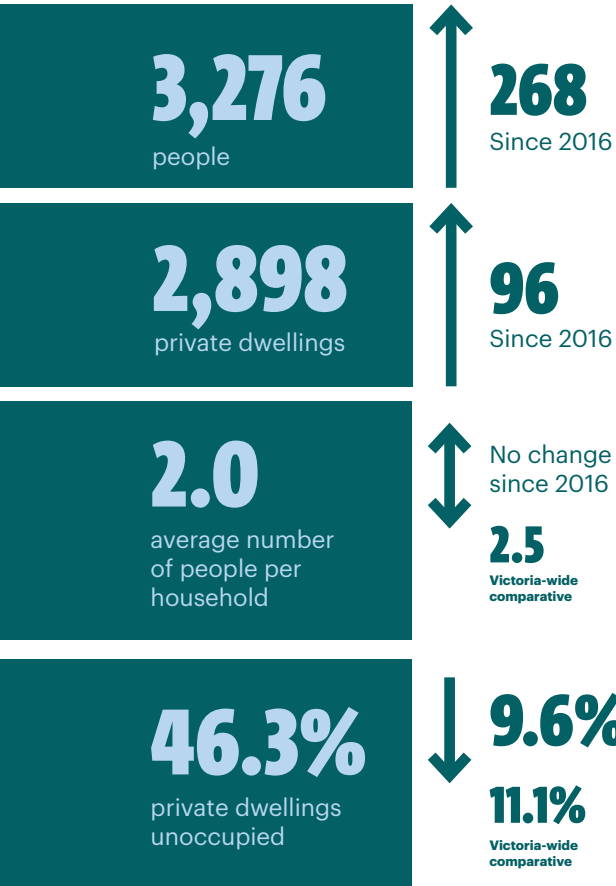
What's in a name?

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'. Almost 160 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.

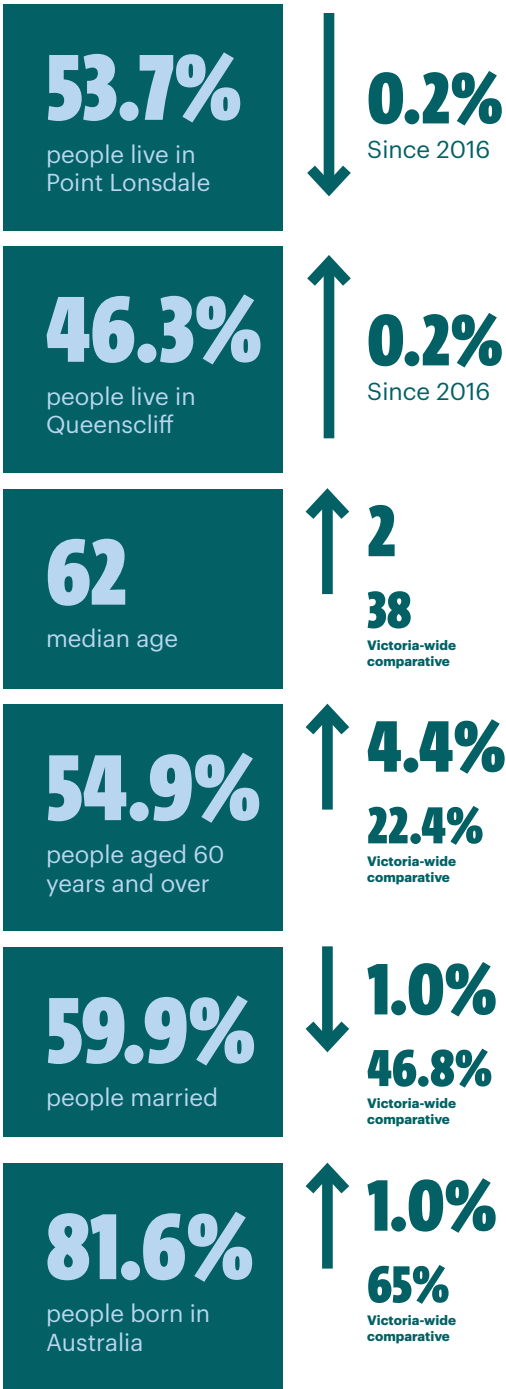
Demographic profile

The Borough of Queenscliffe has a unique demographic profile of permanent residents. The following data is sourced from the 2021 Census conducted by the Australian Bureau of Statistics.



The increase in population and dwellings since the 2016 census indicates an increase in the number of subdivided blocks alongside a greater demand to live in the area. The population figures may be slightly inflated due to the Census being conducted while metropolitan Melbourne was in lockdown, reflecting a cohort of non-permanent residents who opted to reside at their Borough-based dwelling throughout the lockdowns. The large number of unoccupied private dwellings, while a considerable decrease from the 2016 census, continues to represent the large temporary population comprising of property owners who only holiday or live part-time in the Borough.

The Borough continues to hold the title of the oldest population in Australia, with the median age increasing by two years since the 2016 Census. A high median age is often linked with socioeconomic advantage, which Queenscliffe has maintained steadily throughout recent history.



| | |
|------------------|-------|
| 48.8% ENGLISH | 29.2% |
| 34.4% AUSTRALIAN | 27.2% |
| 18.5% IRISH | 9.4% |

Victoria-wide comparative

The three largest ancestries all remain the same in 2021 as they did in 2016, however percentages cannot be compared due to a change in Census methodology.

Further statistical data, including tertiary qualification level, employment status and employment industry breakdown were not yet released at the time of publication.

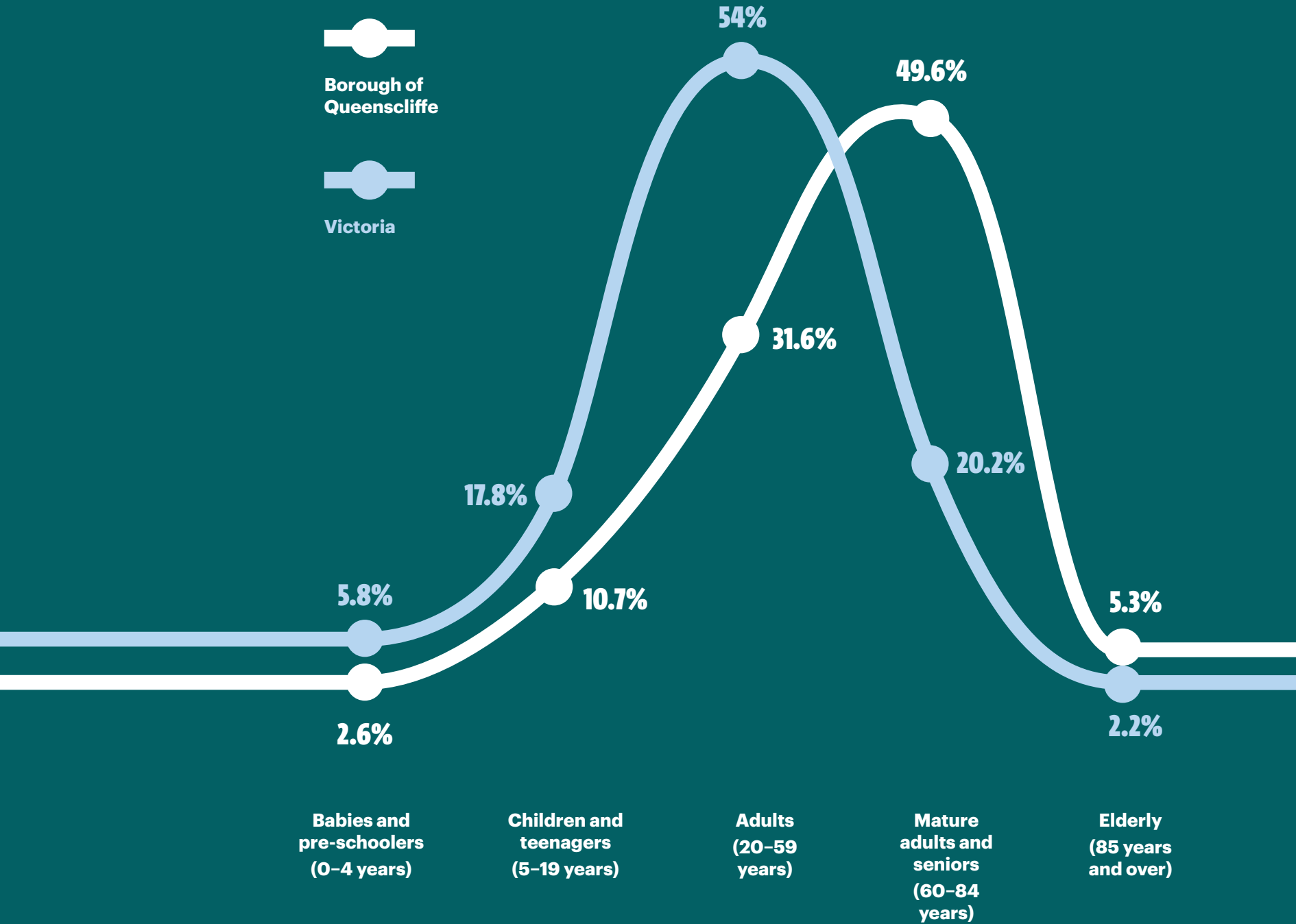
Age structure



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 2021.

(Source: 2021 Census)



During peak holiday periods, the influx of non-permanent residents and visitors boosts the population to more than 17,000.

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 17,000.

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. The soon-to-be completed Queenscliffe Hub also combines the heritage façade of the Queenscliff Library with state-of-the-art internal function spaces.

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 thousands of years. Council is developing a Reconciliation Action Plan to further build our understanding of this history, this Country, and the Wadawurrung traditional owners who cared for and nurtured the land.

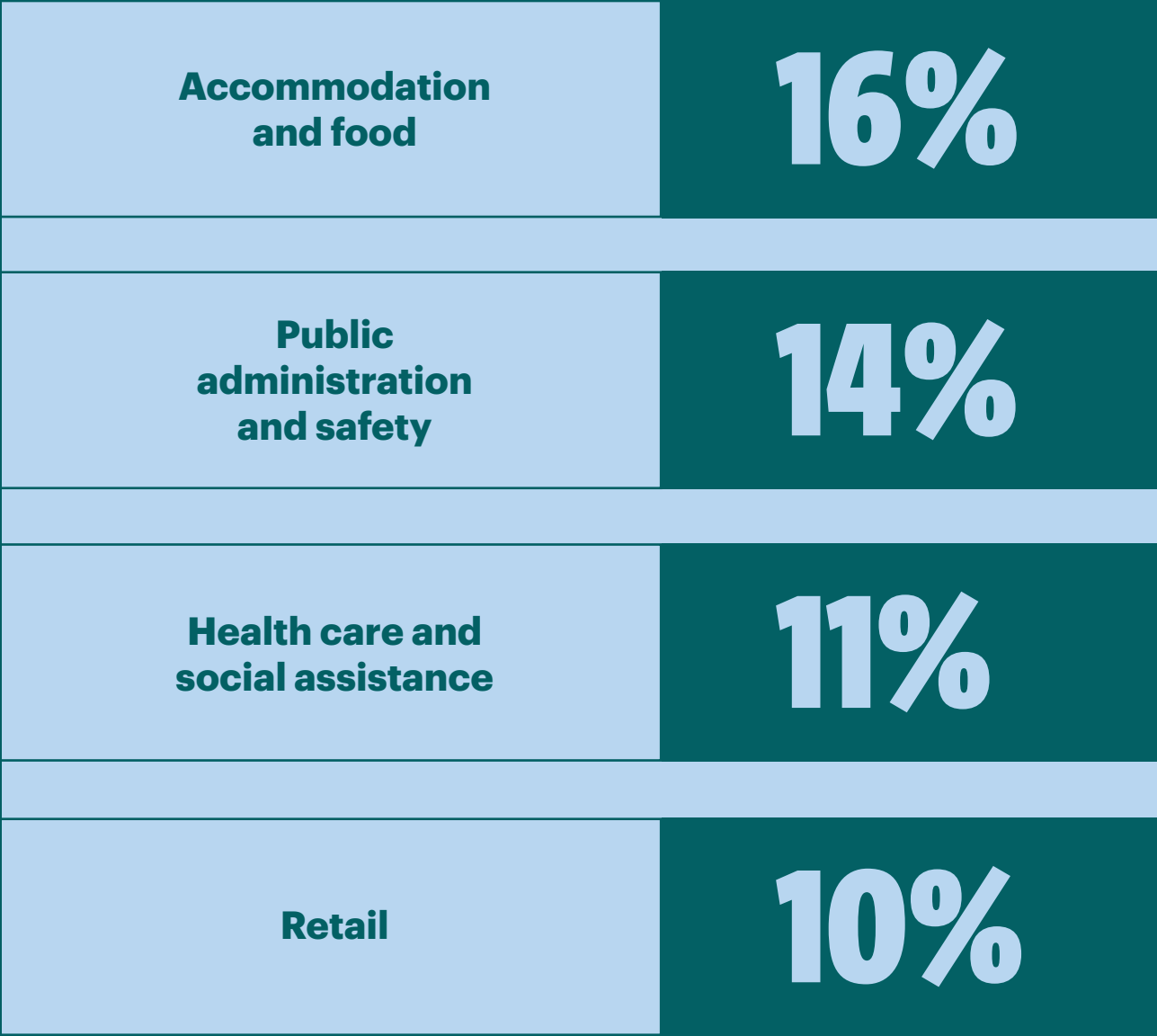
Natural environment

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 and is the nominated land manager for approximately 115 hectares of marine and coastal Crown land, which accounts for just over 10% of the total land area of the municipality – 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, chiefly the award-winning Climate Emergency Response Plan adopted in May 2021.

The Borough’s main industry sectors by employment are:



(Source: 2021 Census)

Council offices

Council offices are based at the Queenscliff Town Hall, 50 Learmonth Street, Queenscliff, where all Ordinary, Planning Review and Special Meetings of Council are held. The Town Hall is also utilised as an entertainment and cultural facility by various community groups and arts festivals.

Councillors

Councillors’ role

Section 28 of the *Local Government Act 2020* outlines the role that each of our Councillors must play when in office and is incorporated into the Borough of Queenscliff’s Councillor Code of Conduct, which was last adopted in February 2021 (see page 87).

The section reads, in full:

1. The role of every Councillor is—

a. to participate in the decision making of the Council; and

b. to represent the interests of the municipal community in that decision making; and

c. to contribute to the strategic direction of the Council through the development and review of key strategic documents of the Council, including the Council Plan.
2. In performing the role of a Councillor, a Councillor must—

a. consider the diversity of interests and needs of the municipal community; and

b. support the role of the Council; and

c. acknowledge and support the role of the Mayor; and

d. act lawfully and in accordance with the oath or affirmation of office; and

e. act in accordance with the standards of conduct; and

f. comply with Council procedures required for good governance.

3. The role of a Councillor does not include the performance of any responsibilities or functions of the Chief Executive Officer.
- ## Councillor profiles
- Council elections are held every four years. The current Council was elected in November 2020 and under the *Local Government Act 2020* is elected for a four-year term. The Victorian Electoral Commission held a countback in April 2022 to fill the extraordinary vacancy left by the resignation of Cr Susan Salter.
-
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Cr Ross Ebbels (Mayor)

P 0427 448 160
E ross.ebbels@queenscliffe.vic.gov.au
Date elected: 3 November 2016.
Mayor: 28 November 2019 – present.



Cr Ebbels has a long and varied involvement with the local community as the former 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.

Delegates

- Geelong Regional Library Corporation
- Geelong Heritage Centre Collection Advisory Committee
- Municipal Association of Victoria
- Rural Councils Victoria
- Tourism Greater Geelong & the Bellarine Board
- G21 Geelong Region Alliance Board

Committees & Reference Groups

- Audit and Risk Committee
- CEO Employment and Remuneration Advisory Committee
- Memorials and Plaques Reference Group



Cr Fleur Hewitt (Deputy Mayor)

P 0437 860 520
E fleur.hewitt@queenscliffe.vic.gov.au
Date elected: 4 November 2020.
Deputy Mayor: 24 November 2021 – present.



Cr Hewitt lives with her family in Queenscliff and attends the Queenscliff & Point Lonsdale Playgroup and the Wild Arts Forest School in Point Lonsdale with her two young girls. Cr Hewitt holds a Bachelor of Arts and Bachelor of Laws (with Honours), and is an experienced lawyer, having worked for large national and international law firms and now as a legal manager for a multinational healthcare company. Her expertise is in all areas of real estate, including major transactions, leasing and construction, and she has a keen interest in planning and environmental issues.

Delegates

- Association of Bayside Municipalities
- Barwon South West Local Government Waste Forum
- G21 Sustainability Pillar

Committees & Reference Groups

- Audit and Risk Committee
- Community Service Awards Reference Group
- Memorials and Plaques Reference Group



Cr Donnie Grigau

P 0437 842 380
E donnie.grigau@queenscliffe.vic.gov.au
Date elected: 4 November 2020.



Cr Grigau is a local hands-on business owner with strong ties to the arts & sporting community. After a 20-plus year career in the fashion and consumer retail sector as a product developer, Cr Grigau and his husband decided to move from Melbourne to make a lifestyle change. The choice between the high country and coastal lifestyle was made when a business in Hesse Street, Queenscliff was available.

Delegates

- Bellarine Community Safety Group
- G21 Health & Wellbeing Pillar

Committees & Reference Groups

- Community Grants Advisory Reference Group



Cr Michael Grout

P 0437 118 037
E michael.grout@queenscliffe.vic.gov.au
Date elected: 4 November 2020.



Cr Grout is a local resident actively involved in the local community, particularly through his association with the Queenscliffe Economic Development Advisory Committee, Point Lonsdale Civic Association, Swan Bay Environment Association, Bellarine Community Health Eric Tolliday Units Reference Group and various roles in Queenscliff Primary School, Sea Scouts and sporting clubs.

Cr Grout holds a degree in civil engineering and is a training professional with twenty-five years' experience in training and business improvement. He is qualified and experienced in skill development, problem solving, change and improvement, safety performance and project management, using methods from one-on-one coaching to group facilitation. Cr Grout was recognised at Orica with manufacturing training awards in 2000 and at Australian Vinyls with a Victorian training award in 2006.

Delegates

- Association of Bayside Municipalities
- Geelong–Queenscliffe Coastal Adaptation Program
- G21 Managing Growth Advisory Group

Committees & Reference Groups

- CEO Employment and Remuneration Advisory Committee
- Community Grants Advisory Reference Group



Cr Isabelle Tolhurst

P 0482 992 751
E isabelle.tolhurst@queenscliff.vic.gov.au
Date elected: 12 April 2022 (via countback).

 **Portfolio: Governance & Finance**

Cr Isabelle Tolhurst has a deep connection to the Borough, being a direct descendant of Charles and Henry Dod, significant contributors to Queenscliff and responsible for building the town’s first post office and bank. Cr Tolhurst attended Queenscliff Kindergarten and has holidayed in Point Lonsdale for more than 25 years. She now resides in Queenscliff with her family.

Cr Tolhurst holds a Bachelor of Journalism, Master of International Relations, and has worked as a journalist across a range of print and broadcast publications, including The Copenhagen Post and The Jakarta Post. She currently works at a youth not-for-profit, helping young people advocate to all levels of government for social, economic and environmental change.

Cr Tolhurst was formerly a committee member with Queenscliffe Climate Action Group, and is a current volunteer rescuer with Wildlife Victoria. She is passionate about community engagement and excited by the outcomes of genuine consultation.

Delegates

G21 Cultural & Economic Development Pillar

Committees & Reference Groups

Audit and Risk Committee
CEO Employment and Remuneration Advisory Committee



Cr Susan Salter

Date elected: 29 October 2012.
Mayor: 23 November 2017 – 22 November 2018.
Deputy Mayor: 14 November 2013 – 25 November 2015; 9 November 2016 – 23 November 2017.
Date retired: 8 March 2022

Cr Susan Salter lived in Queenscliff for nearly four decades and was an active member of 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 had a particular interest in trees, especially historical and native, and has extensive experience in creating public gardens and managing public open spaces.

After battling illness, Cr Salter resigned from Council in March 2022, and sadly passed away later that month.

Organisational structure

The Local Government Act 2020 (the Act) states that the primary role of a Council to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

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
- Ensure the peace, order and good government of the municipal district.

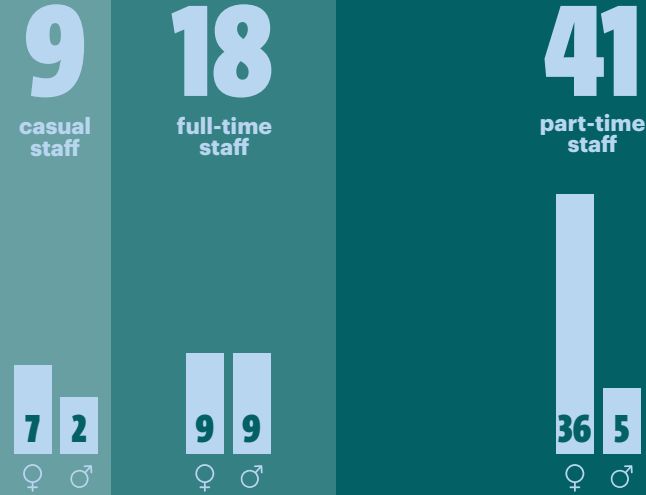
To achieve these objectives, appropriately qualified staff and contractors are engaged to deliver a range of services.

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




52
female staff


16
male staff

Council and the local community also benefit from the services of a team of

22
volunteers

who donate their time to the Queenscliffe Visitor Information Centre, plus numerous other volunteers who support Council events and activities.

Areas of responsibility

Office of the Chief Executive Officer

- Citizenship and civic events
- Communications
- Community engagement
- Governance
- Human resources and training
- Mayor and Councillor support
- Organisational development
- Strategic advocacy

Planning & Community Safety

- Animal management
- Building control
- Emergency management
- Environmental health
- Heritage advice
- Local law enforcement
- School crossings
- Strategic and statutory planning

Finance & Corporate Services

- Customer service
- Finance, risk and audit
- Information technology
- Rate collection

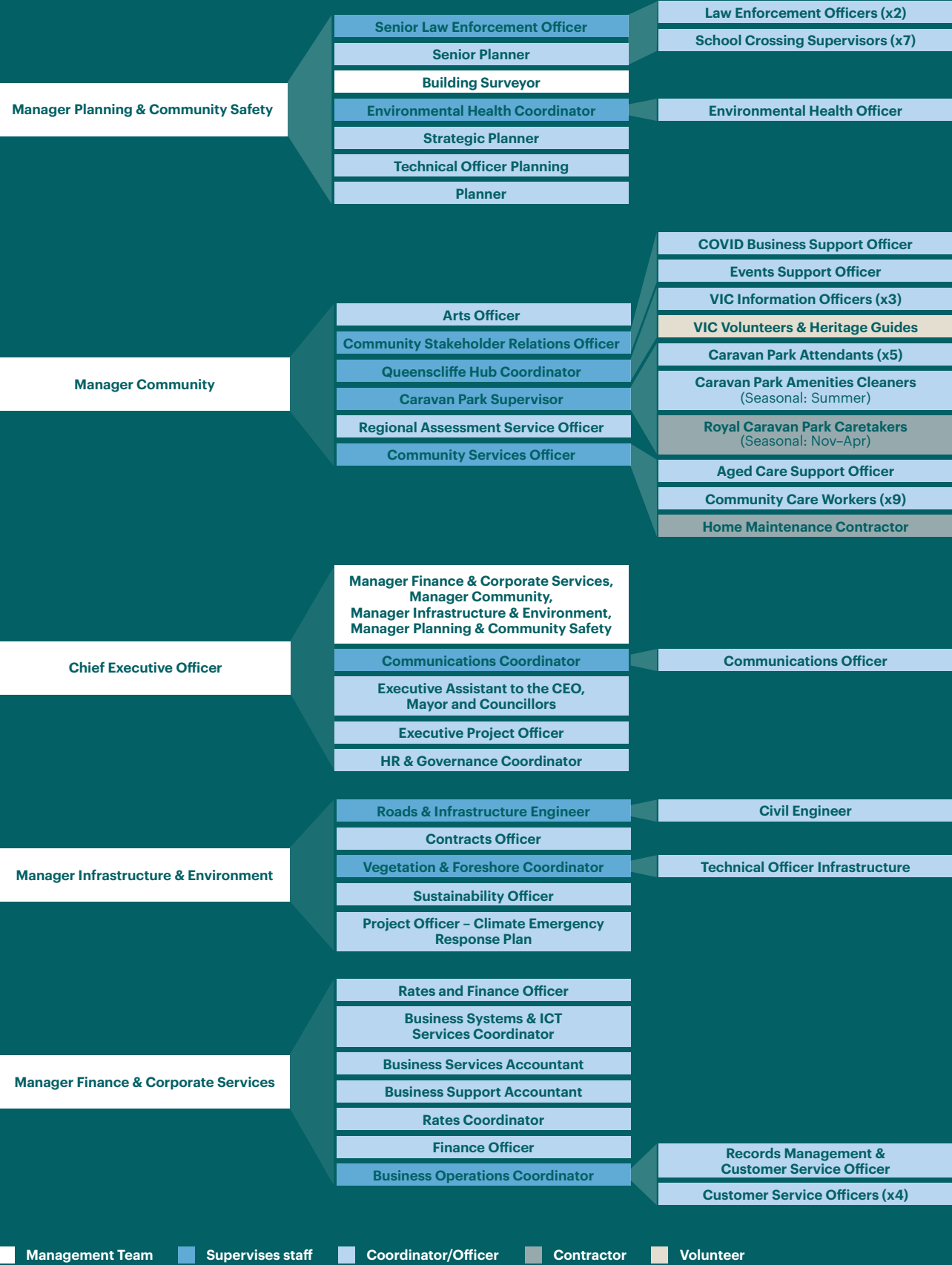
Infrastructure & Environment

- Building maintenance
- Climate emergency response
- Coastal and Crown land management
- Contract management
- Engineering
- Power line clearance
- Public amenities
- Road maintenance and works
- Street lighting
- Sustainability and environment
- Waste management

Community

- Aged care services
- Arts, recreation and cultural services
- Caravan park management
- Community development
- Early years services
- Events
- Library services
- Tourism and economic development
- Visitor information
- Youth services

Organisational chart



Management team

Council’s management team is led by the Chief Executive Officer (CEO) and includes managers of four directorates: Infrastructure & Environment, Planning & Community Safety, Community, and Finance & Corporate Services. These positions were newly created in August 2021 following the conclusion of an organisational restructure. Prior to August, Council’s management structure consisted of the CEO, General Manager Planning and Infrastructure, and General Manager Organisational Performance and Community Services.

Chief Executive Officer – Martin Gill

Martin was appointed Chief Executive Officer in October 2019. His qualifications include a Bachelor of Architecture and Bachelor of Fine Arts. He has extensive experience in local government in both Victoria and Tasmania. He was previously with the Meander Valley Council in Tasmania for seven years with three of those as General Manager, and prior to that with the Bass Coast Shire Council.

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

Manager Infrastructure & Environment – Stuart Hansen

Stuart was appointed Manager Infrastructure & Environment in October 2021 after having served as Special Projects Officer and Projects and Contracts Engineer for more than a decade at the Borough. Stuart’s experience in managing a diverse range of community assets in local government spans almost 20 years. His qualifications include a Bachelor of Engineering (Environmental) (Hons).

As Manager Infrastructure & Environment, Stuart has responsibility for management of the Borough’s community’s built assets and natural assets, delivery of the Climate Emergency Response Plan and provision of residential waste services.

Manager Planning & Community Safety – Vacant

As of 30 June 2022, the position of Manager Planning & Community Safety was vacant. It was previously held by Johann Rajaratnam, who was appointed in October 2021 after having served as General Manager Planning & Infrastructure for more than two years at the Borough. Johann departed the Borough in April 2022.

The Manager Planning & Community Safety is responsible for overseeing the strategic and statutory planning required throughout the organisation, as well as local law enforcement, emergency management, environmental health services and animal management.

Manager Community – Shannon Maloney

Shannon was appointed Manager Community in October 2021 after having served as Community and Economic Development Program Leader and Coordinator for nine years at the Borough. Her qualifications include a Bachelor of Business (Tourism Management) and a Certificate IV in Public Relations. She has a background in public and private sectors with roles ranging from marketing and communications to centre management and stakeholder engagement.

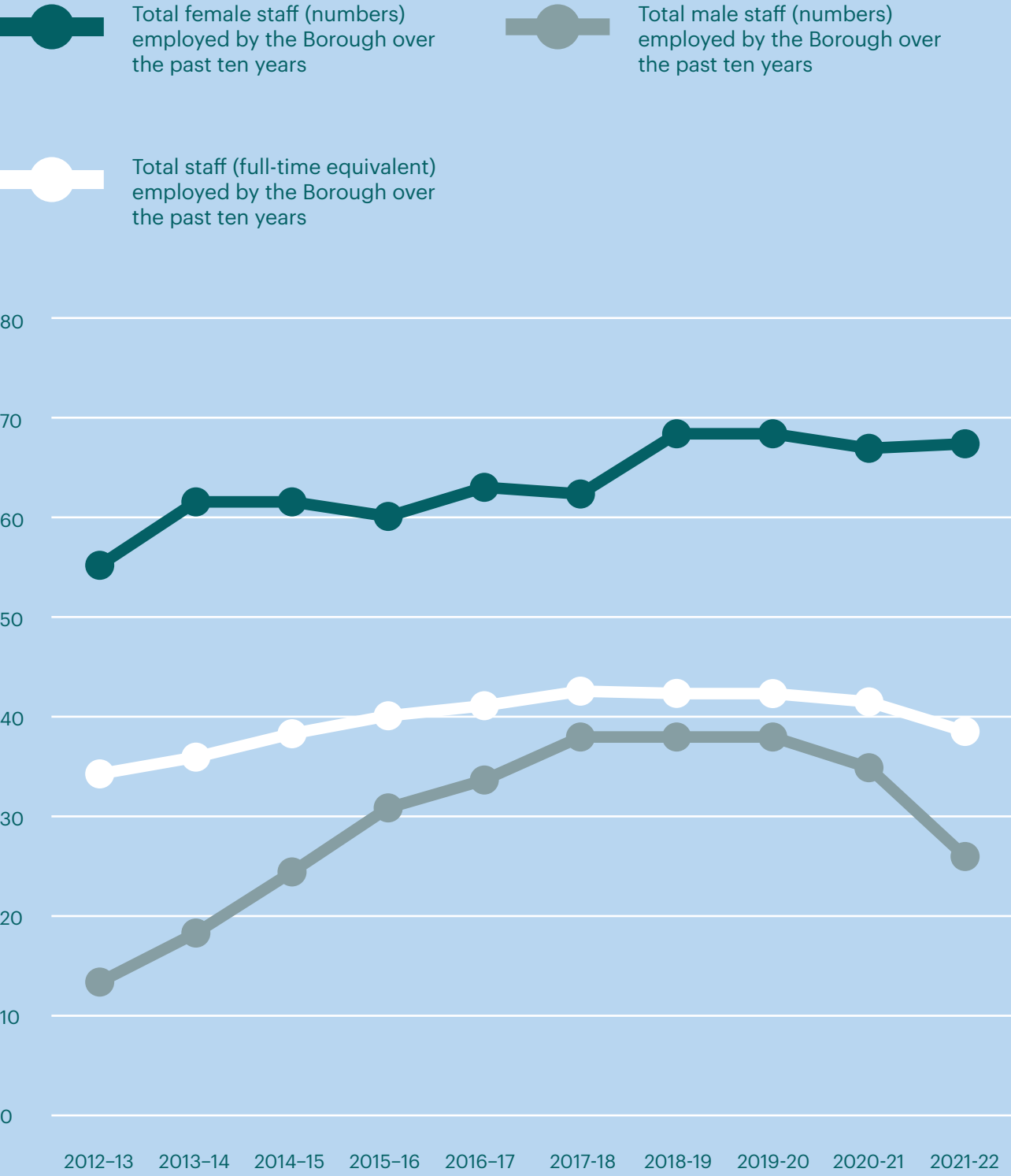
As Manager Community, Shannon oversees Council’s visitor services, arts and cultural development, grant and sponsorship programs, local business support and development, tourist parks and aged care services.

Manager Finance & Corporate Services – Gihan Kohobange

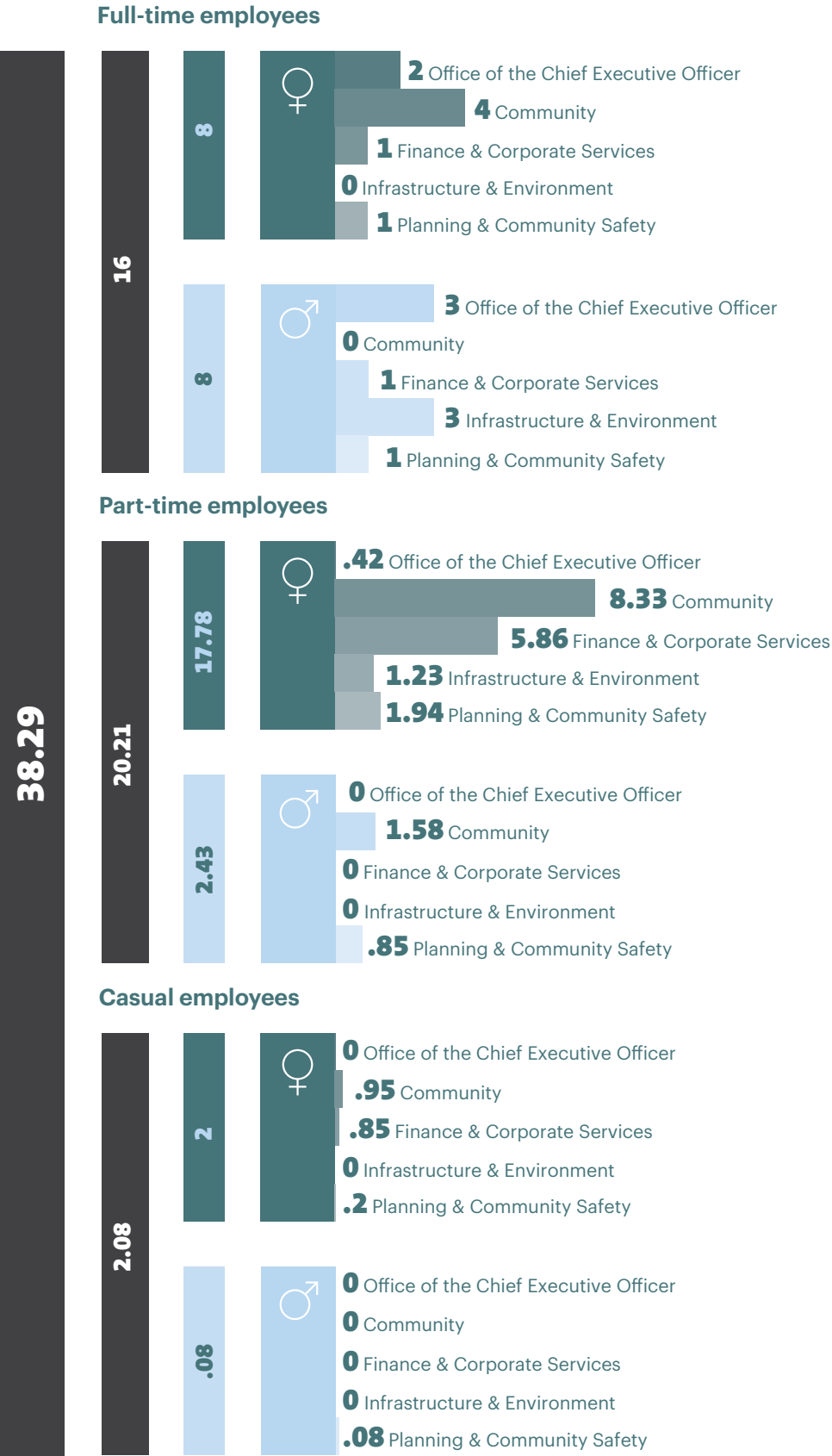
Gihan was appointed Manager Finance & Corporate Services in October 2021 after having served as Manager Financial Services for two years at the Borough. His qualifications include a Bachelor of Accounting and Finance, CPA Australia and CA ANZ. He has extensive experience in finance and accounting. He was previously with the Shire of Dundas in Western Australia as Deputy Chief Executive Officer/Manager Finance.

As Manager Finance & Corporate Services, Gihan has overall responsibility for the efficient performance of the finance and corporate services of the organisation.

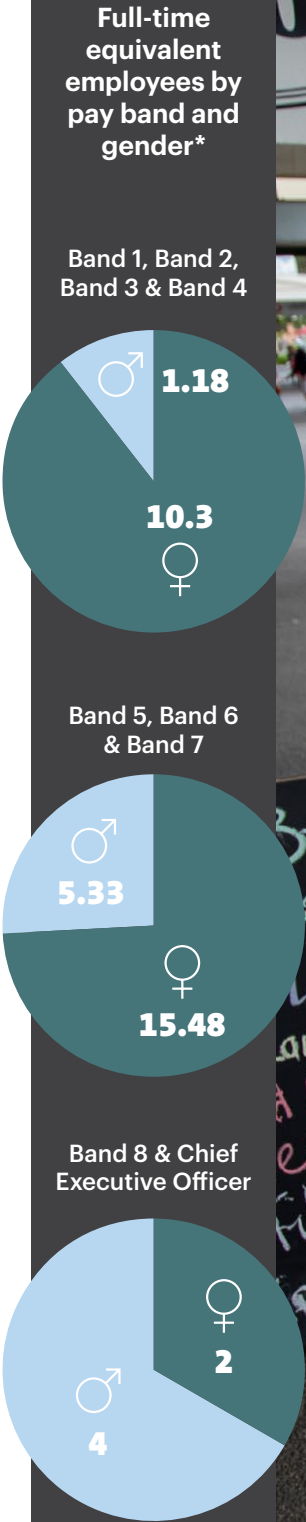
Council staff



Full-time equivalent employees by employment type, gender and directorate



* Given the team’s small size, employees could be individually identified by pay band and gender in a typical set of reporting data. To protect the privacy of staff at the Borough, these bands have been grouped.



Other staff matters

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.

The *Gender Equality Act 2020* was enacted on 25 February 2020 and commenced on 31 March 2021. This Act aims to improve workplace gender equality across the Victorian public sector, universities and local councils. Under this Act the Borough will be required, among other things, to develop a Gender Equality Action Plan every four years and conduct gender workplace audits. The Borough’s first Gender Equality Action Plan was submitted to the Gender Equality Commission on 31 March 2022 and was subsequently deemed compliant by the Commission. The Borough’s first progress report on its Gender Equality Action Plan is due to the Gender Equality Commission on 31 October 2023.

Enterprise bargaining agreement

The Fair Work Commission approved the Borough’s current Enterprise Bargaining Agreement No. 10, 2019 on 16 September 2019. This Agreement, together with the National Employment Standards (NES) in the *Fair Work Act (2009)*, forms the terms and conditions of employment for staff (excluding the CEO). As of 30 June 2022, parties representing staff, management and the Australian Services Union were bargaining to agree on a new Enterprise Bargaining Agreement. The new agreement proposes to include improvements around flexible work arrangements, the right to disconnect from work when on leave, and several gender equality measures.

Professional development

Staff are encouraged to proactively have input into their professional development and training. Over the last year, Council’s focus has continued to be on compliance training, with refresher training on fraud, conflicts of interest, privacy, cyber safety and receipt of gifts. Training in specific areas such as Occupational Health and Safety, Gender Impact Assessments, risk management, and setting up and running an emergency relief centre was conducted for relevant officers.

Staff Consultative Committee

Under the requirements of the current 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.

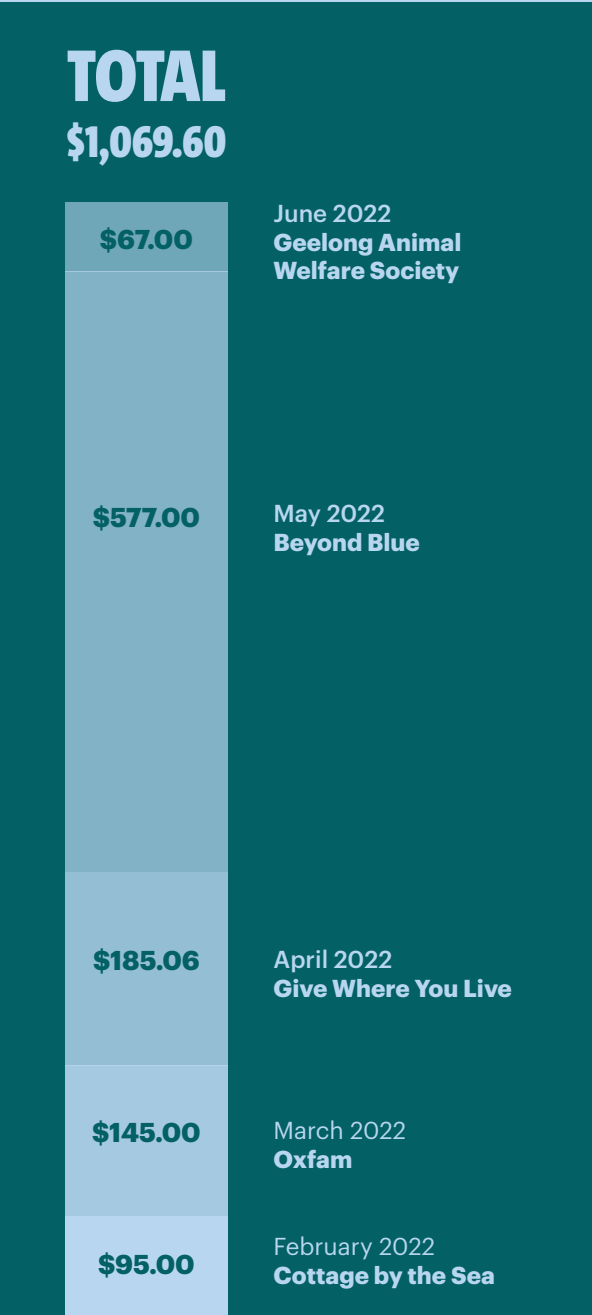
Charitable support

During 2021–22, staff participated in several fundraising activities to raise money for local and national charities. The popular Casual Dress Fridays program continued, where staff were able to donate a gold coin to a nominated charity each month in return for the ability to dress casually in the office on the Friday. However, the regularity and subsequent monetary output of this initiative was significantly impacted by coronavirus lockdowns and government directives to work from home.

Three staff members each participated in fundraising walks – the Oxfam Trailwalker, the Surf Coast Trek, and Coastrek – which raised funds for Oxfam, Kids Plus and Give Where You Live, and Beyond Blue respectively. Funds were accumulated through Casual Dress Fridays as well as a ‘soup kitchen’ initiative that saw staff donate money in return for lunchtime meals of fresh soup and bread.

Other organisations supported via the Casual Dress Fridays program included Queenscliff Rural Australians for Refugees, Cottage by the Sea, and Geelong Animal Welfare Society. A total of \$1,069.60 was raised for charity throughout the 2021–22 financial year via the program.

Casual Dress Fridays donations



Using further funds accumulated across the 2021 calendar year from the staff snack box and Christmas raffle, Council was pleased to donate \$405 to Cottage by the Sea in March 2022. This donation coincided with Cottage by the Sea’s ‘Giving Day’, where supporters of the Cottage offer to match public donations, thereby doubling the amount given to \$810 – a significant achievement in a year where financial hardship was felt by many.

Staff changes and recruitment

Table of staff changes:

| Position | Reason for recruitment |
|---|--|
| COVID Business Support Officer | State government funded temporary position |
| Community Care Worker | Casual position to assist with demand |
| Community Services Officer | Leave replacement position |
| Business Services Accountant | Leave replacement position |
| Manager Community | New position due to restructure |
| Manager Infrastructure and Environment | New position due to restructure |
| Caravan Park Attendant / Amenities Cleaners | Summer and/or temporary positions at the Queenscliffe Tourist Parks to assist during peak demand times |
| Finance Officer | Position vacant due to resignation |
| Rates and Finance Officer | New position |
| Records Management and Customer Service Officer | New position due to restructure |
| Environmental Health Coordinator | Position vacant due to resignation |
| Event Support Officer | Leave replacement position |
| VIC Information Officer | Leave replacement position |
| Senior Planner | Position vacant due to resignation |
| Customer Service Officer | Position vacant due to internal candidate recruitment |

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 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.

It should be noted that while several new positions were created as a result of the organisational restructure that occurred this financial year, simultaneously a number of positions were also made redundant. Recruitment for some positions was also only required due to the incumbent taking extended leave.



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.

Reported work-related incidents

| | | |
|---|---|---------|
| Near miss |  | 2021–22 |
| | | 2020–21 |
| Dangerous occurrence | | 2021–22 |
| | | 2020–21 |
| Injury – first aid treatment only required |  | 2021–22 |
| | | 2020–21 |
| Injury – medical treatment required |  | 2021–22 |
| | | 2020–21 |
| Injury – medical treatment as hospital inpatient required | | 2021–22 |
| | | 2020–21 |
| Serious injury | | 2021–22 |
| | | 2020–21 |
| Fatality | | 2021–22 |
| | | 2020–21 |
| TOTALS |  | 2021–22 |
| | | 2020–21 |



Volunteering

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 2021 Census, 28 per cent of locals aged 15 or older are actively engaged in some form of voluntary work through an organisation or group, which is 15 per cent above the state-wide figure.

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

During 2021–22, the team of 16 customer service volunteers and six heritage guides responded to 9,878 walk-in or phone inquiries and operated 47 heritage walks to 285 participants. and assisted three regional Victorian Probus clubs with their itineraries.

Much like last year, these figures are a significant decrease on the VIC's usual output. The ongoing COVID-19 pandemic restricted visitation due to border closures and lockdowns, while the VIC's temporary relocation during construction of the Queenscliffe Hub continued to impact on foot traffic.

Despite this, the team was pleased to host two Probus groups and three car enthusiast clubs, assisting with planning their itineraries, while also distributing tickets for the Queenscliffe Literary Festival and the Queenscliffe Lighthouse Theatre Group's Cinderella production.

Volunteers are the fabric of our community. Without them, the Borough would be a very different place to live in and visit.

Volunteer Geoff Hillis was celebrated when he reached his 15-year service anniversary. 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.

Celebrating local volunteers

Our annual volunteer function was held in May in the stunning Point Lonsdale Surf Life Saving Club building. Catered by iconic local café Pasquini's and featuring a speech from Mayor Ross Ebbels, the event brought together more than 80 volunteers from across the Borough to celebrate their hard work and acknowledge their generosity and service to the local community.

To help provide a conduit between local organisations requiring volunteers and willing residents looking to help, Council developed a suite of online forms that gather skills, interests and experience to locate the perfect pairing between group and worker. The release of these forms coincided with the publication of a set of volunteer profiles from across the Borough, highlighting the benefits of giving back to the community.

Council remains immensely proud of the Queenscliffe community's dedication to volunteerism, which continually outranks the rest of the state and country.





Awards and recognition

Community Service Awards

Each year, Council holds citizen awards, where we identify and recognise people and organisations in our community who go out of their way to contribute for the benefit of others. As part of a re-think about our annual celebrations, these awards were shifted from being a part of Council's Australia Day event. Now known as the Community Service Awards, the presentation ceremony is scheduled for May each year to coincide with National Volunteer Week.

Point Lonsdale local Liam Petrie-Allbutt was recognised as **Citizen of the Year** for 2022, a mere six years after he took out the Borough's Young Citizen award in 2016. Liam's numerous volunteering and leadership roles across the Borough, which include contributions to the Point Lonsdale Surf Life Saving Club, Queenscliffe Maritime Museum, Queenscliffe Historical Museum and the Point Lonsdale Christmas Tree Lighting Committee, led him to receive the top honour in a highly competitive field. In keeping with the aquatic theme of our major award winner, **Young Citizen of the Year** Eleanor Macleod was recognised for her contributions to the Point Lonsdale Surf Life Saving Club and the Rip View Swim across various levels of operations, including volunteer patrol and administrative support.

Continuing its year-on-year growth, the Queenscliffe Literary Festival won **Community Event of the Year** for its 2021 programme, which took place over two weekends in May and featured a diverse range of 40 local and nationally renowned speakers. **Community Organisation of the Year** went to Point Lonsdale Primary School for their 'Nippers in School' programme, which brought together members of various community groups ranging in age from eight to 70 years old in a shared endeavour to promote water safety. Finally, the award for **Community Environment Project of the Year** could not be split, with the honours being jointly shared between Boomerang Bags 3225 for the continuation of their long-running reusable bag initiative, and the Queenscliffe Climate Action Group for their work in implementing the actions in Council's Climate Emergency Response Plan.

Queen's Birthday Honours List 2022

Two Borough of Queenscliffe residents were recognised for decades of service to the local community when the Queen's Birthday Honours List was announced in June 2022. Point Lonsdale resident John Marriott was awarded the Order of Australia Medal for his service to the sheep breeding industry, while Queenscliff resident and former Borough Councillor Garry Spry was awarded the Order of Australia Medal for his service to the community of Queenscliffe.

More gold for Annual Report

For the seventh year in a row, the Borough's Annual Report attained Gold in the 2021 Australasian Reporting Awards (ARA).

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.



OUR PERFORMANCE

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| Community satisfaction | 80 |

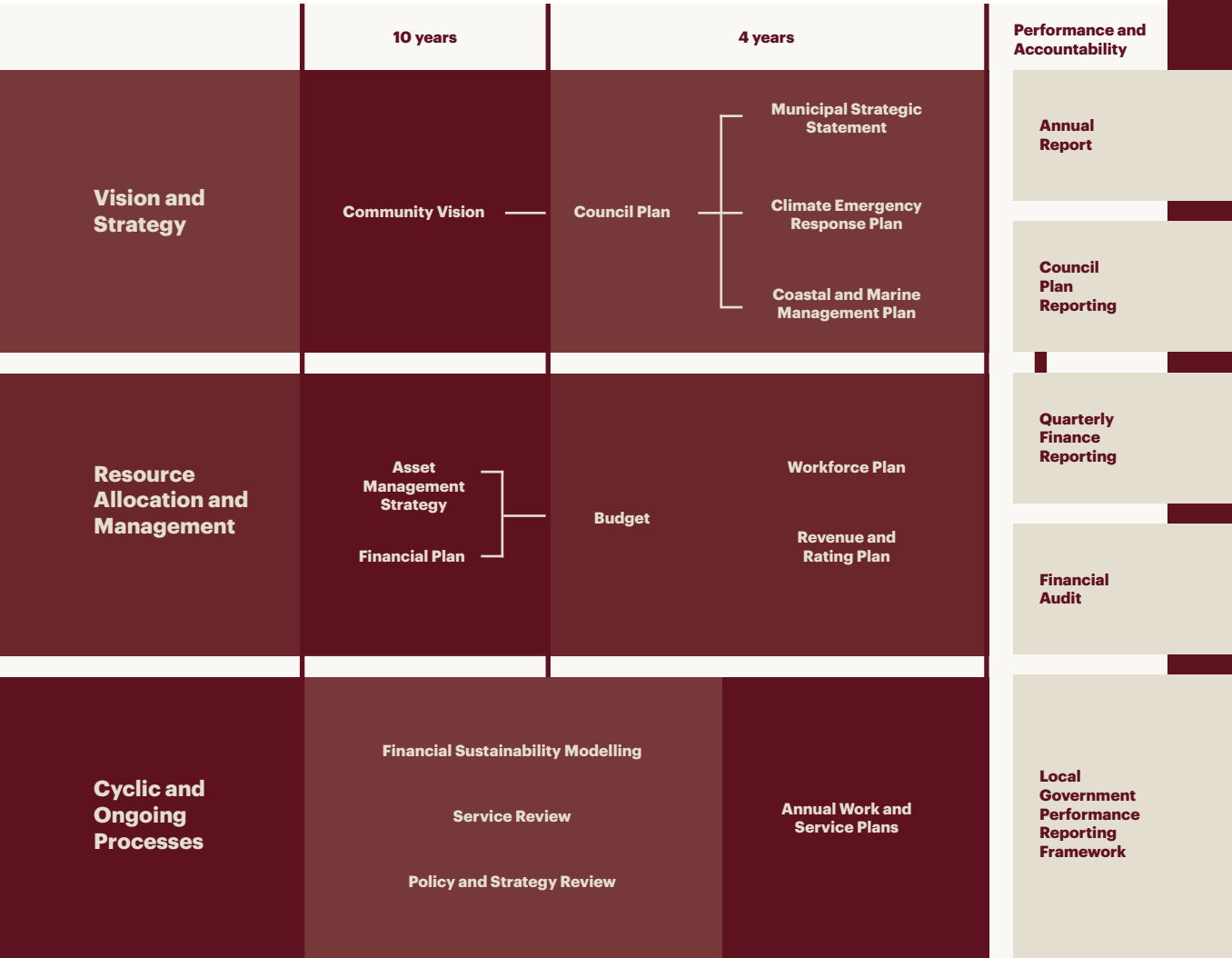
Strategic planning and reporting framework

The *Local Government Act 2020* requires Council to prepare its key planning and reporting documents in accordance with strategic planning principles. The strategic planning principles in the Act are:

- a. strategic planning must address the Community Vision
- b. strategic planning must take into account the resources needed for effective implementation

- c. strategic planning must identify and address the risks to effective implementation
- d. strategic planning must provide for ongoing monitoring of progress and regular reviews to identify and address changing circumstances.

The Act also requires Council to adopt an integrated approach to planning, monitoring and performance reporting. This is our strategic planning framework, as documented below.



Council Plan

The Borough of Queenscliffe’s Council Plan 2021–2025 determines the strategic direction for the newly elected Council during its term. It sets out five portfolios against which Council’s performance is measured. The strategic objectives of each of portfolio define Council’s priorities for service planning and delivery over a four-year period.

Each portfolio includes several priorities, with corresponding indicators and intended actions. The priorities outlined are statements about what Council aims to undertake on behalf of the community to achieve each strategic objective. The indicators are then used to monitor achievement of the priorities, and the intended actions represent the type of work Council undertakes to further the strategic objectives described. Some actions document Council’s legislative responsibilities, while other actions are conditional on external funding and resourcing. All actions are then subject to the annual planning and budget decision process.



Portfolio 1: Health and wellbeing

Strategic objective:

To support community wellbeing and encourage an active lifestyle.



Portfolio 2: Environment

Strategic objective:

To protect our environment and address climate change issues.



Portfolio 3: Local economy

Strategic objective:

To support a prosperous and diverse local economy.



Portfolio 4: Heritage, planning and infrastructure

Strategic objective:

To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure.



Portfolio 5: Governance and finance

Strategic objective:

To provide a financially viable Council that is accountable, transparent and practices good governance.

Community Vision

The Local Government Act 2020 requires Council to create a Community Vision which informs and guides the development of the Council Plan. The goal of the vision is to produce a consistent, long-term outlook for the Borough's future that successive Councils and the community as a whole can work towards.

Council worked closely with residents and ratepayers from across the Borough throughout a comprehensive three-stage community consultation process. The vision encapsulates a central statement, supported by five pillar statements that provide more detail on the values and goals outlined in the central statement.

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

Our community is caring, and welcoming to visitors.

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



Enhancing health and wellbeing

Our community encourages an active and outdoor lifestyle and nurtures the welfare of all



Protecting Country and our natural environment

We mitigate and adapt to the risks of climate change and preserve our ecosystems and biodiversity



Supporting business and community prosperity

We have a thriving local economy and community that is underpinned by high quality infrastructure and services



Encouraging an inclusive and engaged community

We have a welcoming, connected and diverse community that is supported by informed and consultative leadership



Protecting and celebrating Wadawurrung and Borough heritage

Our cultural and built history is conserved and celebrated

Portfolio 1:

HEALTH AND WELLBEING

Strategic objective:
To support community wellbeing and encourage an active lifestyle

Council Plan priorities & intended actions

1

Promote healthy and active lifestyles

Prepare a Health and Wellbeing Action Plan for 2021–2025

The creation of a Health and Wellbeing Action Plan work is scheduled for the second half of 2022. In the meantime, officers have been working on activities identified in Council's Municipal Health and Wellbeing Plan.

Work with Bellarine Community Health to address obesity

Work on this project is yet to be undertaken or scheduled due to resourcing constraints.

Promote awareness of the importance of responsible alcohol consumption and responsible gambling

Work on this project is yet to be undertaken or scheduled due to resourcing constraints.



Not actioned



Not actioned



Not actioned

2

Support older residents to live independently

Provide the Commonwealth Home Support Program (CHSP)

Council continues to provide an accredited, responsive aged support service and has maintained its zero-day waiting list for new clients.



Actioned

3

Promote diversity and gender equality

Create a Gender Equality Statement of Commitment

Council officers are working with Councillors to prepare a statement.

Implement the objectives and provisions of the Gender Equality Act 2020

The Borough's Gender Equality Action Plan (GEAP) has been developed in accordance with the Gender Equality Act and outlines the Borough's main strategies and actions to be undertaken over the next four years towards achieving gender equality in our workplace.

Promote and implement Respect 2040


Council officers have been working with other key G21 stakeholders in implementing Respect 2040, a social movement auspiced by Women's Health and Wellbeing Barwon South West.

Contribute to the delivery of the strategic plan for prevention and addressing violence against women and children in the G21 region

Council officers are working with other regional partners on the project.



On track



Actioned



Actioned



On track

59

Borough of Queenscliffe Annual Report 2021–22

Borough of Queenscliffe Annual Report 2021–22

60

Continued...

Portfolio 1: Health and wellbeing

Council Plan priorities & intended actions

4

Support initiatives and community groups that foster inclusion and connection and encourage physical activity within our community

Facilitate and promote activities that reduce social isolation and foster inclusion in the community

Council continues to promote the work of local organisations through its annual Community Grants and Event Sponsorship programs, which support community, art and cultural projects and activities that enhance the wellbeing and quality of life for people living in the Borough.

▶▶▶

Actioned

5

Increase access to services and support for young people and their families

Skate park is upgraded

Any upgrades to Gasworks Skate Park are dependent on funding and resourcing which is not yet available. Council continues to maintain the park for daily use.

▶▶▶

Not actioned

Bike park is completed

Council has conducted two rounds of consultation to finalise a concept design for the proposed bike park. This feedback is being used to hire a consultant to complete a technical design and finalise the project scope.

▶▶▶

On track

Dedicated indoor spaces for all ages, including young parents and babies, have been created

The creation of any new dedicated indoor spaces in the Borough is dependent on funding and resourcing which is not yet forthcoming.

▶▶▶

Not actioned

6

Protect our community from physical hazards, and the risks of natural disasters

Continue to build community resilience and prepare for emergencies

Council’s Heat Health Plan was again actioned over the summer period. Several Council officers underwent training in June 2022 on how to set up and administer an Emergency Relief Centre in line with state-wide relief centre principles and procedures.

▶▶▶

Actioned

Facilitate the regular meeting of the Municipal Emergency Management Planning Committee (MEMPC) and an annual review of the EMP’s work in collaboration with Regional MEMPC

Council’s MEMPC met formally on four occasions throughout 2021–22, with the July 2021 meeting involving numerous stakeholders simulating an emergency exercise where a fire occurred at Point Lonsdale back beach dunes. Key stakeholders from the MEMPC also continued to meet frequently to discuss the impact of COVID-19 and municipal actions.

▶▶▶

Actioned

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

| Service / indicator / measure / material variations & comments | 2018–19 | 2019–20 | 2020–21 | 2021–22 |
|--|----------------|--------------------|--------------------|--------------------|
| Maternal and Child Health (MCH) | | | | |
| Service standard | | | | |
| Infant enrolments in the MCH service | 100% | 100% | 100% | 100% |
| 17 birth notifications received and all enrolled in the MCH service. | | | | |
| Service cost | | | | |
| Cost of MCH service | \$171 | \$182 | \$170 | \$198 |
| The contracted cost of the service has increased slightly. However, the number of children attending the service has decreased, resulting in less hours worked by MCH nurses. | | | | |
| Participation | | | | |
| Participation in the MCH service | 71.50% | 63.98% | 68.71% | 73.24% |
| 52 children attended the MCH service at least once, of the 71 infants enrolled in 2021–22. | | | | |
| Participation | | | | |
| Participation in the MCH service by Aboriginal children | 100% | 100% | 100% | 0.00% |
| No Aboriginal children enrolled in the MCH service during the reporting period. | | | | |
| Satisfaction | | | | |
| Participation in 4-week Key Age and Stage visit | New in 2019–20 | 100% | 107.41% | 105.88% |
| 17 birth notifications received, and 18 4-week Key Age and Stage visits made in 2021–22 (including one child transferred before the 4-week check-up). | | | | |
| Satisfaction – Retired Measures | | | | |
| Participation in first MCH home visit | 100% | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 |
| This measure was replaced by Participation in 4-week Key Age and Stage visit indicator above from 1 July 2019. | | | | |
| Food Safety | | | | |
| Timeliness | | | | |
| Time taken to action food complaints | 1.00 | 0.50 | 1.00 | 1.00 |
| 5 food complaints received and all actioned within 1 day. | | | | |
| Service standard | | | | |
| Food safety assessments | 100% | 39.34% | 98.33% | 63.24% |
| The annual food safety assessment period is from 1 January to 31 December. Staff shortages and COVID-19 restrictions have impacted the full inspection routine. Whilst not all business were inspected, 100% of business owners were contacted via phone and email, and discussions were held. | | | | |
| Service cost | | | | |
| Cost of food safety service | \$682 | \$585 | \$684 | \$355 |
| The cost of the service is down due to the position being vacant for a part of the year. | | | | |
| Health and safety | | | | |
| Critical and major non-compliance notifications | 100% | 100% | 100% | 100% |
| Council has achieved a 100.00% compliance rate over the four years. | | | | |
| Local Law Enforcement – Animal Management | | | | |
| Timeliness | | | | |
| Time taken to action animal requests | 1.00 | 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. | | | | |
| Service standard | | | | |
| Animals reclaimed | 80.00% | 100% | 100% | 33.33% |
| 3 animals reclaimed from 9 animals collected and taken to animal welfare. | | | | |
| Service standard | | | | |
| Animals rehomed | New in 2019–20 | - | - | - |
| No data is available to report against this indicator. | | | | |
| Service cost | | | | |
| Cost of animal management service per population | New in 2019–20 | \$27 | \$28 | \$27 |
| Slight decrease in cost of service and is in line with average cost for previous years. | | | | |

| Service / indicator / measure / material variations & comments | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|-------------------|-----------------------|-----------------------|-------------------------------|
| Health and safety Animal management prosecutions | New in 2019-20 | 0.00% | 0.00% | 0.00% |
| Zero prosecutions. 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 a reduced likelihood of penalties being issued. | | | | |
| Service cost – Retired Measures Cost of animal management service | \$106 | Retired in 2019-20 | Retired in 2019-20 | Retired in 2019-20 |
| This measure was replaced by Cost of animal management service per population indicator above from 1 July 2019. | | | | |
| Health and safety – Retired Measures Animal management prosecutions | 0 | Retired in 2019-20 | Retired in 2019-20 | Retired in 2019-20 |
| This measure was replaced by Animal management prosecutions (%) indicator above from 1 July 2019. | | | | |
| Library – Libraries | | | | |
| Utilisation Physical library collection usage | 3.43 | 2.93 | 2.33 | 3.76 |
| The number of items loaned has increased while the number of items available has decreased due to the removal of old library collection items. | | | | |
| Resource standard Recently purchased library collection | 58.19% | 62.33% | 68.42% | 78.30% |
| A limited number of library collection items have been purchased over the last two years due to space constraints. The library has been located in a temporary location with limited space while a new building is being commissioned. | | | | |
| Participation Active library borrowers in municipality | 36.92% | 36.72% | 31.30% | 26.94% |
| The number of active borrowers in the last two years has decreased, while the population has increased slightly. The limited space at the temporary location has impacted active borrowers | | | | |
| Service cost Cost of library service per population | New in 2019-20 | \$76 | \$75 | \$77 |
| The cost is consistent with the average for previous years. | | | | |
| Service cost – Retired Measures Cost of library service | \$7 | Retired in 2019-20 | Retired in 2019-20 | Retired in 2019-20 |
| <i>This measure was replaced by cost of library service per population indicator above from 1 July 2019.</i> | | | | |
| This measure was replaced by Cost of library service per populationindicator above from 1 July 2019. | | | | |

The following statement provides information in relation to the services funded in the 2021–22 Budget and the persons or sections of the community who provided the service.

| Service Area | Surplus/(Deficit) \$'000 | | |
|---|--------------------------|---------|-------------|
| | Actuals | Budget | Variance |
| Aged services | (90) | (136) | 46 |
| 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. | | | |
| Recreation, arts, culture and community | (140) | (136) | (4) |
| 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 | (200) | (167) | (33) |
| 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 | (12) | (17) | 5 |
| Plays a key role in supporting and monitoring the health and wellbeing of local families and children from birth to school age. The program 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 these services in the Borough. | | | |
| Kindergarten | (6) | (1) | 5 |
| 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. | | | |
| Environmental health | (62) | (148) | 86 |
| 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 program also facilitates mosquito control activity. | | | |
| Local laws, safety and amenity | (247) | (255) | 8 |
| 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. | | | |
| Library | (239) | (248) | 9 |
| 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. | | | |
| Total | (996) | (1,108) | 112 |

Portfolio 2:

ENVIRONMENT

Strategic objective:
To protect our environment and address climate change issues

Council Plan priorities & intended actions

- 1

Align Council policies and plans with the Wadawurrung Healthy Country Plan

Review Council strategy, policy and operational documents and amend to incorporate the objectives of the Wadawurrung Healthy Country Plan

Work on our Reflect Reconciliation Action Plan has commenced, furthering the relationship between Council and the Wadawurrung. This is crucial to ensuring alignment between the Wadawurrung Healthy Country Plan (WHCP) and our Council Plan and Annual Plan. Council's Climate Emergency Response Plan also shares common objectives with the WHCP.

On track
- 2

Respond to the impacts of climate change and reduce carbon emissions through the Climate Emergency Response Plan

Implement the short-term actions in the Borough of Queenscliffe Climate Emergency Response Plan (CERP)

Council is supporting community initiatives and groups to work on the implementation of the CERP. Our carbon emission reduction targets are on track to be achieved by 2031, with the level of carbon emissions generated by Council operations having steadily reduced year upon year. Council is also sourcing 100% electricity for operations from renewable sources by 2025.

On track
- 3

Promote our coastal and public areas including their ecosystems and biodiversity

Implement the short-term actions in the Borough of Queenscliffe Coastal and Marine Management Plan (CMMP)

Following extensive community consultation, Council published a draft CMMP in November 2021. Public feedback on the draft document closed in February 2022. The document remains under review, and Council is preparing an updated document for further consultation.

Not actioned

Continued...
Portfolio 2: Environment

Council Plan priorities & intended actions

- 4

Protect and manage our wetlands and waterways

Prepare and implement an integrated water management plan
Council has included funding within its 2022–2023 annual budget to collaborate with the Regional Integrated Water Management Catchment Group to develop a scope and seek funding for completion of the Borough's Integrated Water Management Plan.

On track

Collaborate with the Corangamite Catchment Management Authority to implement the Borough of Queenscliffe priority directions in the Regional Catchment Management Strategy
Council officers continue to work with the Corangamite Catchment Management Authority and other partners to implement the priority directions identified for the Bellarine and Surf Coast Landscape System.

On track

Support community groups to monitor and maintain our bay wetlands and waterways
Council has continued its collaborative relationship with the Bellarine Catchment Network and the Swan Bay Environment Association.

Actioned

Continue to encourage the expansion of the Port Phillip Marine National Park and Swan Bay Ramsar area by including Lakers Cutting
Council provided a submission to Engage Victoria's Port Phillip Bay and Bellarine Peninsula Ramsar Site Boundary Review suggesting that Lonsdale Lakes, Lake Victoria, Edwards Point, Sand Island and Swan Island are added to the Ramsar site listing. Council will continue to advocate for this expansion.

Actioned
- 5

Regenerate and revegetate open spaces with indigenous plants and increase tree canopy coverage

Prepare vegetation management policy
Council has commenced the drafting of a Street Tree and Vegetation Strategy that focuses on how best to achieve canopy coverage across the Borough's sensitive foreshore landscapes.

On track

Implement vegetation programs in collaboration with our community and outside agencies
Council continues to collaborate and support outside agencies to undertake vegetation programs, such as the Bellarine Catchment Network's Coast Carers program, which has focused its efforts through the Narrows, Rip View and Point Lonsdale Lighthouse Reserve.

Actioned

Apply for government environmental grants to assist community groups with vegetation programs
With Council support, the Queenscliff Environment Forum and the Queenscliffe Community Association were successful in seeking funding of \$15,334 via the Planting Trees for the Queen's Jubilee grant program. The funding will support the planting of trees in Victoria Park, Queenscliff, as well as the installation of a commemorative plaque.

Actioned

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

| Service / indicator / measure / material variations & comments | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|---------|---------|---------|---------|
| Waste Management and Recycling – Waste Collection | | | | |
| Satisfaction | | | | |
| Kerbside bin collection requests | 155.19 | 167.65 | 105.04 | 96.80 |
| The 2021-22 variance reflects 278 kerbside bin collection requests, compared with 308 requests in 2020-21. | | | | |
| Service standard | | | | |
| Kerbside collection bins missed | 4.37 | 4.88 | 4.94 | 5.61 |
| 170 bins missed in 2021-22, compared with 111 bins in 2020-21. This is due to a higher number of scheduled kerbside garbage and recycling collection bin lifts for 2021-22 compared to 2020-21. | | | | |
| Service cost | | | | |
| Cost of kerbside garbage collection service | \$106 | \$106 | \$108 | \$125 |
| Cost of landfill disposal has increased, mostly due to the increase in landfill levy | | | | |
| Service cost | | | | |
| Cost of kerbside recyclables collection service | \$58 | \$72 | \$74 | \$80 |
| The service cost continues its upward trend due to increased cost of recycling | | | | |
| Waste diversion | | | | |
| Kerbside collection waste diverted from landfill | 52.68% | 46.92% | 55.50% | 55.57% |
| The diversion rate is consistent with the previous year's achievement. Council expects a significant improvement in waste diverted from landfill in 2022-23 with the rollout of food and garden waste bins. | | | | |

The following statement provides information in relation to the services funded in the 2021-22 Budget and the persons or sections of the community who provided the service.

| Service Area | Surplus/(Deficit) \$'000 | | |
|--|--------------------------|--------|----------|
| | Actuals | Budget | Variance |
| Environmental sustainability | (189) | (274) | 85 |
| 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 | (24) | (226) | 202 |
| 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 | (13) | (34) | 21 |
| 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. | | | |
| Total | (226) | (534) | 308 |

Portfolio 3:

LOCAL ECONOMY

Strategic objective:
To support a prosperous and diverse local economy

Council Plan priorities & intended actions

1

Support existing business including to recover from the economic impacts of COVID-19

Provide advice and support to local business owners impacted by COVID-19

Council has introduced and maintained a part-time role, the COVID Business Support Officer, to provide tailored information to business owners across the Borough throughout the pandemic.

Develop the ‘Shop Local’ campaign

The Facebook page for ‘Love Local Shop Local 3225’ reaches an audience of more than 1,000 followers with near-daily promotions of local businesses. Council also orchestrated a ‘Hop Local’ campaign, tying in with Easter celebrations to highlight nearby shopping opportunities.

Further streamline Council permit processes

Council continues to explore the potential of managing permits at an entirely digital level. However, this is dependent on integrating an online payment gateway, which is yet to be implemented.

2

Improve the management of Council-operated tourist parks for the benefit of the whole community

Complete, adopt and implement the recommendations of the Tourist Park Operational Review

Council undertook community consultation on the future of Queenscliffe Tourist Parks in August 2021. An independent consultant prepared a draft operational review for the March 2022 Ordinary Meeting, and this document remains under consideration by Council.

▶▶▶

Actioned

▶▶▶

Actioned

▶▶▶

On track

▶▶▶

On track

Council Plan priorities & intended actions

3

Encourage more diversity in the local economy

Support new business establishment within the Borough
Council’s Economic Development Team continues to provide ongoing support to new and existing business owners in the Borough via regular phone chats, emails, the business e-newsletter, and ‘After 5’ catch-ups at local establishments.

Advocate for faster and more reliable digital services to facilitate new economic opportunities and work from home options
Council officers are working with G21 and the Barwon Regional Partnership to present the current state of digital connectivity in the region and to advocate for improved service, to both the State and Federal Governments.

Actioned

On track

4

Support arts, festivals, markets and other community events

Attract a range of different events across the calendar years
While the pandemic has curtailed a number of events due to gathering restrictions and border closures, Council has continued to partner with and promote major festivals and events. Across 2021–22, this was highlighted by the ever-popular Queenscliffe Literary Festival, as well as the inaugural By The Pier music festival, held at Princess Park.

Actioned

5

Promote the Borough to increase financial yield from visitation, particularly over shoulder and off-peak periods

Work with Tourism Greater Geelong and Bellarine (TGGB) to market Borough of Queenscliffe and its tourism point of difference
Council’s membership with TGGB provides ample marketing benefits throughout the year, including an updated Queenscliff/Point Lonsdale ‘Destination Guide’ tourism brochure highlighting the Borough’s various accommodation and activities, as well as being a host location for the Today Show in October 2021, which featured two prominent local businesses.

Actioned

The following statement provides information in relation to the services funded in the 2021–22 Budget and the persons or sections of the community who provided the service.

| Service Area | Surplus/(Deficit) \$'000 | | |
|---|--------------------------|--------|----------|
| | Actuals | Budget | Variance |
| Tourist parks | 967 | 812 | 155 |
| 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. It currently provides approximately 350 camping/caravanning sites and associated facilities, including maintenance of seven amenities blocks. 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. | | | |
| Visitor information centre | (214) | (255) | 41 |
| 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 and economic development | (68) | (207) | 139 |
| 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. | | | |
| Total | 685 | 350 | 335 |

Portfolio 4:

HERITAGE, PLANNING AND INFRASTRUCTURE

Strategic objective:

To protect our distinctive coastal, cultural and built environment, and provide sustainable, suitable infrastructure

Council Plan priorities & intended actions

- 1

Improve planning controls to protect built form heritage values within the Borough of Queenscliffe

Amend and update the Planning Scheme to incorporate recommendations of the Heritage Review

Additional work on the Heritage Review is currently being undertaken in preparation for an amendment(s) to the scheme. Council has employed a consultant to review the current heritage citations for Fisherman’s Flat area before incorporating any recommendations into the scheme.

On track
- 2

Enhance planning controls to protect neighbourhood character and promote environmentally sustainable design

Amend and update the Planning Scheme to incorporate the Bellarine Peninsula State Planning Policy Statement; Updated Urban Character Studies; and Environmentally Sustainable Design principles

The Bellarine Peninsula Distinctive Areas and Landscapes project has not yet been finalised by the Minister for Planning. The incorporation of the Bellarine Peninsula State Planning Policy Statement into the Queenscliffe Planning Scheme by DELWP is the trigger for work to commence on this action.

Not actioned
- 3

Identify and protect the Borough’s distinctive coastal characteristics

Adopt a Coastal and Marine Management Plan (CMMP)

Further work is being undertaken on the draft CMMP. The work includes incorporation of comments from the January 2022 round of public consultation, and the release of draft CMMP preparation guidelines by DELWP.

On track

Continued...

Portfolio 4: Heritage, planning and infrastructure

Council Plan priorities & intended actions

- 4

Maintain and promote military, maritime and historic features on Council-managed land

Develop conservation management plans for heritage places such as the P1 huts, military and maritime structures and Avenue of Honour

A conservation management plan has been completed for the P1 huts and parts of the Point Lonsdale Maritime and Defence Precinct.

On track
- 5

Maintain and improve community infrastructure within the Borough

Prepare an Asset Plan

The compilation and adoption of the Asset Plan has been impacted by resourcing challenges experienced over an extended period of time. It is timetabled for completion in December 2022.

Not actioned

Complete major community infrastructure projects

Construction on the Queenscliffe Hub is almost complete, providing a new state-of-the-art space for community gathering and learning. Similarly, Better Boating Victoria’s upgrade of the Queenscliff Boat Ramp is also nearing practical completion, allowing boaters and fishers more space and better facilities to launch.

On track

Revitalise main street precincts

Works on revitalising Hesse Street and Point Lonsdale Road are ongoing. A number of urban interventions occurred over 2021–22 including the installation of new seating, umbrella holders and extension of outdoor dining permits.

On track

Complete a Traffic Management Study

This study complements the Active Transport Strategy, both of which are being undertaken simultaneously. The Traffic Management Study is anticipated for completion in calendar year 2023.

On track

Protect road access to the Borough by advocating for general road maintenance and raised roads in flood-prone areas within and to/from the Borough

Council officers continually advocate for road improvements through regular meetings with a network of key stakeholders including Regional Roads Victoria.

Actioned

Maintain informal car parks, beach access paths and dune tracks

This work has been incorporated into the asset renewal program and has become part of the annual maintenance program.

Actioned

Implement the Public Toilet Strategy

Work on public toilet replacement has commenced in accordance with Council strategy.

On track

Continued...

Portfolio 4: Heritage, planning and infrastructure

Council Plan priorities & intended actions

6

Facilitate walking, cycling and active transport

Complete and implement an Active Transport Strategy

This strategy is past its consultation phase and a draft report is being prepared with the feedback gleaned from the community.

On track

7

Advocate for better, sustainable, local public transport which connects to the region

Participate in the G21 Integrated Transport Strategy

Council attended and contributed to the project stakeholder reference group and provided feedback on the draft document as it related to the Borough.

Advocate for improved public transport to, from and within the Borough

Council continues to present public transport matters to a variety of forums and agencies, including the Barwon Regional Partnership, G21 and when the opportunity presents, directly to the Department of Transport.

Actioned

Actioned

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

| Service / indicator / measure / material variations & comments | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|---------|---------|---------|---------|
| Land Use Planning – Statutory Planning | | | | |
| Timeliness Time taken to decide planning applications | 75.00 | 62.00 | 63.00 | 55.00 |
| Council has improved service standard despite the increase in the number of planning applications. There were 146 planning application decisions in 2021-22, compared with 124 decisions in 2020-21. | | | | |
| Service standard Planning applications decided within required timeframes | 65.83% | 85.85% | 75.70% | 74.66% |
| 109 planning applications decided within required time frames out of 146 planning application decisions in 2021-22. | | | | |
| Service cost Cost of statutory planning service | \$1,922 | \$2,144 | \$2,231 | \$1,693 |
| There is a slight reduction in statutory planning service costs due to temporary staff vacancies. At the same time, there is an increase in the total number of planning applications received (145 applications received in 2021-22, compared with 116 applications received in 2020-21). | | | | |
| Decision-making Council planning decisions upheld at VCAT | 50.00% | 0.00% | 0.00% | 100.00% |
| 3 planning decisions were referred to VCAT in 2021-22 and all decisions were upheld at VCAT. No decisions were referred to VCAT in the previous financial year. | | | | |
| Asset Management and Appearance of Public Places – Roads | | | | |
| Satisfaction of use Sealed local road requests | 319.05 | 397.62 | 335.71 | 285.71 |
| 120 requests received in 2021-22 for 43 km of sealed local roads. | | | | |
| Condition Sealed local roads maintained to condition standards | 100.00% | 100.00% | 100.00% | 100.00% |
| All local roads are above the renewal intervention level set by Council. | | | | |
| Service cost Cost of sealed local road reconstruction | \$163 | \$580 | \$341 | \$0 |
| There has been no road reconstruction work during the 2021-22 year. | | | | |
| Service cost Cost of sealed local road resealing | \$28 | \$0 | \$300 | \$0 |
| There has been no road resealing work during the 2021-22 year. | | | | |
| Satisfaction Satisfaction with sealed local roads | 65 | 66 | 66 | 65 |
| There has been a slight drop in the satisfaction rate based on the 2021-22 result. | | | | |

The following statement provides information in relation to the services funded in the 2021–22 Budget and the persons or sections of the community who provided the service.

| Service Area | Surplus/(Deficit) \$'000 | | |
|---|--------------------------|---------|----------|
| | Actuals | Budget | Variance |
| Design and project management | (282) | (373) | 91 |
| 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 | (176) | (546) | 370 |
| 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 | (12) | (35) | 23 |
| 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. | | | |
| Building control | 1 | (9) | 10 |
| 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. | | | |
| Asset management and appearance of public places | (1,401) | (1,210) | (191) |
| 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. | | | |
| Street lighting | (28) | (32) | 4 |
| 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 | (3) | (51) | 48 |
| 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. | | | |
| Total | (1,901) | (2,256) | 355 |

Portfolio 5:

GOVERNANCE AND FINANCE

Strategic objective:
To provide a financially viable Council that is accountable, transparent and practices good governance

Council Plan priorities & intended actions

1

Maintain and build the financial sustainability of the Borough

Achieve consistent operating results

Council has continued to achieve consistent operating results. Based on the Council Plan definition, Council reported an underlying surplus of \$0.6 million for 2021–22.

▶▶▶

Actioned

Maintain sufficient working capital to meet debt obligations as they fall due

Council has maintained a zero-debt balance sheet.

▶▶▶

Actioned

Allocate adequate funds towards renewal capital in order to replace assets and infrastructure as they reach the end of their service life

Council has achieved an above-100% asset renewal ratio (540.6% in 2021–22) by investing in asset renewal and upgrade work more than depreciation expenses.

▶▶▶

Actioned

Apply loan funding to new capital and maintain total borrowings in line with rate income and growth of the municipality

A more sustainable outlook for Council is foreseen thanks to the continuation of our zero-debt strategy.

▶▶▶

Actioned

Maintain sufficient unrestricted cash to ensure ongoing liquidity and address unforeseen cash imposts if required

Council has unrestricted cash to meet all ongoing liquidity requirements and a healthy balance in its general reserve as a buffer against unforeseen circumstances.

▶▶▶

Actioned

Generate sufficient revenue from rates plus fees and charges to ensure consistent funding for new and renewal capital

Council has contributed \$0.7 million for capital works in 2021–22, while achieving an average ratio of 285.6% for the last three financial years when asset renewal and upgrade expenditure are compared to depreciation.

▶▶▶

Actioned

Continued...

Portfolio 5: Governance and finance

Council Plan priorities & intended actions

- 2

Promote greater recognition of, and develop a better understanding of Wadawurrung Traditional Owner connection to the Borough

Partner with the Wadawurrung Traditional Owners to develop a Reconciliation Action Plan for the Borough as accredited by Reconciliation Australia

The Wadawurrung Traditional Owners have provided Council with cultural awareness training, and officers continue to work through the preliminary work required to understand what actions should be included in the RAP.

On Track
- 3

Accountable and transparent governance

Implement good governance decision making process

Council continually reviews its policies, which are audited by both internal and external auditors. Committees for both Audit & Risk and Internal Risk & Governance have been established, alongside designated officers for fraud, risk, privacy, Freedom of Information and Public Interest Disclosures. Council has also provided refresher training for staff in procurement, fraud, conflict of interest and gifts.

Continue to stream and record Council meetings for access via the website

Since the beginning of the pandemic, Council has live-streamed each of its monthly Ordinary Meetings via Zoom. Members of the public can also access all historic meetings via YouTube.

Ensure Council documents not subject to confidentiality or privacy law are publicly available on the website and upon request

Publicly accessible documents that are readily available are stored on Council’s website. Larger documents or registers can be requested to view at Council offices anytime.

Actioned

Actioned

Actioned
- 4

Engage all residents, including youth and diverse groups, in conversations about the future of our community and decision-making

Continue to engage and seek input from our community on key strategic matters

Council has continued its broad-based community engagement efforts through consulting via numerous methods, including online surveys, webinars, in-person workshops and reference groups.

Actioned

Continued...

Strategic objective: Governance and finance

To provide a financially viable Council that is accountable, transparent and practices good governance

Council Plan priorities & intended actions

- 5

Focus on continuous improvement, innovation and the adoption of new technologies that improve customer service

Implement ICT strategy

Officers underwent one of the biggest internal workplace transformations in 2022 by migrating to the Microsoft 365 system, allowing for better document management, remote working capabilities and up-to-date software.

Continue to transform our workplace culture

Council continues to focus on the mental health of its employees by constantly evaluating best practice in the workplace. In transitioning to a new Employee Assistance Provider, staff now have greater resources available as well as manager-specific support. Mental health is also included as a topic in the weekly newsletter and the Staff Consultative Committee continues to evaluate areas for improvement in this space.

Actioned

Actioned
- 6

Advocate and work in partnership with other levels of government and the private sector on issues important to Borough residents

Develop productive and respectful relationships with key stakeholders

Council continues to maintain strong working relationships with local members at both a state and federal level. These relationships are enhanced through the advocacy provided by G21.

Make submissions to key government policy initiatives that align with the Community Vision and Council Plan

At the ALGA National General Assembly in June, Council put forth a motion that called for a fairer, more secure future for refugees and asylum seekers.

Actioned

Actioned

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

| Service / indicator / measure / material variations & comments | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|---|----------|----------|----------|-----------------|
| Council Governance –Governance | | | | |
| Transparency Council decisions made at meetings closed to the public There were 24 confidential Council resolutions for 12 months to 30 June 2022. | 10.97% | 13.09% | 9.89% | 13.87% |
| Consultation and engagement Satisfaction with community consultation and engagement The indicator for 2020-21 was incorrectly stated and should have been 60. Council continues with its efforts to improve and increase community consultation and engagement activities. | 51 | 59 | 66 | 65 |
| Attendance Councillor attendance at Council meetings Councillors attended or were on an approved leave of absence for all Council meetings, except on two occasions when one Councillor was an apology due to ill health. | 93.85% | 95.00% | 100.00% | 96.36% |
| Service cost Cost of elected representation Cost is consistent with the average for other years. | \$36,299 | \$36,996 | \$36,081 | \$36,946 |
| Satisfaction Satisfaction with Council decisions Improvement is a result of significant improvement in community consultation and engagement activities. | 49 | 54 | 59 | 63 |

The following statement provides information in relation to the services funded in the 2021–22 Budget and the persons or sections of the community who provided the service.

| Service Area | Surplus/(Deficit) \$'000 | | |
|--|--------------------------|--------|--------------|
| | Actuals | Budget | Variance |
| Council governance | (213) | (210) | (3) |
| 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 2020</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. | | | |
| Organisational performance and compliance | (190) | (911) | 721 |
| 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 | (550) | (640) | 90 |
| 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 | 4,305 | 4,537 | (232) |
| 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. | | | |
| Total | 3,352 | 2,776 | 576 |

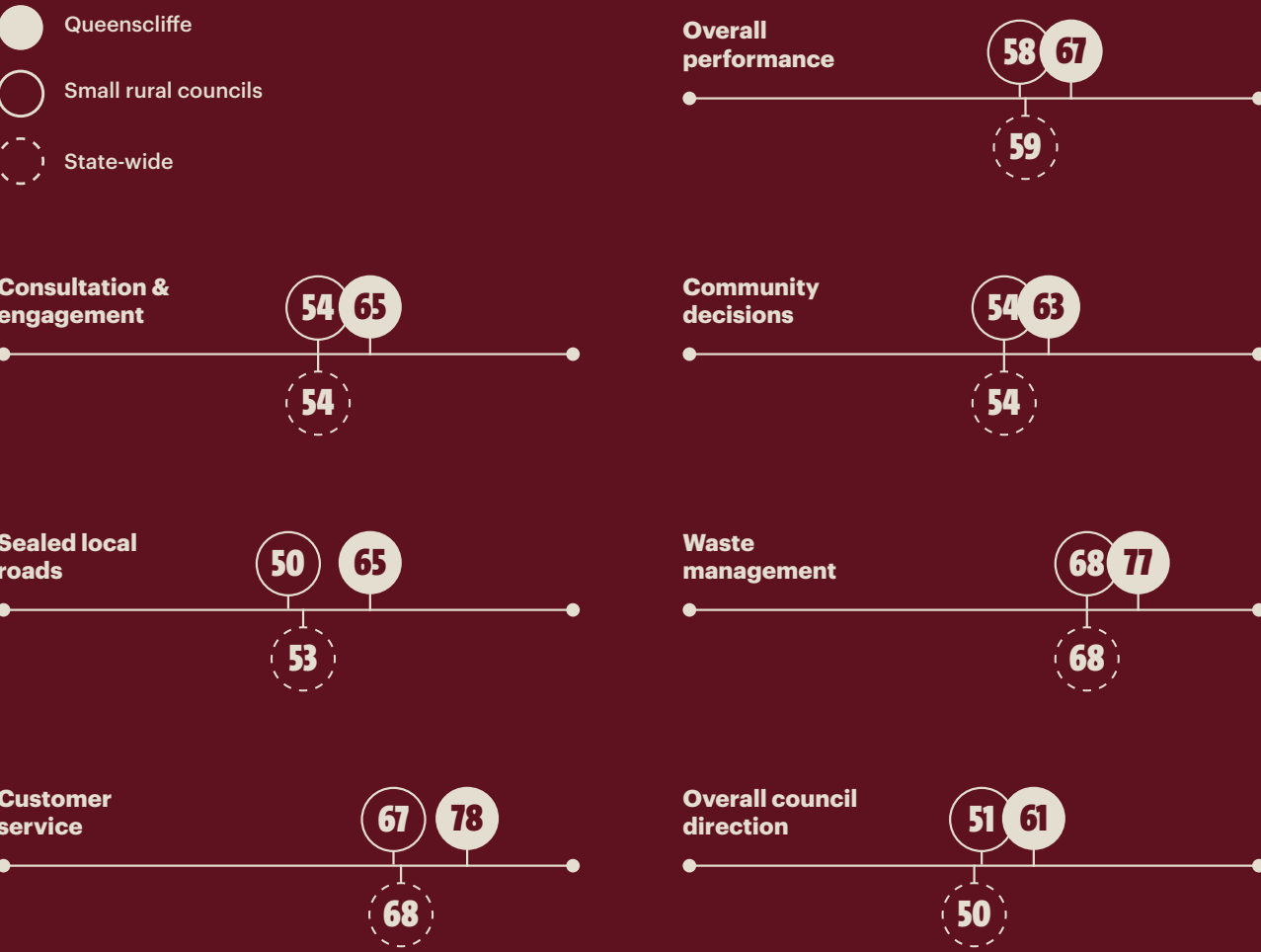
Community satisfaction

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

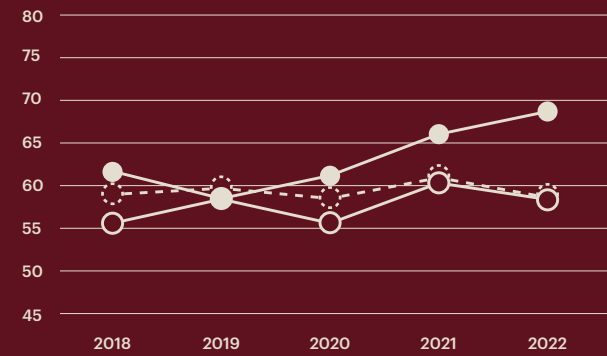
The charts below summarise the performance of the Borough against other small rural councils and the state-wide average over the past five years. These provide the Borough with an opportunity to benchmark its performance against other councils and to identify areas where service delivery improvements are needed.

In 2022, Queenscliffe ranked significantly higher than both the small rural councils and state-wide averages in all seven core performance measures. This result continues an upwards trend for the Borough across the board since its nadir in 2019. For the 2022 report, Council's methodology was altered to conduct surveys quarterly rather than annually, helping to gauge a more accurate representation of sentiment across a 12-month period.

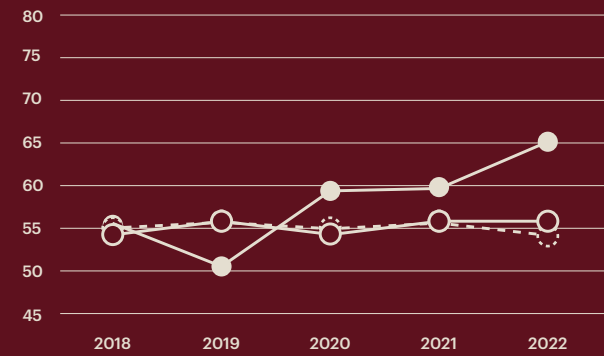
CORE PERFORMANCE MEASURES 2022



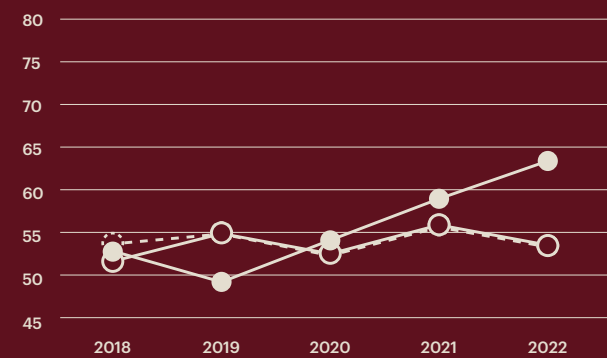
OVERALL PERFORMANCE



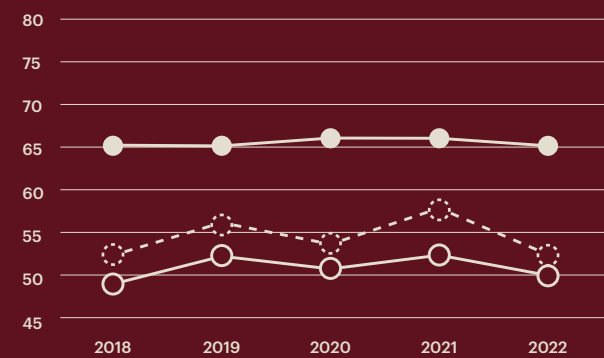
CONSULTATION & ENGAGEMENT



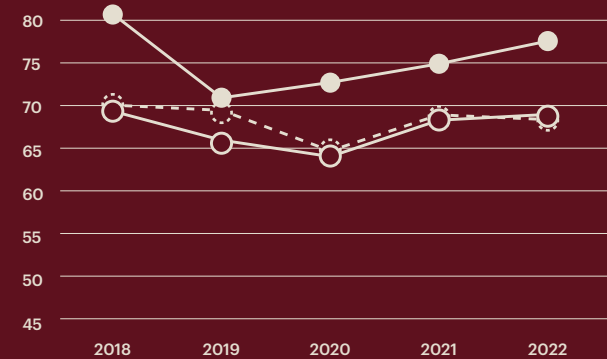
COMMUNITY DECISIONS



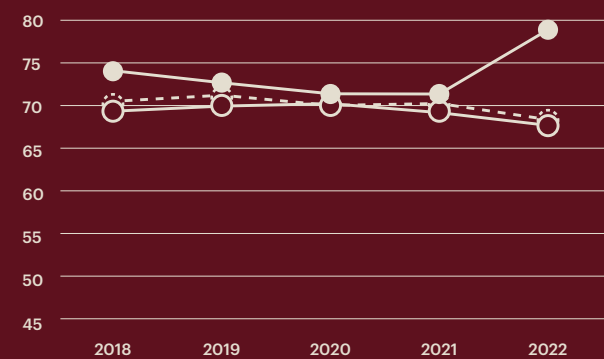
SEALED LOCAL ROADS



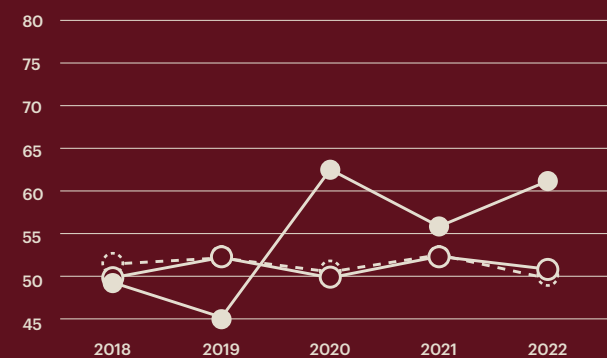
WASTE MANAGEMENT



CUSTOMER SERVICE



OVERALL COUNCIL DIRECTION



- Queenscliffe
- Small rural councils
- State-wide



GOVERNANCE AND MANAGEMENT

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| Legislative compliance | 95 |
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Governance

The Borough of Queenscliffe is constituted under the *Local Government Act 2020* to provide leadership for the good governance of the municipal district and the local community. Good governance ensures that the Borough is managed in a manner that provides accountability, fairness, and transparency to our community. Good governance also means that the Borough meets its legislative responsibilities in an efficient and effective manner for the benefit of the community.

Council does this through our local laws, our decision-making processes, formal delegations of authority, effective risk management systems and processes, frameworks for planning, monitoring operational effectiveness, and performance management. We also provide good governance 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.

Council's role

Queenscliffe is one of 79 councils across Victoria that derive their roles, powers and functions primarily from the *Local Government Act 2020*. Section 8 of the Act explains, in part, that:

- 1. The role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.
- 2. A Council provides good governance if—
 - a. it performs its role in accordance with section 9;
 - b. the Councillors of the Council perform their roles in accordance with section 28.

Subsequently, section 9 of the Act lists the following overarching governance principles which Council must, in the performance of its role, give effect to:

- a. Council decisions are to be made and actions taken in accordance with the relevant law;
- b. Priority is to be given to achieving the best outcomes for the municipal community, including future generations;
- c. The economic, social and environmental sustainability of the municipal district, including mitigation and planning for climate change risks, is to be promoted;
- d. The municipal community is to be engaged in strategic planning and strategic decision making;
- e. Innovation and continuous improvement is to be pursued;
- f. Collaboration with other Councils and Governments and statutory bodies is to be sought;
- g. The ongoing financial viability of the Council is to be ensured;
- h. Regional, state and national plans and policies are to be taken into account in strategic planning and decision making;
- i. the transparency of Council decisions, actions and information is to be ensured.

Section 9 continues by stating that in giving effect to the overarching governance principles, Council must take into account the following supporting principles:

















































































- a. The community engagement principles;
- b. The public transparency principles;
- c. The strategic planning principles;
- d. The financial management principles;
- e. The service performance principles.

Section 28 outlines the role of a Councillor and is included in full on page 35 of this annual report.

Council meetings

A key governance function of Council is making decisions. Decisions are made in monthly Council meetings open to the public at the Queenscliff Town Hall. Every formal meeting of Council is preceded by a public notice, advising when and where the meeting will be held, and the agenda is available for the public three days before the meeting. Due to the ongoing COVID-19 pandemic, some meetings during the last year were held virtually due to state-mandated restrictions preventing in-person gatherings. These meetings were accessible for the public to watch live via Zoom. All Council meetings are video recorded and can be streamed at any time via YouTube.

A list of Council meetings held throughout the reporting period, including Councillor attendance data, is displayed below:

| Meeting register | 14 JUL 21 | 28 JUL 21 | 25 AUG 21 | 22 SEP 21 | 13 OCT 21 | 27 OCT 21 | 24 NOV 21 | 15 DEC 21 | 23 FEB 22 | 23 MAR 22 | 13 APR 22 | 27 APR 22 | 25 MAY 22 | 22 JUN 22 |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Planning Review | Ordinary | Ordinary | Ordinary | Planning Review | Ordinary | Ordinary | Ordinary | Ordinary | Ordinary | Planning Review | Ordinary | Ordinary | Ordinary |
|  Cr Ross Ebbels (Mayor) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Cr Fleur Hewitt (Deputy Mayor since Nov 21) |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Cr Donnie Grigau |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Cr Michael Grout |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
|  Cr Susan Salter |  |  |  |  |  |  |  |  |  | - | - | - | - | - |
|  Cr Isabelle Tolhurst | - | - | - | - | - | - | - | - | - | - | - |  |  |  |
| |  |  |  |  |  |  | | | | | | | | |
| | Attended in-person | Attended virtually | Leave of absence | Did not attend | | | | | | | | | | |

In accordance with section 25(1) of the *Local Government Act 2020*, at a meeting of the Council that is open to the public, Councillors must elect a Councillor to be the Mayor of the Council. At the Special Meeting of Council held on 24 November 2021, Cr Ross Ebbels was re-elected as Mayor for a one-year term. Council also chose to re-establish the role of Deputy Mayor, and appointed Cr Fleur Hewitt as Deputy Mayor for a one-year term.

Another important formal public meeting that is held annually is Council's public information session for the presentation of its draft budget. This year's session took place at the Queenscliff Town Hall on the evening of Wednesday 11 May 2022 to inform the community about Council's draft 2022-23 Budget and 2022-2032 Financial Plan. Members of the public were invited to attend and ask questions throughout the evening. The presentation was also streamed live on Facebook and posted to Council's YouTube channel.

The Budget and Financial Plan were subsequently approved by Council at the Ordinary Meeting conducted on Wednesday 22 June 2022.

Delegated committees

The *Local Government Act 2020* allows Council to appoint delegated committees of Council. These committees must include at least two Councillors (one of whom must chair the delegated committee), and include any other person appointed to the delegated committee by Council. The Act allows for Council, by instrument of delegation, to delegate any of its functions, duties or powers to a delegated committee.

The Act also requires Council to establish an Audit and Risk Committee. The Act specifies that the Audit and Risk Committee is not a delegated committee of Council.

Committee groups as of 30 June 2022 included:

- Audit and Risk Committee
- CEO Employment and Remuneration Advisory Committee
- CEO Recruitment Committee.

Council also has several reference groups who provide advice and direction on specific projects. These reference groups consist of community members, Councillors and Council staff.

Reference groups as of 30 June 2022 included:

- Avenue of Honour Reference Group
- Community Grants Advisory Reference Group
- Community Service Awards Reference Group
- Memorials & Plaques Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group.

New committees and reference groups are established as required.

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 2020* in managing the organisation’s day-to-day operations.

Code of Conduct

Council has a Councillor Code of Conduct, which was adopted on 17 February 2021 in accordance with the *Local Government Act 2020*. 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 Law

Council has one general local law that aims 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 section 71 of the *Local Government Act 2020*. The current local law was adopted on 17 February 2021.

The purpose and general purport of General Local Law 2021 is to:

- a. provide for those matters which require a Local Law under the *Local Government Act 2020* (the Act) and any other Act;
- b. prohibit, regulate and control activities, events, practices and behavior in places so that no nuisance is caused and there is no detriment to the amenity of the neighborhood, to a person or to a person’s property;
- c. provide for the administration and exercise of Council powers and functions;
- d. provide for the peace, order and good governance of the municipal district of the Borough of Queenscliffe;
- e. regulate and control the use of the Council’s Common Seal; and
- f. repeal any redundant Local Laws.

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 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.

| Council meeting date (or date conflict of interest nominated) | Councillor/Officer | Conflict of interest | Reasoning |
|---|--------------------|--|-----------------------|
| 28 July 2021 | Cr Ross Ebbels | Planning Permit Application queenC33, 81 Nelson Road, Queenscliff | Resides near property |
| 28 July 2021 25 August 2021 22 September 2021 | Cr Ross Ebbels | Planning Permit Application 2020/046, 61-75 Murray Road, Queenscliff | Resides near property |
| 27 October 2021 | Cr Fleur Hewitt | Planning Permit Application 2021/096, 33-35 Flinders Street, Queenscliff | Resides near property |
| 27 October 2021 | Cr Fleur Hewitt | Avenue of Honour Reference Group | Resides near project |
| 27 October 2021 | Cr Susan Salter | Planning Permit Application 2021/93, 48 Stokes Street, Queenscliff | Resides near property |
| 27 April 2022 | Martin Gill, CEO | Appointment of Independent Person as per Council Policy CP053: CEO Employment and Remuneration | CEO employment matter |

Policies, strategies and plans

Council reviewed, endorsed and/or adopted the following significant policies, strategies and plans during 2021–22. These documents are available on Council’s website, as are all Council policies and key planning documents.

Date adopted:
28 July 2021

- Council Policy CP001: Asset Management (revised)
- Council Policy CP011: Investment of Available Funds (revised)
- Bike Park Project Investigation Framework

Date adopted:
25 August 2021

- Social Housing Plan 2021
- Council Policy CP002: Community Service Awards (revised & renamed, previously CP002: Australia Day Awards)
- Community Vision 2021–2031

Date adopted:
27 October 2021

- G21 and AFL Barwon Towards 2030: Strategy
- Annual Report 2020–2021
- Council Policy CP008: Fraud Prevention (revised)
- Council Policy CP013: Procurement (revised)
- Council Policy CP030: Asset Disposal (revised)
- Council Policy CP044: Sale, Exchange or Transfer of Council Land (revised)
- Governance Rules
- Council Plan 2021–2025
- Financial Plan 2021–2031

Date adopted:
24 November 2021

- Draft Coastal and Marine Management Plan
- Council Policy CP053: Chief Executive Officer Employment and Remuneration
- Council Policy CP035: Complaint Handling (revised)
- Council Policy CP047: User Fees and Charges (revised)
- Council Policy CP019: Conservation Covenant Incentive (revised)

Date adopted:
23 February 2022

- Council Policy CP004: Community Grants (revised)
- Council Policy CP006: Customer Service Charter (revised)

Date adopted:
27 April 2022

- Climate Emergency Response Plan Implementation Framework
- Council Policy CP053: Chief Executive Officer Employment and Remuneration (revised)

Date adopted:
22 June 2022

- Budget 2022–23
- Financial Plan 2022–23 to 2031–32

Councillor allowances and expenses

All councillors are entitled to an allowance while performing their duty. The Minister for Local Government has determined an increase to allowances to take effect from 18 December 2021.

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

| Councillor | Allowance (\$) |
|---|----------------|
| Cr Ross Ebbels (Mayor) | 63,075 |
| Cr Fleur Hewitt (Deputy Mayor since Nov 21) | 27,054 |
| Cr Donnie Grigau | 23,480 |
| Cr Michael Grout | 23,231 |
| Cr Susan Salter | 16,107 |
| Cr Isabelle Tolhurst | 4,631 |
| TOTAL | 152,946 |

Councillor expenses







Section 40 of the *Local Government Act 2020* provides for the reimbursement of necessary out-of-pocket expenses incurred while performing the duties of a Councillor.

The Borough of Queenscliffe’s 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 breaks down the expenses by category, in accordance with the Local Government (Planning and Reporting) Regulations 2014.

Interstate and overseas travel

The *Local Government Act 2020* requires Councillors to register their interstate and overseas travel and associated expenses. In the 2021–22 financial year, Mayor Ross Ebbels registered travel and associated expenses of \$1,019 to attend the Australian Local Government Forum and the National General Assembly held in Canberra in June 2022. There were no other interstate trips by Councillors during the financial year.

| | | \$ Travel | \$ Car Mileage | \$ Childcare | \$ ICT | \$ Conference and Training | \$ Total |
|---|---|--------------|-------------------|-----------------|-----------|----------------------------------|-------------|
|  | Cr Ross Ebbels (Mayor) | 1,019 | - | - | 406 | 1,476 | 2,901 |
|  | Cr Fleur Hewitt (Deputy Mayor since Nov 21) | - | - | 5,067 | 299 | 160 | 5,526 |
|  | Cr Donnie Grigau | - | - | - | 283 | 160 | 443 |
|  | Cr Michael Grout | - | - | - | 376 | 642 | 1,018 |
|  | Cr Susan Salter | - | - | - | 352 | 177 | 529 |
|  | Cr Isabelle Tolhurst | - | - | - | 103 | 500 | 603 |
| TOTAL | | 1,019 | nil | 5,067 | 1,819 | 3,116 | 11,021 |

Management

Audit and Risk Committee

The Audit and Risk Committee (‘the Committee’) is a formally appointed committee of Council as required by section 53 of the *Local Government Act 2020*. The Committee does not have executive powers or authority to implement actions in any areas over which Council has responsibility. In addition, the Audit and Risk Committee does not have any management functions and is therefore independent of the Council administration and operations.

The Committee’s objective is to provide qualified independent advice to Council on matters relevant to the Committee’s Charter to support decision-making by Council on matters relating to financial management, risk management and good governance. The main duties and responsibilities of the Audit and Risk Committee are to:

- monitor the compliance of Council policies and procedures;
- monitor Council financial and performance reporting;
- monitor and provide advice on risk management and fraud prevention systems and controls; and
- oversee internal and external audit functions.

The Audit and Risk Committee consists of four independent members, appointed for a three-year term (renewable for a further three-year term without public advertisement), and two Councillors. The chair is elected from among the independent members by the Committee.

Independent members are paid a sitting fee for each meeting attended. The table below provides details of the Audit and Risk Committee’s membership during 2021–22.

Audit and Risk Committee attendance

| Member | Eligible to Attend | Meetings Attended | Sitting Fees Paid (\$) |
|---|--------------------|-------------------|------------------------|
| Roland ‘Barney’ Orchard (Chair) | 4 | 4 | 2,000 |
| Helen Butteriss | 4 | 4 | 1,600 |
| Richard Bull | 4 | 4 | 1,600 |
| Graeme Phipps | 4 | 4 | 1,600 |
| Cr Ross Ebbels (Mayor) | 4 | 4 | n/a |
| Cr Fleur Hewitt (Deputy Mayor since Nov 21) | 3 | 2 | n/a |
| Cr Susan Salter | 2 | 0 | n/a |
| Cr Isabelle Tolhurst | 1 | 1 | n/a |
| TOTAL | | | 6,800 |

Council officers (including the Chief Executive Officer and Manager Finance & Corporate Services) attend meetings but are not members of the Committee. Recommendations from each Audit and Risk Committee meeting are reported to and considered by Council.

During the 2021–22 financial year, the Audit and Risk Committee met four times on the following dates:

- Monday 6 September 2021
- Monday 6 December 2021
- Monday 4 April 2022
- Monday 6 June 2022.

Meetings cover several standing items that evaluate and address Council’s audit, governance, 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 following key areas were considered by the Audit and Risk Committee during meetings held in 2021–22:

- Annual financial report 2020–21
- Performance statement 2020–21
- Governance and management checklist 2020–21, prior to inclusion in the annual report
- External audit 2020–21 closing report and final management letter
- Quarterly financial reports
- Draft financial budget 2022–23 and the draft financial plan 2022–2032
- Two internal audit review reports, review of statutory planning process and review of rates revenue (including data interrogation)
- External audit plan 2021–22 and interim management letter
- Revised Council policies with a financial and risk management focus, reviewed before being referred to Council for adoption
- Newly developed risk management framework and updated strategic risk register
- Impact of recommendations mentioned in applicable performance audit reports issued by VAGO
- Status of the key general ledger reconciliations
- Progress review of ICT transformation project
- Report on gifts, benefits, and hospitality
- Review of insurance arrangements
- Update on Local Authorities Superannuation Fund (LASF) defined benefit sub-plan.

Internal and external audits

Internal audit

The internal audit function provides independent and objective assurance to the Audit and Risk Committee and Council that appropriate processes and controls are in place. The internal audit program is revised annually to ensure internal audit resources remain focused on appropriate areas. The internal auditor attends Audit and Risk Committee meetings in June and December to present the findings of the previous semester’s internal audit reviews, including management’s response.

The Audit and Risk Committee makes recommendations to Council on a risk-based rolling internal audit program, delivered twice a year.

Internal audit topics reviewed during 2021–22 included:

- Review of statutory planning process
- Review of rates revenue (including data interrogation).

External audit

Council is externally audited by the Victorian Auditor-General’s Office (VAGO). The external auditor’s representative attends Audit and Risk 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 and Risk 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 and Risk Committee prior to ‘in-principle’ adoption by Council and sign-off by VAGO.

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 hazards are 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 are reported each quarter and followed up in line with risk management policies and procedures.

Our internal Risk and Governance 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 and Risk Committee.

The standing agenda for the Risk and Governance Committee meetings includes:

- Review of audit reports and actioning the recommendations of internal and external auditors as well as insurance audits
- Assessment of risk management, considering incident/risk reports, emergency response, business continuity and disaster recovery, risk training schedule, risk register review and ensuring appropriate insurance policies are in place
- Status of Council policies and organisational policies
- Update on any active lawsuits or potential lawsuits, and insurance claims that may affect Council's operations or budget
- Reports on any instances of unethical behaviour, fraud, and corruption.

Business continuity

Business continuity management is essential to ensuring the organisation's resilience and capability to respond to an event that causes business disruption in a controlled and effective manner, in order to 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.

Council's business continuity plan and the IT disaster recovery plan were reviewed and updated in October 2019. The business continuity plan was again reviewed in September 2021 to determine how it performed during the periodic lock downs of the COVID-19 pandemic.

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)
- Cyber liability
- Commercial crime (fidelity).

Insurance premiums for 2021–22 increased by 10.6% compared with the 2020–21 year. Overall claim experience of the local government sector has had an impact on the Borough's insurance premium, despite a claims record that sits well below the industry average and is rated as very satisfactory.

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.

Procurement

Section 108 of the *Local Government Act 2020* requires all Victorian councils to prepare and adopt a procurement policy which "which specifies the principles, processes and procedures applying in respect of the purchase of goods and services by the Council, including for the carrying out of works." The policy must also seek to promote open and fair competition and provide value for money. Council adopted its most recent procurement policy at the October 2021 Ordinary Meeting of Council. This policy will be reviewed at least once during each four-year term of Council, in accordance with the Act.

Council's procurement and contract management activities:

- Support our corporate strategies, aims and objectives
- Span the whole life cycle of an acquisition and take sustainability considerations into account
- Achieve demonstrable value for money
- Are conducted in, and demonstrate, an impartial, fair, and ethical manner
- Seek continual improvement through innovative and technological initiatives
- Generate and support local business through inclusion wherever practicable.

During 2021–22, 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 2020* together with our procurement policy underpinned all procurement decisions made during the year.

Legislative compliance

Documents for inspection

In accordance with the *Local Government Act 2020* and/or Council’s Public Transparency policy, the following documents are available for inspection at the Council offices (50 Learmonth Street, Queenscliff) during normal business hours.

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

- 1. The definition of the types or classes of land which are subject to a differential rate, and the objectives of the differential rate
- 2. A copy of any proposed declaration of a special rate or a special charge
- 3. A copy of any local law made by Council under section 74 of the *Local Government Act 2020*
- 4. A copy of any document, code, standard, rule, specification, or method which contains any matter incorporated in a local law of Council
- 5. A summary of personal interests
- 6. A copy of an election campaign donation return for the most recent Council election (older returns may also be able to be inspected)
- 7. Documents such as:
 - Plans and reports adopted by Council
 - Council policies
 - Project and service plans
 - Service agreements, contracts, leases and licences
 - Relevant technical reports and/or research that inform Council’s decision-making.

- 8. Process information such as:
 - Application processes for approvals, permits, grants, access to Council services
 - Decision-making processes
 - Guidelines and manuals
 - Community engagement processes
 - Complaints handling processes.
- 9. The following Council information:
 - Meeting agendas
 - Minutes of meetings
 - Audit and Risk Committee Charter
 - Terms of Reference for delegated committees
 - Gift registers for Councillors and Council staff
 - Travel registers for Councillors and Council staff
 - Registers of conflicts of interest disclosed by Councillors and Council staff
 - Registers of leases entered into by Council
 - Register of delegations
 - Register of Authorised Officers
 - Any other registers or records required by the *Local Government Act 2020* or any other Act.

Contracts

In accordance with section 10(c) of the Local Government (Planning and Reporting) Regulations 2020, Council must, for the period during which it has not adopted a Procurement Policy under section 108 of the Act, provide a list of contracts entered into valued at \$100,000 or more in the circumstances referred to in section 186(5)(a) or (c) of the *Local Government Act 1989*.

During the period 1 July 2021 to 26 October 2021, Council entered into the following contracts valued at \$100,000 or more:

| Date awarded | Contract | Contractor | Value (\$) |
|-----------------|---|------------------------|------------|
| 28 July 2021 | 2015/11 Waste Collection Services (two-year extension) | Four Seasons Waste | 1,136,000 |
| 25 August 2021 | 2017/05 Kerbside Garden Organics Receival and Processing (three-year extension) | Corio Waste Management | 425,140 |
| 31 August 2021 | 2020/11 Queenscliff Recreation Reserve Caravan Park Electrical Services | Harris HMC Interiors | 196,350 |
| 22 October 2021 | 2021/19 Queenscliff Recreation Reserve Amenities Block Construction | BDH Constructions | 948,212 |

Council must then, for the period during which it has adopted a Procurement Policy under section 108 of the Act, provide a list of contracts entered into valued above the contract value at which it must invite a tender or seek an expression of interest under its Procurement Policy.

Council adopted its Procurement Policy on 27 October 2021 and set a figure of \$200,000 (inc. GST) as the tender threshold. No contracts valued above this figure were entered into during the period 27 October 2021 to 30 June 2022.

Disability action plan

In accordance with section 38 of the *Disability Act 2006*, Council must prepare a disability action plan and report on its implementation in the annual report.

Council’s Disability Action Plan was lodged with the Human Rights and Equal Opportunity Commission in January 2004 and was adopted by Council in the same month. It has been reviewed since its adoption and a major review is planned to be undertaken during 2022–23.

As part of Council’s commitment to ensuring accessibility across the Borough, our Council Plan 2021–2025 and associated Council operations includes objectives, strategies and actions that:

- Reduce barriers to persons with a disability accessing goods, services and facilities
- Reduce barriers to persons with a disability obtaining and maintaining employment
- Promote inclusion and participation in the community of persons with a disability.

A prime example of Council acting to reduce barriers can be found in the soon-to-be-opened Queenscliffe Hub. In every aspect of the building – from signage, the acoustics treatments and movement to and through the facility – accessibility has driven the design process.

Domestic animal management plan

In accordance with section 68A of the *Domestic Animals Act 1994*, Council is required to prepare a domestic animal management plan at four-yearly intervals and report on its implementation in the annual report.

The Domestic Animal Management Plan 2021–2025 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 plan identifies several 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 99.

Fire management

While no longer required by legislation, Council continues to maintain and review its municipal fire management plan which now sits as a sub-plan of Council's municipal emergency management plan. At the time of writing, a new plan was being drafted by Council to better align the Borough's fire prevention priorities with its neighbouring municipalities. Fire risk is also contained in Council's Community Emergency Risk Assessment, maintained by the Victoria State Emergency Service.

To help remain vigilant in the case of an emergency, Council's Municipal Emergency Management Plan Committee conducted a tabletop exercise in July 2021, simulating a bushfire in the dunes at Point Lonsdale back beach. Participants in this mock exercise included Victoria Police, the Country Fire Authority, and Ambulance Victoria, as well as various government authorities and rescue organisations.

In addition to this, Council also undertakes an annual fire prevention inspection program in line with the 2009 Victorian Bushfire Royal Commission recommendations. We issued eight properties with a Schedule 15 Fire Prevention Notice (FPN) during 2021–22, with 100% compliance.

Food Act ministerial directions

In accordance with section 7E of the *Food Act 1984*, Council is required to publish a copy or summary of any direction received from the Minister in its annual report. No such ministerial directions were received by Council during 2021–22.

Freedom of Information

In accordance with section 7(4AA)(a) and 7(4AA)(b) of the *Freedom of Information Act 1982 (FOI Act)*, Council is required to publish certain statements in its annual report or separately, such as on its website, concerning its functions and information available. Council has chosen to publish the statements separately, however the following summary of the application and operation of the FOI Act 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 FOI Act 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 detailed in section 17 of the FOI Act and in summary 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.

Council received one valid request for information during 2021–22.

Infrastructure and development contributions

In accordance with section 46GM and 46QD of the *Planning and Environment Act 1987*, Council must prepare and give a report to the Minister on infrastructure and development contributions, including levies and works in kind, and this report must be published in the annual report. No such contributions were received during 2021–22.

Public interest disclosure procedures

In accordance with section 69 of the *Public Interest 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 PID Act. Council is also required to provide certain information about the number and types of public interest disclosure complaints investigated during the financial year.

The PID 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 PID Act provides protection from detrimental action to any person affected by a public interest 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.

No disclosures were made to Council or to the Independent Broad-based Anti-corruption Commission during 2021–22.

Road Management Act ministerial directions

In accordance with section 22 of the *Road Management Act 2004*, Council is, as a road authority, required to publish a copy or summary of any direction received from the Minister in its annual report. No such ministerial directions were received by Council during 2021–22.



Lists and tables

Infringements, registrations and permits issued

The following tables report the infringement notices, registrations and permits issued under the relevant Local Law or Act over the past five years.

| Infringement notices | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-------------------------|---------|---------|---------|---------|---------|
| Parking infringements | 33 | 15 | 27 | 109 | 146 |
| Animal infringements | 2 | 2 | 5 | 4 | 13 |
| Local law infringements | - | - | 2 | 3 | - |
| Fire prevention | - | - | - | - | - |
| Planning | - | - | - | - | - |
| Total | 35 | 17 | 34 | 116 | 159 |

| Court briefs | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|--------------|---------|---------|---------|---------|---------|
| Court briefs | - | - | - | - | - |
| Total | - | - | - | - | - |

| Local law permits | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---------------------------|----------------|-----------------|---------|---------|---------|
| Consume alcohol | 23 | 30 | 15 | 13 | 13 |
| Weddings | 11 | 14 | 12 | 15 | 25 |
| Major events | 24 | 19 | 34 | 44 | 47 |
| Bulk rubbish bins | 14 | 6 | 8 | 3 | 8 |
| Disabled parking | — ³ | 183 | 328 | 53 | 64 |
| Outdoor eating facilities | 18 | 20 ¹ | 21 | 23 | 10 |
| Goods for sale | 12 | 9 | 21 | 22 | 14 |
| A-frames | 41 | 24 | 54 | 60 | 21 |
| Residential parking | — | — | — | — | — |
| Boat ramp | — ² | — ² | 11 | 204 | 224 |
| Other | 30 | 28 | 23 | 48 | 27 |
| Total | 173 | 341 | 517 | 485 | 453 |

| Animal management | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-------------------------|---------|---------|---------|---------|---------|
| Dogs registered | 682 | 704 | 648 | 635 | 636 |
| Cats registered | 127 | 123 | 121 | 118 | 120 |
| Impounded animals | 8 | 15 | 19 | 19 | 42 |
| Door knocks (streets) | 215 | 197 | 172 | 112 | 90 |
| Animal warning notices | 630 | 527 | 449 | 464 | 436 |
| Native animal responses | 61 | 52 | 39 | 58 | 32 |
| Total | 1723 | 1618 | 1448 | 1406 | 1356 |

| Notices | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|---------------------------|---------|---------|---------|---------|---------|
| Fire prevention | 8 | 12 | 11 | 15 | 14 |
| Non-compliance of notices | - | - | - | - | - |
| Total | 8 | 12 | 11 | 15 | 14 |

| Outside hours | 2021-22 | 2020-21 | 2019-20 | 2018-19 | 2017-18 |
|-----------------------|---------|---------|---------|---------|---------|
| After hours calls | 75 | 68 | 43 | 238 | 241 |
| After hours call-outs | 15 | 9 | 6 | 75 | 70 |
| Total | 90 | 77 | 49 | 313 | 311 |

¹ 20 outdoor eating facility permits were issued, with 8 permits granted an extension due to COVID-19.
² The Queenscliff Boat Ramp is now managed by Better Boating Victoria. As such, permits are no longer issued by Council.
³ Disabled parking is now managed state-wide by VicRoads under the Accessible Parking Permit Scheme. As such, permits are no longer issued by Council.

Grants and donations to local organisations

Community events

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|-------------------------------|--|-----------|-----------|
| Queenscliff Music Festival | Festival event support (cash donation and in-kind support) | 17,000 | 10,000 |
| Anzac Day | Anzac Day event support | 14,184 | 12,955 |
| Volunteer Day | Volunteer Day celebrations | 13,617 | 3,267 |
| Point Lonsdale Christmas Tree | Point Lonsdale Christmas Tree festivities | 1,787 | 5,947 |
| Australia Day | Australia Day celebrations | - | 5,035 |
| Artists in Residence | Arts event | - | 2,273 |
| Refugee Welcome Zone | Refugee welcome event | - | 2,090 |
| Subtotal | | 46,588 | 41,567 |

Contribution to operating costs

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|----------------------|--------------------|-----------|-----------|
| Life Saving Victoria | Lifeguard services | 34,469 | 33,628 |
| Subtotal | | 34,469 | 33,628 |

Arts and cultural development grants

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|--|--|-----------|-----------|
| Swan Bay Environment Association | Purchase of small trailer | 2,000 | - |
| Queenscliffe & District Men's Shed | Installation of retractable zip-track blinds | 2,000 | - |
| Queenscliffe Neighbourhood House | Shedding the Blues 'Tune-Up' health & music exhibition | 2,000 | - |
| Point Lonsdale Primary School | 'Nippers in School' program | 1,924 | - |
| Lighthouse Arts Collective | Daytime matinee mini concert series | 1,800 | - |
| Queenscliffe Neighbourhood House | Installation of wayfinding sign | 1,485 | - |
| Queenscliff Lonsdale Yacht Club | Construction of four new outdoor picnic tables | 1,279 | - |
| Australian Volunteer Coast Guard Association Queenscliff | Improved training and presentation capability | 1,267 | - |
| Point Lonsdale Tennis Club | 'Tennis 4 Teens' program | 1,263 | - |
| Compassionate Hearts on the Bellarine | Promotional material and website | 1,020 | - |
| Fort Queenscliff Heritage Association | Purchase of flatbed photo scanner | 900 | - |
| Queenscliffe Literary Festival | Purchase of teardrop banner | 760 | - |
| Queenscliffe Neighbourhood House | Production of Boomerang Bags | 663 | - |
| Koori Kids | NAIDOC school initiatives | - | 450 |
| Subtotal | | 18,361 | 450 |

Sponsorship program

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|---------------------------------------|---|-----------|-----------|
| Bellarine Lighthouse Film Festival | Sponsorship of festival | 3,700 | 4,800 |
| Point Lonsdale Boardriders Club | Sponsorship of surfing competitions | 2,500 | 2,000 |
| Queenscliff Gallery | Sponsorship of Peebles Print Prize and exhibition | 2,000 | 2,000 |
| Queenscliffe Lighthouse Theatre Group | Sponsorship of Cinderella production | 1,750 | - |
| The Blues Train | Sponsorship of Revival Series | - | 3,000 |
| Subtotal | | 9,950 | 11,800 |

Education awards

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|-------------------------------------|-----------------|-----------|-----------|
| Queenscliff Primary School | Education award | 1,109 | 100 |
| Point Lonsdale Primary School | Education award | 1,009 | 100 |
| Bellarine Secondary College | Education award | 909 | 1,000 |
| St Aloysius Catholic Primary School | Education award | 100 | 100 |
| Subtotal | | 3,127 | 1,300 |

COVID-19 Community Activation and Social Isolation initiative

| Recipient | Purpose | 2022 (\$) | 2021 (\$) |
|--|---|-----------|-----------|
| Cottage by the Sea Queenscliff | Funding for a community connector lead organisation in each local government area to establish or build on existing local support networks that can map and wrap community support around the needs of people who are at risk of loneliness, isolation and disconnection. | - | 40,000 |
| Queenscliffe Neighbourhood House | | - | 10,000 |
| Bellarine Community Health | | - | 10,000 |
| Queenscliffe Neighbourhood House – Shedding the Blues | | - | 5,000 |
| Swan Bay Environment Association | | - | 1,650 |
| Australian Volunteer Coast Guard Association Queenscliff | | - | 1,500 |
| Sue Gurney | | - | 1,500 |
| Point Lonsdale Tennis Club | | - | 1,500 |
| Queenscliff Lonsdale Yacht Club | | - | 1,500 |
| Queenscliffe Neighbourhood House | | - | 1,500 |
| Lighthouse Arts Collective | | - | 1,500 |
| Queenscliffe Literary Festival | | - | 1,500 |
| Point Lonsdale Primary School | | - | 1,500 |
| Uniting Queenscliff | | - | 1,500 |
| Queenscliffe Maritime Museum | | - | 1,500 |
| Bellarine Community Support Register | | - | 1,500 |
| Bellarine Lighthouse Film Festival | | - | 1,500 |
| Queenscliff Golf Club | | - | 1,500 |
| Queenscliff Senior Citizens Club | | - | 1,500 |
| Queenscliff Reconciliation Mob | | - | 1,500 |
| Queenscliffe Historical Museum | | - | 1,500 |
| Compassionate Hearts on the Bellarine | | - | 1,500 |
| Queenscliffe Neighbourhood House – Men’s Shed | | - | 1,500 |
| Queenscliffe Neighbourhood House – Sea of Ukes | | - | 1,500 |
| Queenscliffe Neighbourhood House – Shedding the Blues | | - | 1,500 |
| Lions Club of Queenscliff–Point Lonsdale | | - | 1,500 |
| Queenscliffe Combined Probus Club | | - | 500 |
| Lisa’s Art and Design | | - | 225 |
| Subtotal | | - | 98,875 |

| | | |
|--|---------|---------|
| TOTAL grants and donations paid to local organisations | 112,495 | 187,621 |
|--|---------|---------|

Grants and subsidies received

Federal funding

| Purpose | Type | Period | Source | 2022 (\$) | 2021 (\$) |
|---|-----------|---------------|--|-----------|-----------|
| Queenscliffe Cultural Hub | Capital | Non-recurrent | Department of Industry, Science, Energy and Resources | 1,011,768 | - |
| Victoria Grants Commission – General Purpose Grants | Operating | Recurrent | Department of Environment, Land, Water and Planning (VGC) | 875,549 | 183,140 |
| Commonwealth Road Safety Program 2021 | Capital | Non-recurrent | Department of Infrastructure, Transport, Regional Development and Communications | 368,672 | 52,244 |
| Aged care – domestic assistance | Operating | Recurrent | Department of Health | 178,926 | 175,935 |
| Victoria Grants Commission – Local Roads | Operating | Recurrent | Department of Environment, Land, Water and Planning (VGC) | 80,661 | 60,658 |
| Aged care – personal care | Operating | Recurrent | Department of Health | 57,872 | 56,904 |
| Aged care – respite care | Operating | Recurrent | Department of Health | 42,223 | 35,641 |
| Aged care – property maintenance | Operating | Recurrent | Department of Health | 38,975 | 38,323 |
| Aged care – assessment | Operating | Recurrent | Department of Health | 27,943 | 43,236 |
| Local Roads and Community Infrastructure Program | Capital | Non-recurrent | Department of Infrastructure, Transport, Regional Development and Communications | 20,546 | 71,916 |
| Aged care – social support individuals | Operating | Recurrent | Department of Health | 10,226 | 10,055 |
| Ocean Road works | Capital | Non-recurrent | Department of Infrastructure, Transport, Regional Development and Communications | 3,701 | 34,362 |
| Aged care – home modifications | Operating | Recurrent | Department of Health | 2,651 | 2,607 |
| Aged care – service system resourcing | Operating | Recurrent | Department of Health | - | 17,540 |
| Subtotal | | | | 2,712,310 | 782,561 |

Other funding

| Purpose | Type | Period | Source | 2022 (\$) | 2021 (\$) |
|---|-----------|---------------|--|-----------|-----------|
| Boat ramp upgrade project | Capital | Non-recurrent | Department of Transport | 3,280,751 | - |
| Cultural Hub Living Libraries Program | Capital | Non-recurrent | Department of Environment, Land, Water and Planning | 2,903,478 | 2,253,232 |
| Local Councils Outdoor Eating and Entertainment Package | Operating | Non-recurrent | Department of Jobs, Precincts and Regions | 200,000 | 250,000 |
| Seawall and rock revetment at Point Lonsdale | Operating | Non-recurrent | Department of Environment, Land, Water and Planning | 126,684 | - |
| Better Boating Program | Operating | Non-recurrent | Department of Transport | 119,650 | 232,300 |
| Aged care – service system resourcing | Operating | Recurrent | Department of Health | 66,551 | 27,476 |
| Maternal and Child Health | Operating | Recurrent | Department of Education and Early Childhood Development | 66,095 | 57,695 |
| Business Concierge and Hospitality Support Program | Operating | Non-recurrent | Department of Jobs, Precincts and Regions | 60,000 | 60,000 |
| Rural Councils ICT Infrastructure Program | Capital | Non-recurrent | Department of Jobs, Precincts and Regions | 43,362 | 99,840 |
| Fire Services Property Levy | Operating | Recurrent | State Revenue Office | 41,663 | - |
| School crossing supervisors | Operating | Recurrent | Department of Transport, Planning and Local Infrastructure | 30,850 | 30,205 |
| FOGO – roll out collection services | Operating | Non-recurrent | Department of Environment, Land, Water and Planning | 19,227 | - |
| Events recovery support | Operating | Non-recurrent | Department of Jobs, Precincts and Regions | 15,000 | 15,000 |
| Beach cleaning | Operating | Recurrent | Department of Environment, Land, Water and Planning | 14,195 | 12,495 |
| Natural disaster funding | Operating | Non-recurrent | Department of Treasury and Finance | 11,425 | - |
| Electronic vehicle charging stations | Operating | Non-recurrent | Department of Environment, Land, Water and Planning | 10,500 | - |
| Queenscliffe Neighbourhood House | Operating | Non-recurrent | Sustainability Victoria | 4,198 | - |
| Senior Citizens Week | Operating | Recurrent | Department of Health | 3,000 | - |
| Anzac Day | Operating | Non-recurrent | Department of Veteran Affairs | 500 | - |
| Point Lonsdale Lighthouse Reserve – Stage 1 | Capital | Non-recurrent | Department of Economic Development | - | 400,000 |
| Community Activation and Social Isolation initiative | Operating | Non-recurrent | Department of Health and Human Services | - | 90,000 |
| Fire Services Levy implementation | Operating | Recurrent | State Revenue Office – Department of Treasury and Finance | - | 40,746 |
| Beach cleaning – seaweed | Operating | Recurrent | Department of Environment, Land, Water and Planning | - | 26,826 |
| Pedestrian safety | Operating | Non-recurrent | Transport Accident Commission | - | 15,000 |
| Pedestrian safety | Capital | Non-recurrent | Transport Accident Commission | - | 13,900 |
| Lawrence Road shared path connection | Capital | Non-recurrent | Department of Transport | - | 10,000 |
| Draft kerbside transition plan | Operating | Non-recurrent | Department of Environment, Land, Water and Planning | - | 10,000 |
| COVID-safe Australia Day | Operating | Non-recurrent | National Australia Day Council | - | 8,350 |
| Subtotal | | | | 7,017,128 | 3,653,064 |

State funding

| Purpose | Type | Period | Source | 2022 (\$) | 2021 (\$) |
|---|-----------|---------------|--------------------------------|-----------|-----------|
| Tobacco activity program | Operating | Non-recurrent | Municipal Association Victoria | 7,057 | 12,113 |
| 16 Days of Activism Against Gender-Based Violence | Operating | Non-recurrent | Municipal Association Victoria | 1,200 | 2,500 |
| Point Lonsdale Tennis Club lighting | Capital | Non-recurrent | Tennis Australia | - | 46,000 |
| Subtotal | | | | 8,257 | 60,613 |
| TOTAL grants and subsidies received by Council | | | | 9,737,695 | 4,496,238 |

Note: The total grants and subsidies balance will not match the face of the income statements due to adjustments for grants received in advance.

Membership of organisations

| Organisation | Membership Contribution | |
|---|-------------------------|-----------|
| | 2022 (\$) | 2021 (\$) |
| Tourism Greater Geelong and the Bellarine | 21,172 | 20,555 |
| Municipal Association of Victoria | 13,262 | 11,101 |
| Bellarine Catchment Network | 11,520 | 11,520 |
| G21 Regional Alliance | 6,105 | 6,015 |
| Association of Bayside Municipalities | 5,058 | 5,058 |
| Victorian Caravan Parks Association | 3,688 | 4,608 |
| Small Rural Councils of Victoria | 3,000 | 3,000 |
| Tourism Greater Geelong and the Bellarine (Contribution) | 2,000 | 2,000 |
| Victorian Caravan Parks Association | 1,180 | - |
| Melbourne City Council | 1,000 | - |
| Victorian Tourism Industry Council | 959 | 936 |
| Infrastructure Design Association | - | 500 |
| Tourism Greater Geelong and the Bellarine (Caravan Parks) | - | 239 |
| Volunteering Geelong | - | 93 |
| TOTAL funds contributed to organisation memberships | 68,944 | 66,897 |

Governance and management checklist

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

| No. | Governance and management item | Assessment |
|-----|---|---|
| 1 | Community Engagement Policy Policy outlining Council’s commitment to engaging with the community on matters of public interest | Policy in operation in accordance with section 55 of the Act Adopted: 16 December 2020 |
| 2 | Community Engagement Guidelines Guidelines to assist staff to determine when and how to engage with the community | Guidelines in operation Adopted: 16 December 2020 |
| 3 | Financial Plan Plan under section 91 of the Act outlining the financial and non-financial resources required for at least the next 10 financial years | Plan operation in accordance with section 91 of the Act Adopted: 22 June 2022 |
| 4 | Asset Plan Plan under section 92 of the Act setting out the asset maintenance and renewal needs for key infrastructure asset clauses for at least the next 10 years | Plans not in operation in accordance with section 92 of the Act Council is in the process of reviewing its asset plans in line with section 92 of the Act. ¹ |
| 5 | Revenue and Rating Plan Plan under section 93 of the Act setting out the rating structure of Council to levy rates and charges | Plan in operation in accordance with section 93 of the Act Adopted: 23 June 2021 |
| 6 | Annual Budget Plan under section 94 of the Act setting out the services to be provided and initiatives to be undertaken during the budget year and the funding and other resources required | Budget adopted in accordance with section 94 of the Act Adopted: 22 June 2022 |
| 7 | Risk Policy Policy outlining Council’s commitment and approach to minimising the risks to Council’s operations | Policy in operation Adopted: 23 June 2021 |
| 8 | Fraud Policy Policy outlining Council’s commitment and approach to minimising the risk of fraud | Policy in operation Adopted: 27 October 2021 |
| 9 | Municipal Emergency Management Plan Plan under section 60ADB of the <i>Emergency Management Act 2013</i> for emergency mitigation, response and recovery | Plan in operation in accordance with section 60ADB of the <i>Emergency Management Act 2013</i> Adopted: 23 April 2019 ¹ |
| 10 | Procurement Policy Policy under section 108 of the Act outlining the principles, processes and procedures that will apply to the purchase of goods and services by Council | Policy in operation in accordance with section 108 of the Act Adopted: 27 October 2021 |
| 11 | 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 | Plan in operation Adopted: 30 October 2019 |
| 12 | Disaster Recovery Plan Plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster | Plan in operation Adopted: 30 October 2019 |
| 13 | Risk Management Framework Framework outlining Council’s approach to managing risks to Council’s operations | Framework in operation within Council’s Risk Management policy (CP017) Effective: 23 June 2021 ² |
| 14 | Audit and Risk Committee Advisory committee of Council under sections 53 and 54 of the Act | Committee established in accordance with section 53 of the Act Established: 27 August 2020 |

| | | |
|----|--|---|
| 15 | Internal Audit Independent accounting professionals engaged by Council to provide analyses and recommendations aimed at improving Council’s governance, risk and management controls | Internal auditor engaged Engaged: 24 August 2017 |
| 16 | Performance Reporting Framework A set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act | Framework in operation Effective: 1 July 2015 |
| 17 | Council Plan Report Report reviewing the performance of Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year | Reports prepared and presented Presented: 22 September 2021 (2020–21 Q4); 27 October 2021 (2021–22 Q1); 23 February 2022 (2021–22 Q2); 27 April 2022 (2021–22 Q3) |
| 18 | Financial Reporting Quarterly statements to Council under section 97(1) of the Act, comparing actual and budgeted results and an explanation of any material variations | Statements presented in accordance with section 97(1) of the Act Presented: 22 September 2021 (2020–21 Q4); 27 October 2021 (2021–22 Q1); 23 February 2022 (2021–22 Q2); 27 April 2022 (2021–22 Q3) |
| 19 | 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 to the Audit and Risk Committee Presented: 6 December 2021; 6 June 2022 |
| 20 | Performance Reporting Six-monthly reports of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 98 of the Act | Reports prepared and presented Presented: 22 September 2021 (2020–21 Performance Report); 23 February 2022 (2021–22 YTD Performance Information) |
| 21 | Annual Report Annual report under sections 98, 99 and 100 of the Act containing a report of operations and audited financial and performance statements | Report presented and considered by Council in accordance with section 100 of the Act Considered: 27 October 2021 |
| 22 | Councillor Code of Conduct Code under section 139 of the Act setting out the standards of conduct to be followed by Councillors and other matters | Code reviewed and adopted in accordance with section 139 of the Act Reviewed: 17 February 2021 |
| 23 | Delegations Documents setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff, in accordance with sections 11 and 47 of the Act | Delegations reviewed in accordance with section 11(7) of the Act and register kept in accordance with sections 11(8) and 47(7) of the Act Reviewed: 22 September 2021 |
| 24 | Meeting Procedures Governance Rules under section 60 of the Act governing the conduct of meetings of Council and delegated committees | Governance Rules adopted in accordance with section 60 of the Act Adopted: 27 October 2021 |

¹ Current plans were adopted on 20 June 2019 (Roads, Footpath and Kerb Assets, Building Assets, Open Space Assets and Urban Stormwater Drainage).

² As per the transitional provisions of the Emergency Management Legislation Amendment Act 2018, the current plan, while based on the Emergency Management Act 1986, is taken to be prepared, approved and published in accordance with the Emergency Management Act 2013. Note that the current plan is under review and the new version is being prepared in accordance with section 60 ADB of the Emergency Management Act 2013.

Certification of the governance and management checklist

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


Martin Gill
Chief Executive Officer
Date: 28 September 2022
Queenscliff


Councillor Ross Ebbels
Mayor
Date: 28 September 2022
Queenscliff



PERFORMANCE STATEMENT

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Performance Statement

Local Government Performance Reporting Framework

The *Local Government Act 2020 (the Act)* states the role of a Council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

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. 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 (pages 105–106)
- Other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (pages 115–119)
- 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 (pages 60–79).

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 112 for the Certification of the Performance Statement and pages 113–114 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 (pages 105–106).

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 2021 Census, the Borough's permanent resident population was 3,276 (2016: 2,853), with 1,760 people residing in Point Lonsdale (2016: 1,538) and 1,516 in Queenscliff (2016: 1,315) as well as a significant non-residential population.¹ The Borough's population increases to around 17,000 people over the summer period. It is anticipated that the Borough's permanent 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

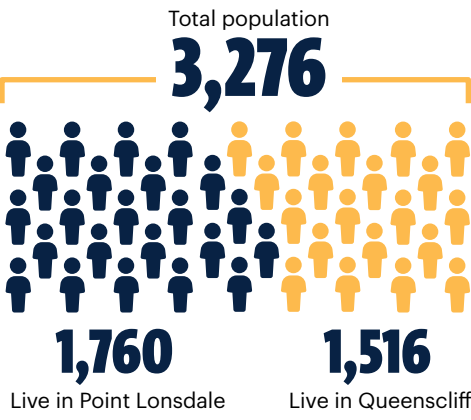
On the night of the 2021 Census, the population aged 65 years and older was 45.1% (2016: 40.4%), compared with the Victorian average of 16.8% (2016: 15.6%). Our population is significantly older than the rest of the state, with just 9.4% of the Borough's population aged between 0 and 15 years (2016: 11.5%), compared to 18.0% for Victoria (2016: 18.3%).

The Borough's median age is 62 (2016: 60), which is the oldest median age by local government area in Victoria. 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.

¹ Note that a permanent resident population estimate of 3,054 from the Australian Bureau of Statistics has been used in calculating the results of some of the indicators listed in subsequent pages.

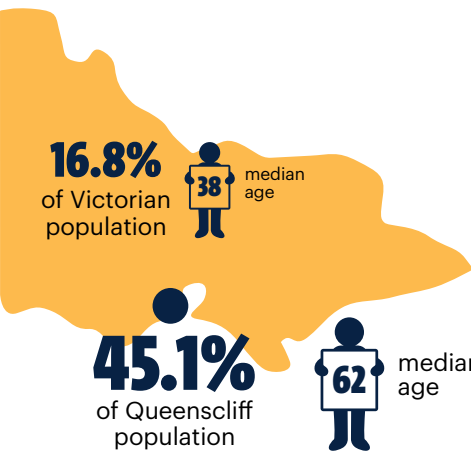
Permanent resident population on the night of the 2021 Census



Summer holiday season population



People aged 65 years and older on the night of the 2021 Census



Births

New births in the Borough remain relatively low, with 17 babies being born in 2021–22 (2020–21: 27 births).

Housing

On the night of the 2021 Census, there were 2,898 dwellings (2016: 2,802) in the Borough of Queenscliffe, with an average household size of 2.0 persons (2016: 2.0).

Property values in the Borough are generally high, with the median house prices for both Queenscliff and Point Lonsdale now in excess of \$1.5 million.

Government grants

Council has continued to attract significant levels of government grant funding. 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.

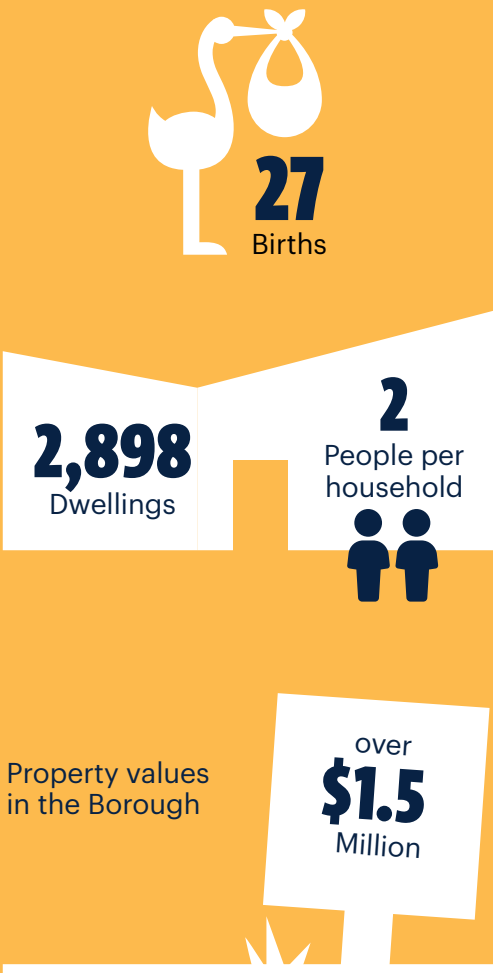
Basis of preparation

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 2020* and Local Government (Planning and Reporting) Regulations 2020.

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 Council's strategic resource plan. The Local Government (Planning and Reporting) Regulations 2020 requires 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 financial plan on 22 June 2022 and which forms part of the Council Plan. The financial 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 financial plan can be obtained by contacting Council.



Further information on the Performance Statement, including explanations of measure calculations and comparisons between similar Councils, can be found at knowyourcouncil.vic.gov.au

Certification of the Performance Statement

In my opinion, the accompanying performance statement has been prepared in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

Gihan Kohobange CPA, CA, FCCA
Principal Accounting Officer
Date: 28 September 2022
Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe for the year ended 30 June 2022 fairly presents the results of Council's performance in accordance with the *Local Government Act 2020* and the Local Government (Planning and Reporting) Regulations 2020.

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 2020 to certify this performance statements in its final form.

Councillor Ross Ebbels
Mayor
Date: 28 September 2022
Queenscliff

Councillor Isabelle Tolhurst
Councillor
Date: 28 September 2022
Queenscliff

Martin Gill
Chief Executive Officer
Date: 28 September 2022
Queenscliff



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">• snapshot of the Borough of Queenscliffe for the year ended 30 June 2022• sustainable capacity indicators for the year ended 30 June 2022• service performance indicators for the year ended 30 June 2022• financial performance indicators for the year ended 30 June 2022• other information and• certification of the performance statement. <p>In my opinion, the performance statement of the Borough of Queenscliffe in respect of the year ended 30 June 2022 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 4 of the <i>Local Government Act 2020 and Local Government (Planning and Reporting) Regulations 2020</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 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 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of a performance statement 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. 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 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:</p> <ul style="list-style-type: none">• 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 performance statement represents the underlying events and results in a manner that achieves fair presentation. <p>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.</p> |
|---|--|

MELBOURNE
6 October 2022

Travis Derricott
as delegate for the Auditor-General of Victoria

Sustainable Capacity Indicators

For the Year Ended 30 June 2022

| Service / indicator / material variations and general comments | | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|---|----------|----------|----------|----------|
| C1 | Population <i>Expenses per head of municipal population</i> Total expenses for 2021-22 include accounting adjustments totalling \$355,000. Excluding the impact of these accounting adjustments, the result for 2021-22 is \$3,768 (the result for 2020-21 on the same basis was \$3,815). Further, the slight increase in municipal population for 2021-22 has a positive impact on the measure for 2021-22. Yet, Queenscliffe has a very small population base of 3,054 when compared to other municipalities. Over 55% of rateable properties in Queenscliffe are non-permanent residences that are not considered in this indicator. | \$3,705 | \$4,018 | \$4,282 | \$3,886 |
| C2 | Population <i>Infrastructure per head of municipal population</i> A significant amount of asset renewal and upgrade expenditure incurred during 2021-22, predominantly due to road safety upgrade projects, the Queenscliffe Hub project and the Queenscliff Boat Ramp upgrade project. This has increased the value of the property, infrastructure, plant and equipment of Council. | \$12,038 | \$12,565 | \$12,601 | \$15,361 |
| C3 | Population <i>Population density per length of road</i> 43 km of local roads for a population of 3,054. Queenscliffe has a comparatively low population (the smallest in the state) and a comparatively low length of road. | 69.35 | 68.37 | 69.95 | 71.02 |
| C4 | Own-source revenue <i>Own-source revenue per head of municipal population</i> 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 tourist parks. There is an increase in income from tourist parks for 2021-22. Further, the Borough has recorded a slight in increase in population. | \$3,264 | \$3,258 | \$3,250 | \$3,416 |
| C5 | Recurrent grants <i>Recurrent grants per head of municipal population</i> Early receipt of the 2022-23 Financial Assistance Grant has had a significant positive impact on this indicator for 2021-22. | \$403 | \$563 | \$279 | \$506 |
| C6 | Disadvantage <i>Relative Socio-Economic Disadvantage</i> Queenscliffe's relative socioeconomic disadvantage has improved, from 9 at the 2011 Census to 10 in the 2016 Census. | 10 | 10 | 10 | 10 |
| C7 | Workforce turnover <i>Percentage of staff turnover</i> 9 staff resignations and terminations in 2021-22 compared to an average of 8-10 resignations and terminations per year in the previous years. | 16.82% | 15.38% | 14.8% | 16.4% |

- Definitions**
- **"Adjusted underlying revenue"** means total income other than:
 - non-recurrent grants used to fund capital expenditure; and
 - non-monetary asset contributions; and
 - contributions to fund capital expenditure from sources other than those referred to above
 - **"Infrastructure"** means non-current property, plant and equipment excluding land
 - **"Local road"** means a sealed or unsealed road for which Council is the responsible road authority under the Road Management Act 2004
 - **"Own-source revenue"** means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)
 - **"Population"** means the resident population estimated by the Australian Bureau of Statistics
 - **"Relative socio-economic disadvantage"**, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA
 - **"SEIFA"** means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its Internet website

Service Performance Indicators

For the Year Ended 30 June 2022

| Service / indicator / material variations and general comments | | 2018-19 | 2019-20 | 2020-21 | 2021-22 |
|--|--|----------------|--------------------|--------------------|--------------------|
| Aquatic Facilities | | | | | |
| AF6 | Utilisation <i>Utilisation of aquatic facilities</i> Queenscliffe does not provide this service. | N/A | N/A | N/A | N/A |
| Animal Management | | | | | |
| AM7 | Health and safety <i>Animal management prosecutions</i> Zero prosecutions. 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 a reduced likelihood of penalties being issued. | New in 2019-20 | 0.00% | 0.00% | 0.00% |
| Food Safety | | | | | |
| FS4 | Health and safety <i>Critical and major non-compliance outcome notifications</i> Council has achieved a 100.00% compliance rate over the four years. | 100.00% | 100.00% | 100.00% | 100.00% |
| Governance | | | | | |
| G5 | Satisfaction <i>Satisfaction with Council decisions</i> Improvement is a result of significant improvement in community consultation and engagement activities. | 49 | 54 | 59 | 63 |
| Libraries | | | | | |
| LB4 | Participation <i>Active library borrowers in municipality</i> The number of active borrowers in the last two years has decreased, while the population has increased slightly. The limited space at the temporary location has impacted active borrowers. | 36.92% | 36.72% | 31.30% | 26.94% |
| Maternal and Child Health | | | | | |
| MC4 | Participation <i>Participation in the MCH service</i> 52 children attended the MCH service at least once, of the 71 infants enrolled in 2021-22. | 71.50% | 63.98% | 68.71% | 73.24% |
| MC5 | Participation <i>Participation in the MCH service by Aboriginal children</i> No Aboriginal children enrolled in the MCH service during the reporting period. | 100.00% | 100.00% | 100.00% | 0.00% |
| Roads | | | | | |
| R5 | Satisfaction <i>Satisfaction with local sealed roads</i> There has been a slight drop in the satisfaction rate based on the 2021-22 result. | 65 | 66 | 66 | 65 |
| Statutory Planning | | | | | |
| SP4 | Decision making <i>Council planning decisions upheld at VCAT</i> 3 planning decisions were referred to VCAT in 2021-22 and all decisions were upheld at VCAT. No decisions were referred to VCAT in the previous financial year. | 50.00% | 0.00% | 0.00% | 100.00% |
| Waste Collection | | | | | |
| WC5 | Waste diversion <i>Kerbside collection waste diverted from landfill</i> The diversion rate is consistent with the previous year's achievement. Council expects a significant improvement in waste diverted from landfill in 2022-23 with the rollout of food and garden waste bins. | 52.68% | 46.92% | 55.50% | 55.57% |
| Former Measures (Retired Measures) – Animal Management | | | | | |
| AM4 | Health and safety <i>Animal management prosecutions</i> This measure was replaced by animal management prosecutions (%) for 2019-20.. | 0 | Retired in 2019-20 | Retired in 2019-20 | Retired in 2019-20 |

Service Performance Indicators (continued)

For the Year Ended 30 June 2022

Definitions

- **"Aboriginal child"** means a child who is an Aboriginal person
- **"Active library borrower"** means a member of a library who has borrowed a book from the library
- **"Annual report"** means an annual report prepared by Council under section 98 of the Act
- **"Critical non-compliance outcome notification"** means a notification received by Council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorized officer under that Act, of a deficiency that poses an immediate serious threat to public health
- **"Local road"** means a sealed or unsealed road for which Council is the responsible road authority under the *Road Management Act 2004*
- **"Major non-compliance outcome notification"** means a notification received by Council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to Council by an authorized 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"** means 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

Financial Performance Indicators

For the Year Ended 30 June 2022

| Service / indicator / material variations and general comments | | Results | | | | Forecasts | | | |
|--|---|----------------|----------|---------|---------|-----------|---------|---------|---------|
| | | 2018-19 | 2019-20 | 2020-21 | 2021-22 | 2022-23 | 2023-24 | 2024-25 | 2025-26 |
| Efficiency | | | | | | | | | |
| E2 | Expenditure level <i>Expenses per property assessment</i> Total expenses for 2021-22 include a \$142,000 accounting loss associated with building demolitions and a \$213,000 reclassification (capital to operating) of expenditure incurred on infrastructure assets owned by third parties in relation to a road upgrade project. Excluding the impact of these accounting adjustments, the result for 2021-22 is \$3,712 (result for 2020-21 on the same basis was \$3,714). Further, the majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for other local councils. | \$3,588 | \$3,816 | \$4,168 | \$3,824 | \$4,037 | \$3,989 | \$3,998 | \$4,099 |
| E4 | Revenue level <i>Average rate per property assessment</i> Rate revenue represents a high proportion of Queenscliffe’s revenue and spread across a very small ratepayer base. | New in 2019-20 | \$2,101 | \$2,154 | \$2,186 | \$2,231 | \$2,293 | \$2,361 | \$2,425 |
| Liquidity | | | | | | | | | |
| L1 | Working capital <i>Current assets compared to current liabilities</i> Despite the slight increase in current liabilities as a result of the increase in accrued expenses for capital projects, the indicator is in line with the previous year's result. The four-year forecast indicates a significant fluctuation mainly due to assumptions used concerning the timing of capital grants and capital expenditure. However, the average four-year forecast (316.11%) is in line with the 2021-22 result. | 503.81% | 513.55% | 294.05% | 310.17% | 377.04% | 289.67% | 304.77% | 292.98% |
| L2 | Unrestricted cash <i>Unrestricted cash compared to current liabilities</i> Council has \$6.5 million term deposits with original maturities of more than 90 days, considered as restricted cash in 2021-22. Council predicts that most of these term deposits be converted into operational cash in 2022-23 and used in delivering key capital projects, still leaving an elevated operational cash balance at the end of the 2022-23 financial year. | 58.56% | -151.20% | 38.73% | 43.90% | 107.00% | 41.00% | 46.37% | 46.01% |
| Obligations | | | | | | | | | |
| O2 | Loans and borrowings <i>Loans and borrowings compared to rates</i> Council has a debt-free balance sheet. | 0.64% | 0.38% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| O3 | Loans and borrowings <i>Loans and borrowings repayments compared to rates</i> Council has a debt-free balance sheet. | 0.26% | 0.25% | 0.38% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| O4 | Indebtedness <i>Non-current liabilities compared to own-source revenue</i> Consistent with previous year. | 0.51% | 1.18% | 1.06% | 1.09% | 1.05% | 1.03% | 1.03% | 1.03% |
| O5 | Asset renewal and upgrade <i>Asset renewal and upgrade compared to depreciation</i> A significant amount of asset renewal and upgrade expenditure incurred during 2021-22 relates to road safety projects (new pedestrian crossings, road safety signs, speed barriers, etc.), the Queenscliffe Hub project and the Queenscliff Boat Ramp upgrade project. The forecast reflects the timing of planned capital projects for the next four years. | New in 2019-20 | 121.92% | 194.21% | 540.62% | 170.06% | 173.21% | 154.07% | 186.82% |

Financial Performance Indicators (continued)

For the Year Ended 30 June 2022

| | | Results | | | | Forecasts | | | |
|---|--|---------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Service / indicator / material variations and general comments | | 2018–19 | 2019–20 | 2020–21 | 2021–22 | 2022–23 | 2023–24 | 2024–25 | 2025–26 |
| Operating Position | | | | | | | | | |
| OP1 | Adjusted underlying result | | | | | | | | |
| | Adjusted underlying surplus (or deficit) | -0.20% | -3.27% | -13.71% | 5.58% | -13.40% | -4.54% | -0.78% | -0.86% |
| Savings due to cancellation of events, staff vacancies, prioritising of grant-funded operating projects over rates-funded projects and early receipt of the 2022–23 Financial Assistance Grant have had a significant positive impact on the adjusted underlying result for 2021–22. If the Financial Assistance Grant is considered against the financial year to which it relates, the result for this measure for 2021–22 and 2022–23 would have been 1.02% and -7.46% respectively. Council expects an improvement in this measure mainly due to forecasted operational efficiencies. | | | | | | | | | |
| Stability | | | | | | | | | |
| S1 | Rates concentration | | | | | | | | |
| | Rates compared to adjusted underlying revenue | 65.44% | 65.13% | 67.46% | 63.30% | 73.36% | 70.44% | 69.77% | 69.89% |
| Increase in adjusted underlying revenue due to early receipt of the 2022–23 Financial Assistance Grant. | | | | | | | | | |
| S2 | Rates effort | | | | | | | | |
| | Rates compared to property values | 0.26% | 0.26% | 0.25% | 0.24% | 0.18% | 0.18% | 0.18% | 0.18% |
| Consistent with previous years' average and the lower proportion of rate revenue suggests a reduced rate burden on the community. However, compared to other municipalities, the low number of but valued higher properties in the Borough has a positive impact on this measure. | | | | | | | | | |
| Former Measure (Retired Measures) – Efficiency | | | | | | | | | |
| E1 | Revenue level | | | | | | | | |
| | Average residential rate per residential property assessment | \$2,018 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 |
| This measure was replaced by Average rate per property assessment (%) for 2019–20. | | | | | | | | | |
| Former Measures (Retired Measures) – Obligations | | | | | | | | | |
| O1 | Asset renewal | | | | | | | | |
| | Asset renewal compared to depreciation | 119.16% | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 | Retired in 2019–20 |
| This measure was replaced by asset renewal and upgrade compared to depreciation for 2019–20. | | | | | | | | | |

Definitions

- "Adjusted underlying revenue" means total income other than:
 - non-recurrent grants used to fund capital expenditure; and
 - non-monetary asset contributions; and
 - contributions to fund capital expenditure from sources other than those referred to above
- "Adjusted underlying surplus (or deficit)" means adjusted underlying revenue less total expenditure
- "Current assets" has the same meaning as in the AAS
- "Current liabilities" has the same meaning as in the AAS
- "Non-current liabilities" means all liabilities other than current liabilities
- "Non-recurrent grant" means 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" means adjusted underlying revenue other than revenue that is not under the control of Council (including government grants)
- "Rate revenue" means revenue from general rates, municipal charges, service rates and service charges
- "Residential rates" means revenue from general rates, municipal charges, service rates and service charges levied on residential properties
- "Restricted cash" means 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" means all cash and cash equivalents other than restricted cash



FINANCIAL REPORT

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Understanding the Financial Report

Introduction

The Financial Statements show how Council performed financially during the 2021–22 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.

It lists revenue sources under various income headings, as well as the expenses incurred during the year. The revenue includes grants and contributions associated with the purchase or building of assets. However, the expenses relate only to the ‘operations’ and do not include the costs associated with the purchase or building of assets. Expenses do include an item for depreciation, which is the value of the assets used up during the year.

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.

Balance Sheet

The balance sheet shows the assets that Council own and what Council owe (liabilities) as of 30 June 2022.

The bottom line of the balance sheet is net assets, which is the net worth Council have built up over many years.

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

The statement of changes in equity summarises the change in value of total ratepayer equity. The value of equity can only change as a result of:

- 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
- The change in the value of non-current assets, resulting from a revaluation of these assets, and
- Any adjustment to opening balance, where applicable.

Statement of Cash Flows

The cash flow statement summarises Council’s cash payments and receipts for the year, as well as the level of cash at the end of the financial year.

Cash in this statement refers to bank deposits and investments that can be quickly converted to cash.

Cash arises from, and is used in, three main areas:

- Cash flows from operating activities – summarises all income and expenses relating to operations, including service delivery and maintenance.
- Cash flows from investing activities – relates to capital works payments recorded as assets in the balance sheet, as well as receipts for the sale of assets.
- Cash flows from financing activities – represents repayments of and receipts from loans.

Statement of Capital Works

This statement provides detail of capital expenditure by asset type and distinguishes renewal, upgrade and new capital expenditure.

Notes to the Financial Statements

The notes to the accounts enable the reader to understand the basis on which the values shown in the accounts are established. The notes also advise if there has been any change to the accounting standards, policy or legislation that has impacted on how the standards were prepared.

Within the five financial statements, there is a ‘note’ column to indicate where the reader should go or additional information. This is particularly useful where there has been a significant change from the previous year’s comparative figure.

Certification by Principal Accounting Officer and Councillors

The Financial Statements and the Performance Statement require certification under the *Local Government Act 2020*. The certifications are made by a combination of the Principal Accounting Officer, the Chief Executive Officer and two councillors, on behalf of the Council, as a written undertaking to the statements being correct and not misleading.


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 the Financial Statements

In my opinion, the accompanying financial statements have been prepared in accordance with the *Local Government Act 2020*, the *Local Government (Planning and Reporting) Regulations 2020*, the *Australian Accounting Standards* and other mandatory professional reporting requirements.



Gihan Kohobange CA, CPA, FCCA
Principal Accounting Officer
Date: 28 September 2021
Queenscliff

In our opinion, the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2022 and the financial position of the Council as at that date.

At the date of signing, we are not aware of any circumstances that 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 2020* to certify the financial statements in their final form.



Councillor Ross Ebbels
Mayor
Date: 28 September 2022
Queenscliff



Councillor Isabelle Tolhurst
Councillor
Date: 28 September 2022
Queenscliff



Chief Executive Officer
Date: 28 September 2022
Queenscliff





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 2022comprehensive income statement for the year then endedstatement of changes in equity for the year then endedstatement of cash flows for the year then endedstatement of capital works for the year then endednotes to the financial statements, including significant accounting policiescertification 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 2022 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 4 of the <i>Local Government Act 2020</i>, the <i>Local Government (Planning and Reporting) Regulations 2020</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 <i>APES 110 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, the <i>Local Government Act 2020</i> and the <i>Local Government (Planning and Reporting) Regulations 2020</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> |

| | |
|--|---|
| Auditor’s responsibilities for the audit of the financial report | <p>As required by the <i>Audit Act 1994</i>, 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.</p> <p>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:</p> <ul style="list-style-type: none">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 controlevaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Councillorsconclude 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. <p>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.</p> |
|--|---|

MELBOURNE
6 October 2022

Travis Derricott
as delegate for the Auditor-General of Victoria

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Comprehensive Income Statement

For the Year Ended 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|---|------|-----------------|-----------------|
| Income | | | |
| Rates and charges | 3.1 | 7,957 | 7,642 |
| Statutory fees and fines | 3.2 | 204 | 157 |
| User fees | 3.3 | 2,020 | 1,760 |
| Grants - operating | 3.4 | 2,136 | 1,551 |
| Grants - capital | 3.4 | 7,652 | 1,382 |
| Contributions - monetary | 3.5 | - | 52 |
| Other income | 3.7 | 251 | 218 |
| Total income | | 20,219 | 12,762 |
| Expenses | | | |
| Employee costs | 4.1 | (4,299) | (4,445) |
| Materials and services | 4.2 | (5,548) | (5,198) |
| Depreciation | 4.3 | (1,325) | (1,353) |
| Bad and doubtful debts | 4.4 | - | (4) |
| Net loss on disposal of property, infrastructure, plant and equipment | 3.6 | (130) | (540) |
| Share of net loss of associates and joint ventures | 6.3 | (5) | (75) |
| Other expenses | 4.5 | (559) | (1,266) |
| Total expenses | | (11,866) | (12,880) |
| Surplus/(deficit) for the year | | 8,354 | (118) |
| Other comprehensive income | | | |
| Items that will not be reclassified to surplus or deficit in future periods | | | |
| Net asset revaluation increment/(decrement) | 6.2 | 33,177 | - |
| Total comprehensive result | | 41,531 | (118) |

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

Balance Sheet

For the Year Ended 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|--|------|----------------|----------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5.1 | 3,778 | 1,542 |
| Trade and other receivables | 5.1 | 373 | 316 |
| Other financial assets | 5.1 | 6,506 | 7,075 |
| Inventories | 5.2 | 4 | 5 |
| Non-current assets classified as held for sale | 6.1 | 2,577 | 2,075 |
| Other assets | 5.2 | 107 | 342 |
| Total current assets | | 13,345 | 11,355 |
| Non-current assets | | | |
| Investments in associates, joint arrangements and subsidiaries | 6.3 | 160 | 165 |
| Property, infrastructure, plant and equipment | 6.2 | 173,715 | 133,720 |
| Total non-current assets | | 173,875 | 133,885 |
| Total assets | | 187,220 | 145,240 |
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables | 5.3 | 2,324 | 648 |
| Trust funds and deposits | 5.3 | 50 | 47 |
| Unearned income/revenue | 5.3 | 995 | 2,117 |
| Provisions | 5.5 | 933 | 1,050 |
| Total current liabilities | | 4,302 | 3,862 |
| Non-current liabilities | | | |
| Provisions | 5.5 | 113 | 104 |
| Total non-current liabilities | | 113 | 104 |
| Total liabilities | | 4,415 | 3,965 |
| Net assets | | 182,805 | 141,274 |
| Equity | | | |
| Accumulated surplus | | 101,380 | 93,113 |
| Reserves | 9.1 | 81,425 | 48,161 |
| Total Equity | | 182,805 | 141,273 |

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

Statement of Changes in Equity

For the Year Ended 30 June 2022

| | | Total | Accumulated | Revaluation | Other |
|---|------|----------------|----------------|---------------|--------------|
| | Note | \$'000 | Surplus | Reserve | Reserves |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | |
| Balance at beginning of the financial year | | 141,274 | 93,113 | 43,498 | 4,664 |
| Surplus/(deficit) for the year | | 8,354 | 8,354 | - | - |
| Net asset revaluation increment/(decrement) | 6.2 | 33,177 | - | 33,177 | - |
| Transfers to other reserves | 9.1 | - | (2,376) | - | 2,376 |
| Transfers from other reserves | 9.1 | - | 2,289 | - | (2,289) |
| Balance at end of the financial year | | 182,805 | 101,380 | 76,675 | 4,750 |
| 2021 | | | | | |
| | | Total | Accumulated | Revaluation | Other |
| | Note | \$'000 | Surplus | Reserve | Reserves |
| | | \$'000 | \$'000 | \$'000 | \$'000 |
| Balance at beginning of the financial year | | 141,393 | 91,998 | 43,498 | 5,897 |
| Surplus/(deficit) for the year | | (118) | (118) | - | - |
| Net asset revaluation increment/(decrement) | 6.2 | - | - | - | - |
| Transfers to other reserves | 9.1 | - | (1,146) | - | 1,146 |
| Transfers from other reserves | 9.1 | - | 2,379 | - | (2,379) |
| Balance at end of the financial year | | 141,274 | 93,113 | 43,498 | 4,664 |

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

Statement of Cash Flows

For the Year Ended 30 June 2022

| | Note | 2022 Inflows/ (Outflows) \$'000 | 2021 Inflows/ (Outflows) \$'000 |
|---|------|--|--|
| Cash flows from operating activities | | | |
| Rates and charges | | 7,962 | 7,711 |
| Statutory fees and fines | | 204 | 160 |
| User fees | | 2,017 | 1,764 |
| Grants - operating | | 2,087 | 1,549 |
| Grants - capital | | 6,690 | 3,009 |
| Contributions - monetary | | - | 52 |
| Interest received | | 18 | 51 |
| Trust funds and deposits taken | | 5 | 70 |
| Other receipts | | 374 | 146 |
| Net GST refund/(payment) | | (65) | (21) |
| Employee costs | | (4,415) | (4,294) |
| Materials and services | | (5,334) | (5,209) |
| Short-term, low value and variable lease payments | | (12) | (14) |
| Trust funds and deposits repaid | | (2) | (40) |
| Other payments | | (559) | (1,266) |
| Net cash provided by/(used in) operating activities | | 8,972 | 3,668 |
| Cash flows from investing activities | | | |
| Payments for property, infrastructure, plant and equipment | 6.2 | (7,369) | (2,883) |
| Proceeds from sale of property, infrastructure, plant and equipment | | 66 | 19 |
| Payments for investments | | (1,752) | (5,269) |
| Proceeds from sale of investments | | 2,321 | 5,056 |
| Net cash provided by/(used in) investing activities | | (6,736) | (3,077) |
| Cash flows from financing activities | | | |
| Repayment of borrowings | | - | (29) |
| Net cash provided by/(used in) financing activities | | - | (29) |
| Net increase (decrease) in cash and cash equivalents | | 2,236 | 563 |
| Cash and cash equivalents at the beginning of the financial year | | 1,542 | 979 |
| Cash and cash equivalents at the end of the financial year | | 3,778 | 1,542 |
| Financing arrangements | | | |
| | 5.6 | | |
| Restrictions on cash assets | 5.1 | | |

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

Statement of Capital Works

For the Year Ended 30 June 2022

| | Note | 2022 \$'000 | 2021 \$'000 |
|--|------|----------------|----------------|
| Property | | | |
| Land improvements | | 23 | - |
| Total land | | 23 | - |
| Buildings | | 4,699 | 1,407 |
| Total buildings | | 4,699 | 1,407 |
| Total property | | 4,722 | 1,407 |
| Plant and equipment | | | |
| Plant, machinery and equipment | | 4 | 42 |
| Fixtures, fittings and furniture | | 2 | - |
| Computers and telecommunications | | 138 | 115 |
| Total plant and equipment | | 144 | 157 |
| Infrastructure | | | |
| Roads | | 341 | 629 |
| Footpaths and cycleways | | 100 | 125 |
| Drainage | | 127 | 170 |
| Recreational, leisure and community facilities | | 458 | 129 |
| Parks, open space and streetscapes | | 227 | 45 |
| Off street car parks | | 386 | 5 |
| Other infrastructure | | 2,337 | 209 |
| Total infrastructure | | 3,976 | 1,311 |
| Total capital works expenditure | | 8,842 | 2,875 |
| Represented by: | | | |
| New asset expenditure | | 1,681 | 248 |
| Asset renewal expenditure | | 1,652 | 783 |
| Asset upgrade expenditure | | 5,508 | 1,844 |
| Total capital works expenditure | | 8,842 | 2,875 |

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

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 1. Overview

Introduction

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

The Council's main office is located at 50 Learmonth Street, Queenscliff, VIC, 3225.

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 2020*, and the *Local Government (Planning and Reporting) Regulations 2020*.

The Council is a not-for-profit entity and therefore applies the additional AUS paragraphs applicable to a not-for-profit entity under the Australian Accounting Standards.

Significant accounting policies

a. Basis of accounting

The accrual basis of accounting has been used in the preparation of these financial statements, except for the cash flow information, 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.

The financial statements are based on the historical cost convention unless a different measurement basis is specifically disclosed in the notes to the financial statements.

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.

The financial statements have been prepared on a going concern basis. The financial statements are in Australian dollars. The amounts presented in the financial statements have been rounded to the nearest thousand dollars unless otherwise specified. Minor discrepancies in tables between totals and the sum of components are due to rounding.

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)
- the determination of whether performance obligations are sufficiently specific so as to determine whether an arrangement is within the scope of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities (refer to Note 3)
- the determination, in accordance with AASB 16 Leases, of the lease term, the estimation of the discount rate when not implicit in the lease and whether an arrangement is in substance short-term or low value (refer to Note 5.8)
- whether or not AASB 1059 Service Concession Arrangements: Grantors is applicable
- 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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 1. Overview (continued)

b. Impact of Covid-19

On 16 March 2020 a state of emergency was declared in Victoria due to the global pandemic COVID-19 virus, known as coronavirus. A state of disaster was subsequently declared on 2 August 2020. Subsequently, the state of disaster and the state of emergency were concluded on 28 October 2020 and on 15 December 2021 respectively. While the impacts of the pandemic have abated somewhat through the 2021-22 year, Council has noted the following significant impacts on its financial operations:

| | |
|---|------------------|
| Additional revenue (Specific grant funding received as COVID-19 support) | \$ |
| Local councils outdoor eating and entertainment package | 200,000 |
| Business concierge and hospitality support program | 72,258 |
| Rural councils ICT infrastructure program | 43,362 |
| | 315,620 |
| Revenue reduction | |
| Loss of income from the caravan parks | (37,461) |
| Loss of interest income (due to low interest rates) | (163,742) |
| | (201,203) |
| Revenue foregone | |
| Lease rental income from council owned properties | (19,903) |
| Environmental health - licences and fees | (12,385) |
| | (32,288) |
| Additional costs | |
| Cost relate to grant funding stated under additional revenue | (315,619) |
| Additional office administration cost (Covid safe) | (8,248) |
| Cost savings due to cancelation of events and sponsorships | 86,277 |
| | (237,590) |
| Net impact | (155,461) |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 2.1 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 2020 requires explanation of any material variances. Council has adopted a materiality threshold of the lower of 10 percent or a dollar variance +/- \$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.

These notes are prepared to meet the requirements of the *Local Government Act 2020* and the *Local Government (Planning and Reporting) Regulations 2020*.

Note 2.1.1 Income and expenditure

| | Budget 2022 \$'000 | Actual 2022 \$'000 | Variance \$'000 | Variance % | Ref |
|---|-----------------------------------|-----------------------------------|----------------------------|-----------------------|------------|
| Income | | | | | |
| Rates and charges | 7,946 | 7,956 | 10 | 0% | |
| Statutory fees and fines | 132 | 204 | 72 | 55% | 1 |
| User fees | 1,977 | 2,020 | 43 | 2% | |
| Grants - operating | 1,017 | 2,137 | 1,120 | 110% | 2 |
| Grants - capital | 6,495 | 7,652 | 1,157 | 18% | 3 |
| Contributions - monetary | 35 | - | (35) | -100% | 4 |
| Other income | 268 | 251 | (17) | -6% | |
| Total income | 17,870 | 20,220 | 2,350 | 13% | |
| Expenses | | | | | |
| Employee costs | (4,873) | (4,300) | (573) | 12% | 5 |
| Materials and services | (5,733) | (5,548) | (185) | 3% | 6 |
| Depreciation | (1,373) | (1,324) | (49) | 4% | |
| Bad and doubtful debts | (3) | (0) | (3) | 95% | 7 |
| Net loss on disposal of property, infrastructure, plant and equipment | - | (130) | 130 | -100% | |
| Share of net loss of associates and joint ventures | - | (5) | 5 | -100% | |
| Other expenses | (325) | (559) | 234 | -72% | 8 |
| Total expenses | (12,307) | (11,866) | (441) | 4% | |
| | 5,563 | 8,354 | 2,791 | 50% | |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 2.1.1 Income and expenditure (continued)

(i) Explanation of material variations

- The increase of \$72,000 is mainly due to the increase in town planning fees resulting from the significant increase in town planning applications.
- The increase of \$1,120,000 is mainly due to:
 - \$588,000 Financial Assistance Grant received in advance, Victorian grants commission;
 - \$200,000 additional funding for Outdoor Seating and Entertainment, Department of Jobs, Precincts and Regions;
 - \$149,000 additional grant received for Point Lonsdale Seawall repair work, Department of Environment, Land, Water and Planning;
 - \$119,000 additional funding to assist Council with the loss of boat ramp permit income, Better Boating Victoria; and
 - \$72,000 additional grant received for Business Concierge and Hospitality Support program, Department of Jobs, Precincts and Regions.
- The net increase of \$1,157,000 is mainly due to:
 - \$1,710,000 shift in the timing of grant income accrued/received for the Queenscliffe Cultural Hub project;
 - (\$378,000) shift in the timing of grant income accrued/received for the Queenscliffe Boat Ramp upgrade work; and
 - (\$315,000) shift in the timing of the grant income accrued/received for Queenscliff Sports and Recreation Precinct upgrade project.
- The reduction of \$35,000 is due to the timing of completion of the Queenscliffe Cultural Hub project.
- The decrease of \$573,000 is due to the various staff vacancies that existed throughout the year.
- The net decrease of \$185,000 is mainly due to:
 - \$157,000 net movement in cost associated with rates funded and grant-funded operating projects (after considering the cost of new grant-funded operating projects);
 - \$104,000 savings in operating expenses of caravan parks predominantly due to the intermittent closures of the parks during the year;
 - \$78,000 savings in economic development activities due to the cancellation of events and prioritising grant-funded events over Council funded events;
 - \$48,000 savings in powerline and sundry tree clearance expenses due to the reduction in the scope of the work for the year;
 - (\$132,000) increase in vegetation and tree inspection expenses resulting from the storm event that took place during the year; and
 - (\$52,000) increase in the cost of consultants during the year, used as a backfill for staff vacancies in some areas.
- Bad and doubtful debt expenses/change in the provision for the year is insignificant.
- The increase of \$234,000 is mainly due to the reclassification (capital to operating) of expenditure incurred on infrastructure assets owned by third parties in relation to a road upgrade project, in line with the requirements of accounting standards. This was a 100% grant-funded project completed in the 2021-22 financial year.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 2.1.2 Capital works

| | Budget 2022 \$'000 | Actual 2022 \$'000 | Variance \$'000 | Variance % | Ref |
|--|--------------------------|--------------------------|--------------------|---------------|-----|
| Property | | | | | |
| Land improvements | - | 23 | 23 | 100% | 1 |
| Total land | - | 23 | 23 | 100% | |
| Buildings | 4,729 | 4,699 | (31) | -1% | |
| Total buildings | 4,729 | 4,699 | (31) | -1% | |
| Total property | 4,729 | 4,722 | (8) | 0% | |
| Plant and equipment | | | | | |
| Plant, machinery and equipment | 119 | 4 | (115) | -97% | 2 |
| Fixtures, fittings and furniture | 5 | 2 | (3) | -58% | |
| Computers and telecommunications | 201 | 138 | (63) | -31% | 3 |
| Total plant and equipment | 325 | 144 | (181) | -56% | |
| Infrastructure | | | | | |
| Roads | 771 | 341 | (430) | -56% | 4 |
| Footpaths and cycleways | 198 | 100 | (98) | -49% | 5 |
| Drainage | 174 | 127 | (46) | -27% | |
| Recreational, leisure and community facilities | 823 | 458 | (365) | -44% | 6 |
| Parks, open space and streetscapes | 727 | 227 | (500) | -69% | 7 |
| Off street car parks | 425 | 386 | (40) | -9% | |
| Other infrastructure | 2,652 | 2,337 | (314) | -12% | 8 |
| Total infrastructure | 5,770 | 3,976 | (1,794) | -31% | |
| Total capital works expenditure | 10,824 | 8,842 | (1,983) | -18% | |
| Represented by: | | | | | |
| New asset expenditure | 2,579 | 1,681 | (898) | -35% | |
| Asset renewal expenditure | 2,432 | 1,652 | (780) | -32% | |
| Asset upgrade expenditure | 5,813 | 5,508 | (305) | -5% | |
| Total capital works expenditure | 10,824 | 8,842 | (1,983) | -18% | |

(i) Explanation of material variations

| Variance Ref | Item | Explanation |
|-----------------|----------------------------------|--|
| 1 | Land | Cost incurred in relation to Murray Road land. |
| 2 | Plant, machinery and equipment | The decrease is due to the shift in the timing of replacing of motor vehicle, including extending some vehicles out by a further year before they are replaced. |
| 3 | Computers and telecommunications | The decrease is due to the shift in the timing of the ICT transformation project. |
| 4 | Roads | The net reduction of \$430,000 is mainly due to: 1) \$212,000 reclassification (capital to operating) of expenditure incurred on road assets owned by VicRoads (100% grant-funded project); 2) \$150,000 due to not carrying out planned road resealing work during the year 2021-22; 3 \$121,000 due to the shift in the timing of the Hesse Street streetscape project; and 4) (\$95,000) due to the additional work carried over from the 2020-21 financial year under the Commonwealth Road Safety Program 2021. |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 2.1.2 Capital works (continued)

| Variance Ref | Item | Explanation |
|--------------|--|---|
| 5 | Footpaths and cycleways | The reduction of \$98,000 is mainly due to: 1) \$50,000 project work to link Hesse Street to the upgraded boat ramp, is on hold; and 2) \$40,000 due to the shift in the timing of footpaths and cycleways renewal work. |
| 6 | Recreational, leisure and community facilities | The reduction of \$365,000 is mainly due to: 1) \$304,000 due to the shift in the timing of the Queenscliff Sports and Recreation Precinct upgrade project; and 2) \$60,000 due to the shift in the timing of design work of the Royal park oval upgrade project. |
| 7 | Parks, open space and streetscapes | The reduction of \$500,000 is mainly due to: 1) \$388,000 due to the shift in the timing of the Point Lonsdale Lighthouse Reserve upgrade project; and 2) \$60,000 due to the shift in the timing of design work of the Royal park oval upgrade project. |
| 8 | Other infrastructure | The reduction of \$314,000 is mainly due to: 1) \$241,000 due to the shift in the timing of the Queenscliffe boat ramp upgrade project; and 2) \$65,000 due to the shift in the timing of electronic vehicle charging station installation work. |

Note 2.2 Analysis of Council results by program

Analysis of Council results by program

2.2.1

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

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.

Recreation, Arts, Culture and Community

The Recreation, Arts, Culture and Community 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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Portfolio 1: Health and wellbeing: To support community wellbeing and encourage an active lifestyle (continued)

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.

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.

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.

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.

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

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Portfolio 2: Environment: To protect our environment and address climate change issues (continued)

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.

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

Tourist Parks

The Tourist Parks 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. It currently provides approximately 350 camping/caravanning sites and associated facilities, including maintenance of seven amenities blocks. 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.

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

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

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.

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.

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.

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 2022

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

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 2020* 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 2022

2.2.2 Summary of income, expenses, assets and capital expenses by program

| | Income | Expenses | Surplus/ (Deficit) | Grants included in income | Total assets |
|---|---------------|---------------|-----------------------|---------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2022 | | | | | |
| Health and wellbeing | | | | | |
| Aged Services | 559 | 649 | (90) | 425 | - |
| Recreation, Arts, Culture and Community | 3 | 143 | (140) | 3 | 31,849 |
| Community Events | 16 | 216 | (200) | 16 | - |
| Maternal and Child Health | 66 | 78 | (12) | 66 | - |
| Kindergarten | - | 7 | (6) | - | 873 |
| Environmental Health | 25 | 86 | (62) | 8 | - |
| Local Laws, Safety and Amenity | 82 | 329 | (247) | 31 | 17 |
| Library | - | 239 | (239) | - | 1 |
| Sub total | 751 | 1,747 | (997) | 549 | 32,740 |
| Environment | | | | | |
| Environmental Sustainability | 4 | 193 | (189) | 4 | - |
| Coastal Protection | 367 | 391 | (24) | 268 | 290 |
| Waste management and Recycling | 1,195 | 1,207 | (13) | 33 | 57 |
| Sub total | 1,566 | 1,791 | (226) | 305 | 347 |
| Local Economy | | | | | |
| Tourist Parks | 1,819 | 852 | 967 | - | 20,093 |
| Visitor Information Centre | 65 | 279 | (214) | - | 2 |
| Tourism & Economic Development | 273 | 341 | (68) | 272 | 2,045 |
| Sub total | 2,157 | 1,472 | 685 | 272 | 22,140 |
| Heritage, Planning and Infrastructure | | | | | |
| Design and Project Management | - | 282 | (282) | - | - |
| Land Use Planning | 141 | 317 | (176) | - | - |
| Heritage Conservation Advice | - | 12 | (12) | - | - |
| Building Control | 34 | 33 | 1 | - | - |
| Asset Management and Appearance of Public Places | 144 | 1,545 | (1,401) | 92 | 74,904 |
| Street Lighting | - | 28 | (28) | - | - |
| Powerline Safety | - | 3 | (3) | - | - |
| Sub total | 319 | 2,220 | (1,901) | 92 | 74,904 |
| Governance and Finance | | | | | |
| Council Governance | - | 213 | (213) | - | 670 |
| Organisational Performance and Compliance | 881 | 1,071 | (190) | 876 | 248 |
| Community Engagement and Customer Service | - | 550 | (550) | - | - |
| Financial and Risk Management | 6,895 | 2,590 | 4,305 | 42 | - |
| Sub total | 7,776 | 4,423 | 3,353 | 918 | 918 |
| Total - Strategic Objectives | 12,568 | 11,654 | 914 | 2,136 | 131,049 |
| Other Non-attributable | | | | | |
| Asset Write-offs | - | - | - | - | - |
| Expenditure not meeting capitalisation criteria / threshold | - | 213 | (213) | - | - |
| Capital Grants and Contributions | 7,652 | - | 7,652 | 7,652 | - |
| Land Under Roads | - | - | - | - | 23,060 |
| Other Property & Buildings | - | - | - | - | 33,110 |
| | 20,220 | 11,866 | 8,354 | 9,788 | 187,220 |

Notes to the Financial Report

For the Year Ended 30 June 2022

2.2.2 Summary of income, expenses, assets and capital expenses by program (continued)

| | Income | Expenses | Surplus/ (Deficit) | Grants included in income | Total assets |
|---|---------------|---------------|-----------------------|---------------------------------|-----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| 2021 | | | | | |
| Community Wellbeing | | | | | |
| Aged Services | 684 | 851 | (167) | 532 | - |
| Recreation, Arts, Culture and Community | - | 151 | (151) | - | 24,240 |
| Community Events | 15 | 124 | (109) | 15 | - |
| Maternal and Child Health | 58 | 73 | (16) | 58 | - |
| Kindergarten | 35 | 1 | 34 | 35 | 911 |
| Environmental Health | 36 | 141 | (106) | 29 | - |
| Asset Management and Appearance of Public Places | 115 | 1,271 | (1,156) | 76 | 71,660 |
| Local Laws, Safety and Amenity | 67 | 299 | (232) | 30 | 28 |
| Street Lighting | - | 28 | (28) | - | - |
| Powerline Safety | - | 30 | (30) | - | - |
| Library | - | 301 | (300) | - | 324 |
| Sub total | 1,009 | 3,270 | (2,260) | 774 | 97,162 |
| Environmental Sustainability | | | | | |
| Environmental Sustainability | - | 145 | (145) | - | - |
| Coastal Protection and Boat Ramp Services | 378 | 293 | 85 | 281 | 606 |
| Waste management and Recycling | 999 | 1,087 | (88) | 22 | 75 |
| Sub total | 1,377 | 1,526 | (149) | 304 | 681 |
| Local Economy | | | | | |
| Tourist Parks | 1,551 | 844 | 707 | - | 13,679 |
| Visitor Information Centre | 30 | 213 | (183) | - | 326 |
| Tourism & Economic Development | 251 | 433 | (182) | 250 | 1,778 |
| Sub total | 1,832 | 1,490 | 342 | 250 | 15,783 |
| Planning and Heritage | | | | | |
| Design and Project Management | - | 276 | (276) | - | - |
| Land Use Planning | 124 | 337 | (213) | - | - |
| Heritage Conservation Advice | - | 3 | (3) | - | - |
| Building Control | 29 | 32 | (4) | - | - |
| Sub total | 152 | 648 | (496) | - | - |
| Governance and Performance | | | | | |
| Council Governance | - | 267 | (267) | - | - |
| Organisational Performance and Compliance | 193 | 1,274 | (1,082) | 183 | 1,596 |
| Community Engagement and Customer Service | - | 555 | (555) | - | - |
| Financial and Risk Management | 6,764 | 2,970 | 3,794 | 41 | - |
| Sub total | 6,956 | 5,066 | 1,891 | 224 | 1,596 |
| Total - Strategic Objectives | 11,328 | 11,999 | (671) | 1,551 | 115,223 |
| Other Non-attributable | | | | | |
| Asset Write-offs | - | - | - | - | - |
| Expenditure not meeting capitalisation criteria / threshold | - | 882 | (882) | - | - |
| Capital Grants and Contributions | 1,434 | - | 1,434 | 1,382 | - |
| Land Under Roads | - | - | - | - | 16,237 |
| Other Property & Buildings | - | - | - | - | 13,781 |
| | 12,762 | 12,881 | (118) | 2,933 | 145,240 |

Notes to the Financial Report

For the Year Ended 30 June 2022

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 2021/22 was \$3,359 million (2020/21 \$3,037 million).

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| General rates | | |
| Residential | 5,579 | 5,391 |
| Residential vacant land | 147 | 131 |
| Tourist accommodation | 727 | 768 |
| Commercial | 320 | 349 |
| Total general rates | 6,773 | 6,639 |
| Waste management charges | | |
| Kerbside waste | 622 | 611 |
| Public waste | 315 | 223 |
| Green waste | 205 | 125 |
| Additional bins | 20 | 18 |
| Total waste management charges | 1,162 | 977 |
| Other rates and charges | | |
| Interest on rates and charges | 6 | 6 |
| Cultural and recreational charges - in lieu of rates | 4 | 4 |
| Supplementary rates and charges | 16 | 21 |
| Less: rebate for properties of environmental interest | (4) | (4) |
| Total other rates and charges | 22 | 27 |
| Total rates and charges | 7,957 | 7,642 |

The date of the latest general revaluation of land for rating purposes within the municipal district was 01/01/2022, and the valuation will be first applied in the rating year commencing 01/07/2022.

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 | 175 | 144 |
| Infringements and costs | 9 | 3 |
| Permits | 14 | 5 |
| Fines Victoria court recoveries | - | (1) |
| Land information certificates | 6 | 5 |
| Total statutory fees and fines | 204 | 157 |

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

3.3 User fees

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Tourist park fees | 1,819 | 1,551 |
| Aged Services | 133 | 152 |
| Registration and other permits | 45 | 36 |
| Tourism | 8 | 4 |
| Other fees and charges (<\$10,000 each) | 15 | 17 |
| Total user fees | 2,020 | 1,760 |
| User fees by timing of revenue recognition | | |
| User fees recognised over time | 1,975 | 1,724 |
| User fees recognised at a point in time | 45 | 36 |
| Total user fees | 2,020 | 1,760 |

User fees are recognised as revenue at a point in time, or over time, when (or as) the performance obligation is satisfied. Recognition is based on the underlying contractual terms.

3.4 Funding from other levels of government

Grants were received in respect of the following :

| | | |
|------------------------------|--------------|--------------|
| Summary of grants | | |
| Commonwealth funded grants | 2,712 | 965 |
| State funded grants | 7,068 | 1,907 |
| Other grants | 8 | 61 |
| Total grants received | 9,788 | 2,933 |

(a) Operating Grants

| | | |
|---|--------------|--------------|
| Recurrent - Commonwealth Government | | |
| Aged Services | 359 | 380 |
| Financial Assistance Grants | 956 | 244 |
| Recurrent - State Government | | |
| Maternal and child health | 66 | 58 |
| Service System Resourcing | 67 | 27 |
| Fire Services Property Levy administration | 42 | 41 |
| School crossing supervision | 31 | 30 |
| Beach cleaning | 14 | 39 |
| Other (<\$10,000 each) | 4 | 7 |
| Recurrent - Other | | |
| Tobacco Activity Program | 7 | 12 |
| Total recurrent operating grants | 1,546 | 838 |
| Non-recurrent - State Government | | |
| Tourism and economic development | 287 | 258 |
| Waste management and recycling | 19 | 10 |
| Coastal protection | 268 | 254 |
| Community development | - | 159 |
| Environmental Health | - | 14 |
| Pedestrian Safety | 11 | 15 |
| Environmental Sustainability | 4 | - |
| Non-recurrent - Other | | |
| Other (<\$10,000 each) | 1 | 3 |
| Total non-recurrent operating grants | 590 | 713 |
| Total operating grants | 2,136 | 1,551 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

(b) Capital Grants

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Non-recurrent - Commonwealth Government | | |
| Roads | 386 | 341 |
| Queenscliffe Cultural Hub | 1,012 | - |
| Non-recurrent - State Government | | |
| Buildings | 2,903 | 850 |
| Roads | - | 14 |
| Parks, open space and streetscapes | 36 | - |
| Footpaths and cycleways | - | 10 |
| Computers & Telecommunications | 43 | 56 |
| Other infrastructure | | |
| Boat Ramp upgrade | 3,267 | - |
| Non-recurrent - Other | | |
| Other Infrastructure | - | 46 |
| Total capital grants | 7,652 | 1,382 |

(c) Unspent grants received on condition that they be spent in a specific manner

| | | |
|---|------------|------------|
| Operating | | |
| Balance at start of year | 288 | 602 |
| Received during the financial year and remained unspent at balance date | 104 | 127 |
| Received in prior years and spent during the financial year | (288) | (441) |
| Balance at year end | 104 | 288 |
| Capital | | |
| Balance at start of year | 312 | 1,518 |
| Received during the financial year and remained unspent at balance date | 638 | 22 |
| Received in prior years and spent during the financial year | (312) | (1,228) |
| Balance at year end | 638 | 312 |

(d) Recognition of grant income

Before recognising funding from government grants as revenue the Council assesses whether there is a contract that is enforceable and has sufficiently specific performance obligations in accordance with AASB 15 Revenue from Contracts with Customers. When both these conditions are satisfied, the Council:

- identifies each performance obligation relating to revenue under the contract/agreement
- determines the transaction price
- recognises a contract liability for its obligations under the agreement
- recognises revenue as it satisfies its performance obligations, at the time or over time when services are rendered.

Where the contract is not enforceable and/or does not have sufficiently specific performance obligations, the Council applies AASB 1058 Income for Not-for-Profit Entities.

Grant revenue with sufficiently specific performance obligations is recognised over time as the performance obligations specified in the underlying agreement are met. Where performance obligations are not sufficiently specific, grants are recognised on the earlier of receipt or when an unconditional right to receipt has been established. Grants relating to capital projects are generally recognised progressively as the capital project is completed. The following table provides a summary of the accounting framework under which grants are recognised.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 3. Funding for the delivery of our services (continued)

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| (d) Recognition of grant income (continued) | | |
| Income recognised under AASB 1058 Income of Not-for-Profit Entities | | |
| General purpose | 995 | 415 |
| Other specific purpose grants | 970 | 1,074 |
| Revenue recognised under AASB 15 Revenue from Contracts with Customers | | |
| Specific purpose grants | 7,823 | 1,444 |
| | 9,788 | 2,933 |

3.5 Contributions

| | | |
|----------------------------|----------|-----------|
| Monetary | - | 52 |
| Total contributions | - | 52 |

Monetary and non monetary contributions are recognised as revenue at their fair value when Council obtains control over the contributed asset.

3.6 Net gain/(loss) on disposal of property, infrastructure, plant and equipment

| | | |
|---|--------------|--------------|
| Proceeds of sale | 66 | 19 |
| Written down value of assets disposed | (196) | (559) |
| Total net gain/(loss) on disposal of property, infrastructure, plant and equipment | (130) | (540) |

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 | 19 | 35 |
| Other rent - lease of Crown Land properties | 104 | 97 |
| Other rent - lease of Council properties | 28 | 17 |
| Reimbursements | 42 | 12 |
| Contribution from volunteers | 58 | 28 |
| Other | 1 | 29 |
| Total other income | 251 | 218 |

Interest is recognised as it is earned.

Other income 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.

Note 4. The cost of delivering services

4.1 (a) Employee costs

| | | |
|-----------------------------|--------------|--------------|
| Wages and salaries | 3,774 | 3,934 |
| Superannuation | 369 | 356 |
| Overtime | 52 | 47 |
| WorkCover | 61 | 58 |
| Fringe benefits tax | 43 | 49 |
| Total employee costs | 4,299 | 4,445 |

(b) Superannuation

Council made contributions to the following funds:

Defined benefit fund

| | | |
|--|----------|----------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 5 | 3 |
| | 5 | 3 |

Accumulation funds

| | | |
|--|------------|------------|
| Employer contributions to Local Authorities Superannuation Fund (Vision Super) | 236 | 234 |
| Employer contributions - other funds | 151 | 135 |
| | 387 | 369 |

Employer contributions payable at reporting date.

Refer to note 9.3 for further information relating to Council's superannuation obligations.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 4. The cost of delivering services (continued)

4.2 Materials and services

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Roads, parks and reserves maintenance | 697 | 599 |
| Cleaning of council buildings, amenities and BBQ's | 198 | 130 |
| Maternal and Child Health | 78 | 73 |
| Drainage maintenance | 63 | 61 |
| Home and community care home maintenance | 33 | 44 |
| Valuation services | 17 | 6 |
| General service delivery | 653 | 874 |
| Waste management | 1,207 | 1,087 |
| Non-recurrent operating projects (rates funded) | 136 | 91 |
| Labour contracts (I.T, building surveyor, heritage advisor and specialist backfill) | 336 | 398 |
| Foreshore and open space maintenance | 430 | 324 |
| Buildings, works, plant and equipment maintenance | 301 | 239 |
| Utilities | 238 | 213 |
| Contribution to Geelong Regional Library Corporation | 221 | 221 |
| Insurance | 280 | 244 |
| Information technology software and maintenance agreements | 142 | 136 |
| Local Government election costs | 1 | 70 |
| Non-recurrent operating projects (grant funded) | 351 | 294 |
| Office administration | 36 | 37 |
| Other expenses | - | 2 |
| Training and staff development | 126 | 48 |
| Aged care services | 4 | 4 |
| Total materials and services | 5,548 | 5,198 |

Expenses are recognised as they are incurred and reported in the financial year to which they relate.

4.3 Depreciation

| | | |
|---------------------------|--------------|--------------|
| Property | 403 | 432 |
| Plant and equipment | 122 | 132 |
| Infrastructure | 800 | 789 |
| Total depreciation | 1,325 | 1,353 |

Refer to note 5.2(c), 5.8 and 6.2 for a more detailed breakdown of depreciation and amortisation charges and accounting policy.

4.4 Bad and doubtful debts

| | | |
|-------------------------------------|----------|----------|
| Parking fine debtors | - | 2 |
| Other debtors | - | 2 |
| Total bad and doubtful debts | - | 4 |

Movement in provisions for doubtful debts

| | | |
|---|----------|----------|
| Balance at the beginning of the year | 2 | 2 |
| New provisions recognised during the year | (1) | 2 |
| Amounts already provided for and written off as uncollectible | - | (2) |
| Balance at end of year | 2 | 2 |

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 4. The cost of delivering services (continued)

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| 4.5 Other expenses | | |
| Councillors' allowances | 166 | 144 |
| Auditors' remuneration - VAGO - audit of the financial statements, performance state- ment and grant acquittals | 45 | 41 |
| Auditors' remuneration - Internal | 12 | 14 |
| Auditors' remuneration - Other | - | 1 |
| Audit and risk committee sitting fees | 7 | 7 |
| Operating lease rentals | 12 | 14 |
| Others | 46 | 135 |
| Expenditure not meeting capitalisation criteria / threshold | 213 | 882 |
| Cost of volunteers | 58 | 28 |
| Total other expenses | 559 | 1,266 |

Note 5. Our financial position

5.1 Financial assets

(a) Cash and cash equivalents

| | | |
|--|--------------|--------------|
| Cash on hand | 2 | 2 |
| Cash at bank | 2,775 | 1,040 |
| Term deposits | 1,001 | 500 |
| Total cash and cash equivalents | 3,778 | 1,542 |

(b) Other financial assets

| | | |
|-------------------------------------|---------------|--------------|
| Term deposits - current | 6,506 | 7,075 |
| Total other financial assets | 6,506 | 7,075 |
| Total financial assets | 10,284 | 8,617 |

Councils 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) | 50 | 47 |
| Total restricted funds | 50 | 47 |
| Total unrestricted cash and cash equivalents | 3,728 | 1,496 |

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))* | 1,839 | 3,252 |
| - Cash held to fund future asset replacement requirements (Note 9.1(b)) | 1,379 | 1,356 |
| - 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))* | 28 | 15 |
| Total funds subject to intended allocations | 3,286 | 4,663 |

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of three months 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.

Other financial assets include term deposits and those with original maturity dates of three to 12 months are classified as current, whilst term deposits with maturity dates greater than 12 months are classified as non-current.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.1 Financial assets (continued)

(c) Trade and other receivables

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Current | | |
| <i>Statutory receivables</i> | | |
| Rates debtors | 117 | 105 |
| Pensioner rebate | 21 | 23 |
| Infringement debtors | 5 | 4 |
| Provision for doubtful debts - infringements | (2) | (2) |
| <i>Non statutory receivables</i> | | |
| Net GST receivable | 187 | 122 |
| Other debtors | 45 | 63 |
| Total current trade and other receivables | 373 | 316 |
| Non-current | | |
| Total non-current trade and other receivables | - | - |
| Total trade and other receivables | 373 | 316 |

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.

(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) | 200 | 146 |
| Past due by up to 30 days | - | - |
| Past due between 31 and 180 days | 15 | 36 |
| Past due between 181 and 365 days | 17 | - |
| Past due by more than 1 year | - | 3 |
| Total trade and other receivables | 232 | 185 |

(e) Ageing of individually impaired Receivables

At balance date, other debtors representing financial assets with a nominal value of \$1,685 (2021: \$1,533) were impaired. The amount of the provision raised against these debtors was \$1,685 (2021: \$1,533). 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 | - | - |
| Past due by more than 1 year | 2 | 2 |
| Total trade & other receivables | 2 | 2 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.2 Non-financial assets

| | 2022 \$'000 | 2021 \$'000 |
|-----------------------------------|----------------|----------------|
| (a) Inventories | | |
| Inventories held for distribution | 4 | 5 |
| Total inventories | 4 | 5 |

Inventories held for distribution are measured at cost, adjusted when applicable for any loss of service potential. All other 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 | 102 | 91 |
| Accrued income | 5 | 251 |
| Total other assets | 107 | 342 |

5.3 Payables, trust funds and deposits and unearned income/revenue

(a) Trade and other payables

| | | |
|---------------------------------------|--------------|------------|
| <i>Non-statutory payables</i> | | |
| Trade payables | 33 | - |
| Accrued wages | 99 | 112 |
| Accrued expenses | 2,121 | 468 |
| <i>Statutory payables</i> | | |
| Net GST payable | 71 | 68 |
| Total trade and other payables | 2,324 | 648 |

(b) Trust funds and deposits

| | | |
|---------------------------------------|-----------|-----------|
| Refundable deposits | 8 | 9 |
| Fire services levy | 3 | 2 |
| Retention amounts | 39 | 36 |
| Total trust funds and deposits | 50 | 47 |

(c) Unearned income/revenue

| | | |
|--|------------|--------------|
| Grants received in advance - operating | 104 | 153 |
| Grants received in advance - capital | 638 | 1,847 |
| Other | 253 | 117 |
| Total unearned income/revenue | 995 | 2,117 |

Unearned income/revenue represents contract liabilities and reflect consideration received in advance from customers mainly in respect of grant-capital and user fees. Unearned income/revenue are derecognised and recorded as revenue when promised goods and services are transferred to the customer. Refer to Note 3.

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

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.4 Interest-bearing liabilities

Council does not have any outstanding borrowings.

5.5 Provisions

| | Annual Leave | Long Service Leave | Accrued Days Off | Total |
|---|-----------------|--------------------------|------------------------|----------------|
| 2022 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Balance at beginning of the financial year | 422 | 710 | 23 | 1,154 |
| Additional provisions | 207 | 152 | (7) | 352 |
| Amounts used | (275) | (97) | (6) | (378) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | 2 | (84) | - | (81) |
| Balance at the end of the financial year | 356 | 681 | 10 | 1,047 |

| | Annual Leave | Long Service Leave | Accrued Days Off | Total |
|---|-----------------|--------------------------|------------------------|----------------|
| 2021 | \$ '000 | \$ '000 | \$ '000 | \$ '000 |
| Balance at beginning of the financial year | 317 | 689 | 27 | 1,033 |
| Additional provisions | 253 | 88 | 9 | 350 |
| Amounts used | (145) | (19) | (14) | (178) |
| Change in the discounted amount arising because of time and the effect of any change in the discount rate | (3) | (48) | - | (51) |
| Balance at the end of the financial year | 422 | 710 | 23 | 1,154 |

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| (a) Employee provisions | | |
| Current provisions expected to be wholly settled within 12 months | | |
| Annual leave | 67 | 119 |
| Long service leave | 68 | 29 |
| Accrued days off | 9 | 23 |
| | 144 | 170 |
| Current provisions expected to be wholly settled after 12 months | | |
| Annual leave | 290 | 304 |
| Long service leave | 499 | 577 |
| | 789 | 881 |
| Total current employee provisions | 933 | 1,050 |
| Non-current | | |
| Long service leave | 113 | 104 |
| Annual leave | - | - |
| Total non-current employee provisions | 113 | 104 |
| Aggregate carrying amount of employee provisions: | | |
| Current | 933 | 1,050 |
| Non-current | 113 | 104 |
| Total aggregate carrying amount of employee provisions | 1,046 | 1,154 |

The calculation of employee costs and benefits includes all relevant on-costs and are calculated as follows at reporting date.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.5 Provisions (continued)

Annual leave

A liability for annual leave is recognised in the provision for employee benefits as a current liability because the Council does not have an unconditional right to defer settlement of the liability. Liabilities for annual leave are measured at:

- nominal value if the Council expects to wholly settle the liability within 12 months
- present value if the Council does not expect to wholly settle within 12 months.

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 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. Unconditional LSL is disclosed as a current liability as the Council does not have an unconditional right to defer settlement.

Unconditional LSL is measured at nominal value if expected to be settled within 12 months or at present value if not expected to be settled within 12 months. 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 and measured at present value.

| Key assumptions: | 2022 | 2021 |
|-----------------------|-----------------|-----------------|
| - discount factor | 1.0% - 1.72% | 0.99% - 1.27% |
| - discount rate | 2.380% - 3.710% | -0.015% - 1.58% |
| - wage inflation rate | 3.850% | 2.950% |

5.6 Financing arrangements

The Council has the following funding arrangements in place as at 30 June 2022.

| | | |
|-------------------------|-----------|-----------|
| Credit card facilities | 21 | 26 |
| Total facilities | 21 | 26 |
| Used facilities | 13 | 6 |
| Unused facilities | 8 | 20 |

5.7 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.

(a) Commitments for expenditure

| 2022 | 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 |
|--|---------------------------------|--|---|------------------------------|-----------------|
| Roads, parks and reserves maintenance | 70 | - | - | - | 70 |
| Internal audit | 1 | - | - | - | 1 |
| Waste Collection Service | 576 | - | - | - | 576 |
| Total | 647 | - | - | - | 647 |
| Capital | | | | | |
| Queenscliffe Hub - construction | 483 | - | - | - | 483 |
| Queenscliff Boat Ramp - upgrade | 1,075 | - | - | - | 1,075 |
| Stormwater drainage Big 4 caravan park Bellarine Hwy | 3 | - | - | - | 3 |
| Pedestrian Crossing, Point Lonsdale Rd Point Lonsdale | 8 | - | - | - | 8 |
| Queenscliff Recreation Reserve Amenities Block | 250 | - | - | - | 250 |
| Queenscliff Recreation Reserve Sport Precinct Civil Construction | 86 | - | - | - | 86 |
| Total | 1,905 | - | - | - | 1,905 |
| Total commitments for expenditure | 2,552 | - | - | - | 2,552 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.7 Commitments (continued)

| 2021 | 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 |
|--|---------------------------------|--|---|------------------------------|-----------------|
| Operating | | | | | |
| Roads, parks and reserves maintenance | 912 | - | - | - | 912 |
| Provision of Cleaning Services for Amenities Blocks & BBQ Facilities | 82 | - | - | - | 82 |
| Internal audit | 17 | - | - | - | 17 |
| Waste Collection Service | 2 | - | - | - | 2 |
| Total | 1,013 | - | - | - | 1,013 |
| Capital | | | | | |
| Queenscliffe Hub - construction | 4,087 | - | - | - | 4,087 |
| Queenscliff Boat Ramp - upgrade | 3,747 | - | - | - | 3,747 |
| Stormwater drainage Big 4 caravan park Bellarine Hwy | 113 | - | - | - | 113 |
| Pedestrian Crossing, Point Lonsdale Rd Point Lonsdale | 62 | - | - | - | 62 |
| Hesse St pedestrian crossing | 59 | - | - | - | 59 |
| Queenscliff Recreation Reserve Sport Precinct Civil Construction | 53 | - | - | - | 53 |
| Total | 8,121 | - | - | - | 8,121 |
| Total commitments for expenditure | 9,133 | - | - | - | 9,133 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.7 Commitments (continued)

(b) Operating lease receivables

Operating lease receivables

The Council has entered into commercial property leases on its investment property, consisting of surplus freehold office complexes. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 10 years. All leases include a CPI based revision of the rental charge annually

Future undiscounted minimum rentals receivable under non-cancellable operating leases are as follows:

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Not later than one year | 157 | 139 |
| Later than one year and not later than five years | 633 | 570 |
| Later than five years | 808 | 864 |
| | 1,598 | 1,573 |

5.8 Leases

At inception of a contract, all entities would assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To identify whether a contract conveys the right to control the use of an identified asset, it is necessary to assess whether:

- The contract involves the use of an identified asset;
- The customer has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- The customer has the right to direct the use of the asset.

This policy is applied to contracts entered into, or changed, on or after 1 July 2019.

As a lessee, Council recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost which comprises the initial amount of the lease liability adjusted for:

- any lease payments made at or before the commencement date less any lease incentives received; plus
- any initial direct costs incurred; and
- an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, an appropriate incremental borrowing rate. Generally, Council uses an appropriate incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that Council is reasonably certain to exercise, lease payments in an optional renewal period if Council is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Council is reasonably certain not to terminate early.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Council has elected to apply the temporary option available under AASB 16 Leases which allows not-for-profit entities to not measure right-of-use assets at initial recognition at fair value in respect of leases that have significantly below-market terms.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 5. Our financial position (continued)

5.8 Leases (continued)

- Lease signed with the State Transport Authority commencing 1 Jan 1985 (Lots 26, 27, 28, 29). No term mentioned. One months' notice required to terminate the lease. Annual lease rental \$104 ex GST.
- Lease signed with the Victorian Railways Commissioners 5 May 1959 (Lot 1). For 33 years. Expired but allows for a week to week rental indefinitely. Annual lease rental \$114 ex GST.
- Lease signed with the Victorian Railways board 1 Oct 1973 (Lot 18). For 50 years. Expiring 2023. Annual lease rental \$104 ex GST.
- Lease signed with Vic Track 1 March 2009 (Lot 41). No term mentioned. One months' notice required to terminate the lease. Annual lease rental \$139.05 ex GST.

There are no restrictions on use of these assets. However, Council is not generating any income from the above properties (land) and some have been provided for community use through various community organisations.

Short-term and low value leases

Council has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less and leases of low-value assets (individual assets worth less than existing capitalisation thresholds for a like asset up to a maximum of AUD\$10,000), including IT equipment. Council recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

| | 2022 \$'000 | 2021 \$'000 |
|--|----------------|----------------|
| Expenses relating to: | | |
| Short-term leases | 12 | 14 |
| Leases of low value assets | - | 1 |
| Total | 12 | 15 |
| Variable lease payments (not included in measurement of lease liabilities) | - | - |

Note 6. Assets we manage

6.1 Non current assets classified as held for sale

| | | |
|--|-------|-------|
| Cost of acquisition | - | - |
| Land - At fair value* | 2,577 | 2,075 |
| Total non current assets classified as held for sale | 2,577 | 2,075 |

* Prior period error: adjusted to reflect correct value of land transferred to non-current assets classified as held for sale in 2018/19. See note 6.2 - Property, infrastructure, plant and equipment.

Non-current assets classified as held for sale (including disposal groups) 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, disposal groups and related liabilities and 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 (or disposal group sale) is expected to be completed within 12 months from the date of classification.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment

Summary of property, infrastructure, plant and equipment

| | Carrying amount 30 June 2021 \$'000 | Additions \$'000 | Prior period error* \$'000 | Revaluation \$'000 | Depreciation \$'000 | Disposal \$'000 | Write-off \$'000 | Transfers \$'000 | Carrying amount 30 June 2022 \$'000 |
|---------------------|---|---------------------|-------------------------------|-----------------------|------------------------|--------------------|---------------------|---------------------|---|
| Property | 108,281 | 121 | (501) | 33,177 | (403) | (143) | - | - | 140,531 |
| Plant and equipment | 483 | 43 | - | - | (122) | (55) | - | - | 351 |
| Infrastructure | 22,193 | 366 | - | - | (800) | - | - | 249 | 22,009 |
| Work in progress | 2,762 | 8,312 | - | - | - | - | - | (249) | 10,825 |
| | 133,720 | 8,842 | (501) | 33,177 | (1,324) | (198) | - | - | 173,715 |

| Summary of Work in Progress | Opening WIP \$'000 | Additions \$'000 | Write-off \$'000 | Transfers \$'000 | Closing WIP \$'000 |
|-----------------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|
| Property | 1,786 | 4,523 | - | - | 6,309 |
| Plant and equipment | - | 105 | - | - | 105 |
| Infrastructure | 976 | 3,684 | - | (249) | 4,411 |
| Total | 2,762 | 8,312 | - | (249) | 10,825 |

* Prior period error: Land - Have adjusted to reflect correct value of land transferred to Non-current assets classified as held for sale in 2018/19. See note 6.1 - Non current assets classified as held for sale.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(a) Property

| | Land - specialised \$'000 | Land - non specialised * \$'000 | Land improvements \$'000 | Total Land & Land Improvements \$'000 | Heritage buildings \$'000 | Buildings - specialised \$'000 | Buildings - non specialised \$'000 | Building improvements \$'000 | Leasehold improvements \$'000 | Total Buildings \$'000 | Work In Progress \$'000 | Total Property \$'000 |
|--|------------------------------|------------------------------------|-----------------------------|--|------------------------------|-----------------------------------|---------------------------------------|---------------------------------|----------------------------------|---------------------------|----------------------------|--------------------------|
| At fair value 1 July 2021 | 75,302 | 20,513 | - | 95,815 | 351 | 20,391 | 2,496 | - | - | 23,237 | 1,786 | 120,838 |
| Accumulated depreciation at 1 July 2021 | - | - | - | - | (180) | (9,729) | (862) | - | - | (10,771) | - | (10,771) |
| | 75,302 | 20,513 | - | 95,815 | 170 | 10,662 | 1,634 | - | - | 12,466 | 1,786 | 110,067 |
| Movements in fair value | | | | | | | | | | | | |
| Additions | - | - | - | - | - | 121 | - | - | - | 121 | 4,523 | 4,644 |
| Contributions | - | - | - | - | - | - | - | - | - | - | - | - |
| Revaluation | 22,396 | 9,096 | - | 31,492 | 9 | 1,956 | 248 | - | - | 2,213 | - | 33,705 |
| Disposal | - | - | - | - | - | (378) | - | - | - | (378) | - | (378) |
| Write-off | - | - | - | - | - | - | - | - | - | - | - | - |
| Prior period error | - | (501) | - | (501) | - | (452) | 28 | - | - | (424) | - | (925) |
| Transfers | - | - | - | - | - | - | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - | - | - |
| | 22,396 | 8,595 | - | 30,991 | 9 | 1,247 | 276 | - | - | 1,532 | 4,523 | 37,046 |
| Movements in accumulated depreciation | | | | | | | | | | | | |
| Depreciation and amortisation | - | - | - | - | (6) | (355) | (42) | - | - | (403) | - | (403) |
| Accumulated depreciation of disposals | - | - | - | - | - | 234 | - | - | - | 234 | - | 234 |
| Prior period error | - | - | - | - | - | 410 | 14 | - | - | 424 | - | 424 |
| Revaluation | - | - | - | - | (6) | (675) | 154 | - | - | (527) | - | (527) |
| Transfers | - | - | - | - | - | - | - | - | - | - | - | - |
| | - | - | - | - | (12) | (386) | 125 | - | - | (272) | - | (272) |
| At fair value 30 June 2022 | 97,698 | 29,108 | - | 126,806 | 359 | 21,638 | 2,772 | - | - | 24,769 | 6,309 | 157,884 |
| Accumulated depreciation at 30 June 2022 | - | - | - | - | (192) | (10,115) | (736) | - | - | (11,043) | - | (11,043) |
| Carrying amount | 97,698 | 29,108 | - | 126,806 | 167 | 11,523 | 2,036 | - | - | 13,726 | 6,309 | 146,841 |

* Prior period error: Land - adjusted to reflect correct value of land transferred to non-current assets classified as held for sale in 2018/19. See note 6.1 - Non current assets classified as held for sale.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(a) Property

| | Buildings - non specialised \$'000 | Building improvements \$'000 | Leasehold improvements \$'000 | Total Buildings \$'000 | Work In Progress \$'000 | Total Property \$'000 |
|--|---------------------------------------|---------------------------------|----------------------------------|---------------------------|----------------------------|--------------------------|
| At fair value 1 July 2021 | 2,496 | - | - | 23,237 | 1,786 | 120,838 |
| Accumulated depreciation at 1 July 2021 | (862) | - | - | (10,771) | - | (10,771) |
| | 1,634 | - | - | 12,466 | 1,786 | 110,067 |
| Movements in fair value | | | | | | |
| Additions | - | - | - | 121 | 4,523 | 4,644 |
| Contributions | - | - | - | - | - | - |
| Revaluation | 248 | - | - | 2,213 | - | 33,705 |
| Disposal | - | - | - | (378) | - | (378) |
| Write-off | - | - | - | - | - | - |
| Prior period error | 28 | - | - | (424) | - | (925) |
| Transfers | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - |
| | 276 | - | - | 1,532 | 4,523 | 37,046 |
| Movements in accumulated depreciation | | | | | | |
| Depreciation and amortisation | (42) | - | - | (403) | - | (403) |
| Accumulated depreciation of disposals | - | - | - | 234 | - | 234 |
| Prior period error | 14 | - | - | 424 | - | 424 |
| Revaluation | 154 | - | - | (527) | - | (527) |
| Transfers | - | - | - | - | - | - |
| | 125 | - | - | (272) | - | (272) |
| At fair value 30 June 2022 | 2,772 | - | - | 24,769 | 6,309 | 157,884 |
| Accumulated depreciation at 30 June 2022 | (736) | - | - | (11,043) | - | (11,043) |
| Carrying amount | 2,036 | - | - | 13,726 | 6,309 | 146,841 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(b) Plant and Equipment

| | Heritage plant and equipment \$'000 | Plant machinery and equipment \$'000 | Fixtures and fittings and furniture \$'000 | Computers and telecomms \$'000 | Work In Progress \$'000 | Total plant and equipment \$'000 |
|--|--|--|--|---|-------------------------------|---|
| At fair value 1 July 2021 | - | 527 | 342 | 711 | - | 1,580 |
| Accumulated depreciation at 1 July 2021 | - | (433) | (249) | (415) | - | (1,097) |
| | - | 94 | 93 | 296 | - | 483 |
| Movements in fair value | | | | | | |
| Additions | - | - | 4 | 39 | 105 | 148 |
| Contributions | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - |
| Disposal | - | (84) | - | - | - | (84) |
| Write-off | - | - | - | - | - | - |
| Prior period error | - | (23) | - | - | - | (23) |
| Transfers | - | - | - | - | - | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - |
| | - | (107) | 4 | 39 | 105 | 41 |
| Movements in accumulated depreciation | | | | | | |
| Depreciation and amortisation | - | (46) | (9) | (67) | - | (122) |
| Accumulated depreciation of disposals | - | 30 | - | - | - | 30 |
| Prior period error | - | 83 | (60) | - | - | 23 |
| Impairment losses recognised in operating result | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - |
| | - | 67 | (69) | (67) | - | (69) |
| At fair value 30 June 2022 | - | 420 | 346 | 750 | 105 | 1,621 |
| Accumulated depreciation at 30 June 2022 | - | (366) | (318) | (482) | - | (1,166) |
| Carrying amount | - | 54 | 28 | 268 | 105 | 455 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(c) Infrastructure

| | Roads \$'000 | Footpaths and cycleways \$'000 | Drainage \$'000 | Recreational, leisure and community facilities \$'000 | Waste Management \$'000 | Parks open space and streetscapes \$'000 | Off street car parks \$'000 | Other Infrastructure \$'000 | Work In Progress \$'000 | Total Infrastructure \$'000 |
|--|-----------------|--------------------------------------|--------------------|---|-------------------------------|--|--------------------------------|--------------------------------|----------------------------|--------------------------------|
| At fair value 1 July 2021 | 19,296 | 2,153 | 5,295 | 4,322 | 221 | 1,943 | 923 | 527 | 976 | 35,655 |
| Accumulated depreciation at 1 July 2021 | (6,553) | (729) | (2,310) | (1,534) | (146) | (689) | (314) | (212) | - | (12,485) |
| | 12,743 | 1,424 | 2,985 | 2,788 | 75 | 1,254 | 609 | 315 | 976 | 23,170 |
| Movements in fair value | | | | | | | | | | |
| Additions | 73 | 20 | 245 | 19 | - | - | - | 8 | 3,684 | 4,050 |
| Contributions | - | - | - | - | - | - | - | - | - | - |
| Revaluation | - | - | - | - | - | - | - | - | - | - |
| Disposal | - | - | - | - | - | - | - | - | - | - |
| Write-off | - | - | - | - | - | - | - | - | - | - |
| Prior period error | (198) | (59) | 130 | - | - | - | 68 | - | - | (59) |
| Transfers | 249 | - | - | - | - | - | - | - | (249) | - |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| | 124 | (39) | 375 | 19 | - | - | 68 | 8 | 3,435 | 3,991 |
| Movements in accumulated depreciation | | | | | | | | | | |
| Depreciation and amortisation | (257) | (37) | (57) | (233) | (18) | (142) | (15) | (42) | - | (800) |
| Accumulated depreciation of disposals | - | - | - | - | - | - | - | - | - | - |
| Prior period error | 198 | 59 | (130) | - | - | - | (68) | - | - | 59 |
| Impairment losses recognised in operating result | - | - | - | - | - | - | - | - | - | - |
| Transfers | - | - | - | - | - | - | - | - | - | - |
| | (59) | 22 | (187) | (233) | (18) | (142) | (83) | (42) | - | (741) |
| At fair value 30 June 2022 | 19,420 | 2,114 | 5,670 | 4,341 | 221 | 1,943 | 991 | 535 | 4,411 | 39,646 |
| Accumulated depreciation at 30 June 2022 | (6,612) | (707) | (2,497) | (1,767) | (164) | (831) | (396) | (254) | - | (13,227) |
| Carrying amount | 12,808 | 1,407 | 3,174 | 2,575 | 57 | 1,112 | 594 | 281 | 4,411 | 26,419 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

(c) Infrastructure

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

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 |
|---|---------------------|---------------------------|
| Asset recognition thresholds and depreciation periods | | |
| Land & land improvements | | |
| land | - | 5 |
| land under roads | - | 5 |
| land improvements | - | 5 |
| Buildings | | |
| 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 |

Land under roads

Council recognises land under roads it controls at fair value.

Depreciation and amortisation

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.

Depreciation periods used are listed above and are consistent with the prior year unless otherwise stated.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

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 Opteon Property Group (Victoria) ("Opteon") valuer registration number 63379, who completed a desktop inspection on all assets except newly constructed assets since the last revaluation. Revaluation of newly constructed assets were based on a physical inspection. 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.

Specialised land is valued at fair value using site values adjusted for englobo (undeveloped and/or unserviced) 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.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2022 are as follows:

| \$000 | Level 1 | Level 2 | Level 3 | Date of Valuation |
|-------------------------------------|---------|---------|---------|-------------------|
| Freehold Land | - | 29,108 | - | June 2022 |
| Crown Land (specialised land) | - | - | 74,638 | June 2022 |
| Land under roads (specialised land) | - | - | 23,060 | June 2022 |
| Buildings | - | - | 2,036 | June 2022 |
| Buildings Specialised | - | - | 11,690 | June 2022 |
| Total | - | 29,108 | 111,424 | |

Valuation of infrastructure

Buildings, land improvements, plant and equipment, infrastructure, and other assets having limited useful lives

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, using the condition assessment work of Mr Peter Moloney, Dip C.E.C.E.MIE Aust, conducted in November 2019. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, in 2019-20. All other infrastructure assets are currently based at cost.

The valuation is at fair value based on current replacement cost less accumulated depreciation as at the date of valuation.

Details of the Council's infrastructure and information about the fair value hierarchy as at 30 June 2022 are as follows:

| | Level 1 | Level 2 | Level 3 | Date of Valuation |
|-------------------------|---------|---------|---------|-------------------|
| Roads | - | - | 12,513 | June 2020 |
| Footpaths and cycleways | - | - | 1,114 | June 2020 |
| Drainage | - | - | 2,626 | June 2020 |
| Off street car parks | - | - | 624 | June 2020 |
| Total | - | - | 16,877 | |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 6. Assets we manage (continued)

6.2 Property, infrastructure, plant and equipment (continued)

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 \$208 and \$9,545 per square metre.

Specialised buildings are valued using a current replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement costs are calculated on a square metre basis and ranges from \$493 to \$5,086 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 1 year to 104 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 current 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.

| | 2022 | 2021 |
|------------------------------------|---------------|---------------|
| Reconciliation of specialised land | \$'000 | \$'000 |
| Crown Land | 74,638 | 59,065 |
| Land under roads | 23,060 | 16,237 |
| Total specialised land | 97,698 | 75,302 |

6.3 Investments in associates, joint arrangements and subsidiaries

| (a) Investments in associates | 2022 | 2021 |
|---|------------|------------|
| | \$'000 | \$'000 |
| - Geelong Regional Library Corporation | 160 | 165 |
| Fair value of Council's investment in Geelong Regional Library | 160 | 165 |

Geelong Regional Library Corporation

Background

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 2022. Council's share of the net assets (1.55%) 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.

| Council's share of accumulated surplus/(deficit) | | |
|---|------------|------------|
| Council's share of accumulated surplus(deficit) at start of year | 165 | 240 |
| Reported surplus(deficit) for year | (5) | (75) |
| Council's share of accumulated surplus(deficit) at end of year | 160 | 165 |
| Movement in carrying value of specific investment | | |
| Carrying value of investment at start of year | 165 | 240 |
| Share of surplus(deficit) for year | (5) | (75) |
| Carrying value of investment at end of year | 160 | 165 |

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 2022

Note 7. People and relationships

7.1 Council and key management remuneration

(a) Related Parties

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

Key management personnel (KMP) are those people with the authority and responsibility for planning, directing and controlling the activities of the Borough of Queenscliffe. The Councillors, Chief Executive Officer and General Managers are deemed KMP.

| Details of KMP at any time during the year are: | | 2022 No. | 2021 No. |
|---|---|-------------|-------------|
| Councillors | Councillor Ross Ebbels | 1 | 1 |
| | Councillor Donnie Grigau | 1 | 1 |
| | Councillor Michael Grout | 1 | 1 |
| | Councillor Fleur Hewitt | 1 | 1 |
| | Councillor Susan Salter - up to 8 Mar 2022 | 1 | 1 |
| | Councillor Isabelle Tolhurst - from 20 Apr 2022 | 1 | - |
| | Councillor Bob Merriman - up to 24 Oct 2020 | - | 1 |
| | Councillor Rob Minty - up to 24 Oct 2020 | - | 1 |
| | Councillor Boyce Pizzey - up to 24 Oct 2020 | - | 1 |
| | Chief Executive Officer, Martin Gill | 1 | 1 |
| | General Manager, Organisational Performance & Community Services, Phillip Carruthers - up to 7 Jul 2021 | 1 | 1 |
| | General Manager, Planning & Infrastructure, Johann Rajaratnam - up to 13 Apr 2022 | 1 | 1 |
| | Manager, Finance and Corporate Services, Gihan Kohobange - from 23 Jul 2021 | 1 | - |
| | Manager, Community, Shannon Maloney - from 13 Oct 2021 | 1 | - |
| | Manager, Infrastructure and Environment, Stuart Hansen - from 27 Oct 2021 | 1 | - |
| | Total Number of Councillors | 6 | 8 |
| | Total of Chief Executive Officer and other Key Management Personnel | 6 | 3 |
| | Total Number of Key Management Personnel | 12 | 11 |

(c) Remuneration of Key Management Personnel

| | 2022 \$ | 2021 \$ |
|--|--------------|------------|
| Total remuneration of key management personnel was as follows: | | |
| Short-term benefits* | 1,034 | 723 |
| Long-term benefits | 26 | 9 |
| Post employment benefits | 75 | 53 |
| Termination benefits | - | - |
| Total | 1,135 | 784 |

*With the restructure, an additional manager position has been elevated to key management category.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 7. People and relationships (continued)

7.1 Council and key management remuneration (continued)

The numbers of key management personnel whose total remuneration from Council and any related entities, fall within the following bands:

| | 2022 No. | 2021 No. |
|-----------------------|-------------|-------------|
| \$0 - \$9,999 | 1 | 3 |
| \$10,000 - \$19,999 | 1 | 3 |
| \$20,000 - \$29,999 | 3 | 1 |
| \$30,000 - \$39,999 | 1 | - |
| \$50,000 - \$59,999 | - | 1 |
| \$60,000 - \$69,999 | 1 | - |
| \$130,000 - \$139,999 | 1 | - |
| \$150,000 - \$159,999 | 2 | - |
| \$160,000 - \$169,999 | 1 | - |
| \$170,000 - \$179,999 | - | 2 |
| \$260,000 - \$269,999 | - | - |
| \$270,000 - \$279,999 | 1 | 1 |
| | 12 | 11 |

(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 \$151,000

The number of Senior Officers are shown below in their relevant income bands:

| | 2022 No. | 2021 No. |
|-----------------------|-------------|-------------|
| Income Range: | | |
| \$140,000 - \$149,999 | - | 1 |
| \$150,000 - \$159,999 | 1 | - |
| | 1 | 1 |
| | 152 | 144 |

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 7. People and relationships (continued)

7.2 Related party disclosure

(a) Transactions with related parties

During the period Council entered into the following transactions with related parties.

| | 2022 \$'000 | 2021 \$'000 |
|---|----------------|----------------|
| Geelong Regional Library Corporation - contribution to cover ongoing expenses | 242,780 | 239,898 |
| Tourism Greater Geelong and Bellarine - annual municipal partnership fee and cost of promotional publications | 27,456 | - |
| Planting Ideas - cost of horticultural consultancy services | 5,915 | 3,060 |
| G21 - Geelong Region Alliance Ltd - annual membership fees | 5,500 | - |
| Queenscliff Lonsdale Yacht Club (QLYC) - community grant provided during the year | 1,279 | - |

(b) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with related parties (2020-21: nil).

(c) Loans to/from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2020-21: 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 (2020-21: nil).

Note 8. Managing uncertainties

8.1 Contingent assets and liabilities

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed and if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable, respectively.

(a) Contingent assets

Contingent assets are possible assets that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council.

At balance date the Council is not aware of any contingent assets.

(b) Contingent liabilities

Contingent liabilities are:

- possible obligations that arise from past events, whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Council; or
- present obligations that arise from past events but are not recognised because:
- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
- the amount of the obligation cannot be measured with sufficient reliability.

At the balance sheet date the Council is not aware of any contingent liabilities in addition to the specific items disclosed below.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 8. Managing uncertainties (continued)

8.1 Contingent assets and liabilities (continued)

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 2022 (30 June 2021: \$Nil)"

Insurance claims

There is Nil insurance claims as at 30 June 2022 that could have a material impact on future operations.

Legal matters

There is Nil legal matters as at 30 June 2022 that could have a material impact on future operations.

Building cladding

Council has not identified at the balance sheet date any potential contingencies that may exist in relation to rectification works or other matters associated with building cladding that may have the potential to adversely impact on Council.

Liability Mutual Insurance

Council is 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.

MAV Workcare

Council was a participant of the MAV WorkCare Scheme. The MAV WorkCare Scheme provided workers compensation insurance. MAV WorkCare commenced business on 1 November 2017 and the last day the Scheme operated as a self-insurer was 30 June 2021. In accordance with the *Workplace Injury Rehabilitation and Compensation Act 2013*, there is a six year liability period following the cessation of the Scheme (to 30 June 2027). During the liability period, adjustment payments may be required (or received). The determination of any adjustment payments is dependent upon revised actuarial assessments of the Scheme's tail claims liabilities as undertaken by Work Safe Victoria. If required, adjustments will occur at the 3-year and 6-year points during the liability period, and will affect participating members.

(c) Guarantees for loans to other entities

The amount disclosed for financial guarantee in this note is the nominal amount of the underlying loan that is guaranteed by the Council, not the fair value of the financial guarantee.

Financial guarantee contracts are not recognised as a liability in the balance sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that the right will be exercised.

Borough of Queenscliff (Council) transferred land to Point Lonsdale Surf Life Saving Club (PLSLSC) for one dollar (\$1) consideration in April 2015. Subsequently, the PLSLSC has secured a line of credit of up to \$150,000 providing the land as a part of the mortgage.

As per the agreement under section 173 of the *Planning and Environments Act 1987 (Vic)*, between the Council and the PLSLSC, the Council is liable to service the repayments and discharge the mortgage if the PLSLSC is unable to do so.

In a very unlikely scenario (current assessment of the management), if Council decide to exercise step in rights, the mortgagee will consent to transfer of the subject land and the adjoining land to Council for nil consideration subject to the terms of the agreement.

8.2 Change in accounting standards

Certain new Australian Accounting Standards and interpretations have been published that are not mandatory for the 30 June 2022 reporting period. Council assesses the impact of these new standards. As at 30 June 2022 there were no new accounting standards or interpretations issued by the AASB which are applicable for the year ending 30 June 2023 that are expected to impact Council.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 8. Managing uncertainties (continued)

8.3 Financial instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, term deposits, receivables (excluding statutory receivables) and payables (excluding statutory payables). 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.

(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 2020*. 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.

(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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 8. Managing uncertainties (continued)

8.3 Financial instruments (continued)

(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.

All financial liabilities are expected to be settled within normal terms of trade. 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 +2.50% and -0.0% in market interest rates (AUD) from year-end rates of 0.85%.

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.

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.

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.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 8. Managing uncertainties (continued)

8.4 Fair value measurement (continued)

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 of an asset result in changes to the permissible or practical highest and best use of the asset. In addition, Council undertakes a formal revaluation of land, buildings, and infrastructure assets on a regular basis ranging from 3 years for buildings, roads, footpaths and cycleways, off street car parks to four years for land 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.

8.5 Events occurring after balance date

No matters have occurred after balance date that require disclosure in the financial report.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 9. Other matters

9.1 Reserves

| | Balance at beginning of reporting period | Increment (decrement) | Balance at end of reporting period |
|---|--|--------------------------|---------------------------------------|
| | \$'000 | \$'000 | \$'000 |
| (a) Asset revaluation reserves | | | |
| 2022 | | | |
| Property | | | |
| Land | | | |
| - Freehold land | 20,923 | 9,096 | 30,019 |
| - Crown land | 4,664 | 15,573 | 20,237 |
| - Land under roads | 3,129 | 6,823 | 9,952 |
| Buildings | 8,482 | 1,686 | 10,168 |
| | 37,198 | 33,177 | 70,375 |
| Infrastructure | | | |
| Roads | 5,485 | - | 5,485 |
| Footpaths and cycleways | 333 | - | 333 |
| Drainage | 482 | - | 482 |
| | 6,300 | - | 6,300 |
| Total asset revaluation reserves | 43,498 | 33,177 | 76,675 |
| 2021 | | | |
| Property | | | |
| Land | | | |
| - Freehold land | 20,923 | - | 20,923 |
| - Crown land | 4,664 | - | 4,664 |
| - Land under roads | 3,129 | - | 3,129 |
| Buildings | 8,482 | - | 8,482 |
| | 37,198 | - | 37,198 |
| Infrastructure | | | |
| Roads | 5,485 | - | 5,485 |
| Footpaths and cycleways | 333 | - | 333 |
| Drainage | 482 | - | 482 |
| | 6,300 | - | 6,300 |
| Total asset revaluation reserves | 43,498 | - | 43,498 |

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 2022

Note 9. Other matters (continued)

9.1 Reserves (continued)

| | Balance at beginning of reporting period | Transfer from accumulated surplus | Transfer to accumulated surplus | Balance at end of reporting period |
|--|--|---|---------------------------------------|--|
| | \$'000 | \$'000 | \$'000 | \$'000 |
| (b) Other reserves | | | | |
| 2022 | | | | |
| Asset replacement reserve | 909 | 530 | (60) | 1,379 |
| General reserve - Unallocated cash | 447 | 1,016 | - | 1,463 |
| Future calls on defined benefits superannuation | 40 | - | - | 40 |
| Funds carried forward to future years | | | | - |
| Grant funding not yet expended - Operating | 288 | - | (288) | - |
| Grant funding not yet expended - Capital | 312 | - | (312) | - |
| Incomplete works - Operating | 972 | - | (635) | 337 |
| Incomplete works - Capital | 1,680 | 769 | (947) | 1,502 |
| Total funds carried forward to future years | 3,252 | 769 | (2,182) | 1,839 |
| Waste management reserves | - | | | |
| Standard kerbside waste* | 3 | 35 | (47) | (10) |
| Public waste | 12 | 26 | - | 38 |
| Total waste management reserves | 15 | 61 | (47) | 28 |
| Total Other reserves | 4,663 | 2,376 | (2,289) | 4,749 |
| 2021 | | | | |
| Asset replacement reserve | 576 | 358 | (25) | 909 |
| General reserve - Unallocated cash | 397 | 50 | - | 447 |
| Future calls on defined benefits superannuation | 40 | - | - | 40 |
| Funds carried forward to future years | | | | |
| Grant funding not yet expended - Operating | 602 | 127 | (441) | 288 |
| Grant funding not yet expended - Capital | 1,518 | 22 | (1,228) | 312 |
| Incomplete works - Operating | 837 | 325 | (189) | 972 |
| Incomplete works - Capital | 1,955 | 183 | (458) | 1,680 |
| Total funds carried forward to future years | 4,911 | 658 | (2,317) | 3,252 |
| Waste management reserves | | | | |
| Kerbside waste | (21) | 43 | - | 22 |
| Public waste | (24) | 36 | - | 12 |
| Green waste | 18 | - | (37) | (20) |
| Total waste management reserves | (27) | 79 | (37) | 15 |
| Total Other reserves | 5,897 | 1,146 | (2,379) | 4,663 |

* Standard kerbside includes previous kerbside waste and green waste.

Asset replacement reserve : Funds are held in this reserve to meet future asset renewal requirements for specific projects earmarked by Council.

General reserve - Unallocated cash : This reserve comprises of the cash surpluses achieved in previous financial years, which have not yet been allocated by Council to specific projects within the Annual Budget

Future calls on defined benefits superannuation: As a hedge against future calls which may be made by Vision Super on the unfunded superannuation liability (defined benefits scheme).

Funds carried forward to future years: The bulk of funds held in these reserves each financial year is with respect to operating and capital projects to be carried forward for completion in future years.

Waste management reserves: Net surplus/(deficit) of waste services.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 9. Other matters (continued)

9.2 Reconciliation of cash flows from operating activities to surplus/(deficit)

| | 2022 | 2021 |
|--|--------------|--------------|
| | \$'000 | \$'000 |
| Surplus/(deficit) for the year | 8,354 | (118) |
| Depreciation | 1,325 | 1,353 |
| (Profit)/loss on disposal of property, infrastructure, plant and equipment | 130 | 540 |
| <i>Change in assets and liabilities:</i> | | |
| (Increase)/decrease in trade and other receivables | (56) | 218 |
| (Increase)/decrease in inventories | 1 | (1) |
| (Increase)/decrease in prepayments | (10) | 2 |
| Increase/(decrease) in accrued income | 247 | (231) |
| (Increase)/decrease in regional library equity | 5 | 75 |
| Increase/(decrease) in trade and other payables | 33 | - |
| Increase/(decrease) in accrued expenses | 180 | (28) |
| Increase/(decrease) in accrued wages | (9) | 30 |
| Increase/(decrease) in trust funds and deposits | 4 | 30 |
| Increase/(decrease) in income received in advance | 136 | (14) |
| Increase/(decrease) in provisions | (107) | 121 |
| Increase/(decrease) in unearned income /revenue | (1,258) | 1,692 |
| Net cash provided by/(used in) operating activities | 8,971 | 3,668 |

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. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation category, Vision MySuper/Vision Super Saver, receives 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 2022, this was 10.0% as required under Superannuation Guarantee (SG) legislation (2021: 9.5%)).

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.

There is no proportional split of the defined benefit liabilities, assets or costs between the participating employers as the defined benefit obligation is a floating obligation between the participating employers and the only time that the aggregate obligation is allocated to specific employers is when a call is made. As a result, the level of participation of the Borough of Queenscliffe in the Fund cannot be measured as a percentage compared with other participating employers. Therefore, the Fund Actuary is unable to allocate benefit liabilities, assets and costs between employers for the purposes of AASB 119.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 9. Other matters (continued)

9.3 Superannuation (continued)

Funding arrangements

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.

As at 30 June 2021, 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 Council is a contributing employer was 109.8%. The financial assumptions used to calculate the VBI were:

Net investment returns 4.75% pa

Salary information 2.75% pa

Price inflation (CPI) 2.25% pa.

As at 30 June 2022, an interim actuarial investigation is underway as the Fund provides lifetime pensions in the Defined Benefit category.

Vision Super has advised that the VBI at 30 June 2022 was 102.2%. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021). The financial assumptions used to calculate this VBI were:

Net investment returns 5.5% pa

Salary information 2.5% pa to 30 June 2023, and 3.5% pa thereafter

Price inflation (CPI) 3.0% pa

The VBI is used as the primary funding indicator. Because the VBI was above 100%, the 30 June 2021 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.

Employer contributions

(a) Regular contributions

On the basis of the results of the 2021 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2022, this rate was 10.0% of members' salaries (9.5% in 2020/21). This rate is expected to increase in line with any increases in the SG contribution rate and was reviewed as part of the 30 June 2020 triennial valuation.

In addition, Council reimburses the Fund to cover the excess of the benefits paid as a consequence of retrenchment above the funded resignation or retirement benefit.

(b) Funding calls

If the Defined Benefit category is in an unsatisfactory financial position at an actuarial investigation or the Defined Benefit category's VBI is below its shortfall limit at any time other than the date of the actuarial investigation, the Defined Benefit category has a shortfall for the purposes of SPS 160 and the Fund is required to put a plan in place so that the shortfall is fully funded within three years of the shortfall occurring. The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%.

In the event that the Fund Actuary determines that there is a shortfall based on the above requirement, the Fund's participating employers (including Council) are required to make an employer contribution to cover the shortfall.

Using the agreed methodology, the shortfall amount is apportioned between the participating employers based on the pre-1 July 1993 and post-30 June 1993 service liabilities of the Fund's Defined Benefit category, together with the employer's payroll at 30 June 1993 and at the date the shortfall has been calculated.

Due to the nature of the contractual obligations between the participating employers and the Fund, and that the Fund includes lifetime pensioners and their reversionary beneficiaries, it is unlikely that the Fund will be wound up.

If there is a surplus in the Fund, the surplus cannot be returned to the participating employers.

In the event that a participating employer is wound-up, the defined benefit obligations of that employer will be transferred to that employer's successor.

Notes to the Financial Report

For the Year Ended 30 June 2022

Note 9. Other matters (continued)

9.3 Superannuation (continued)

The 2021 interim actuarial investigation surplus amounts

An actuarial investigation is conducted annually for the Defined Benefit category of which Council is a contributing employer. Generally, a full actuarial investigation is conducted every three years and interim actuarial investigations are conducted for each intervening year. An interim investigation was conducted as at 30 June 2021 and the last full investigation was conducted as at 30 June 2020.

The Fund’s actuarial investigation identified the following for the Defined Benefit category of which Council is a contributing employer:

| | 2021 (Interim) | 2020 (Triennial) |
|---|-------------------|---------------------|
| | \$m | \$m |
| - A VBI Surplus | 214.7 | 100.0 |
| - A total service liability surplus | 270.3 | 200.0 |
| - A discounted accrued benefits surplus | 285.2 | 217.8 |

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 2021.

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 as at 30 June 2021.

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 30 June 2021.

Council was notified of the 30 June 2021 VBI during August 2021 (2020: August 2020).

The 2022 interim actuarial investigation

An interim actuarial investigation is being conducted for the Fund’s position as at 30 June 2022 as the Fund provides lifetime pensions in the Defined Benefit category. It is anticipated that this actuarial investigation will be completed by October 2022. Council was notified of the 30 June 2022 VBI during August 2022 (2021: August 2021).

Superannuation contributions

Contributions by Council (excluding any unfunded liability payments) to the above superannuation plans for the financial year ended 30 June 2022 are detailed below:

| Scheme | Type of Scheme | Rate | 2022 \$'000 | 2021 \$'000 |
|--------------|------------------|------------------------|----------------|----------------|
| Vision super | Defined benefits | "10.0% (2021:9.5%)" | 5 | 3 |
| Vision super | Accumulation | "10.0% (2021:9.5%)" | 236 | 234 |

Unfunded liability payments to Vision Super is \$Nil during the 2021/22 year (2020/21 \$Nil).

There were \$Nil contributions outstanding and no loans issued from or to the above schemes as at 30 June 2022.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2023 is \$5,500.

Note 10. Change in accounting policy

There have been no changes to accounting policies in the 2021-22 year.

There are no pending accounting standards that are likely to have a material impact on council





REFERENCES

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Glossary

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| Accrual accounting | A 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 because 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 as of 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 (including capital grants) to meet expenses (other than capital expenditure) 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 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. |

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| 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, annually, etc.) 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. |
| 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. |

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| 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, cost of volunteers' contribution, impairment losses and asset write-offs. |
| Other income | Income received from investment property rental, other rental income, interest income, value of volunteers' contribution and reimbursements. |
| Infringement Court | Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the <i>Magistrates Court Act 1989 (Vic)</i> to deal with unpaid fines. |
| 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. |

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| 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 2020–21 was 1.50%. |
| 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 discretionary reserves. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets. Discretionary reserves, which are funds Council wishes to separately identify as being set aside to meet a specific purpose in the future and for which there is no existing liability. These amounts are transferred from the Accumulated Surplus of the Council and separately disclosed. |
| 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 (including grants – capital), expenses (other than capital expenditure), 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). |
| 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 and caravan and camping fees. |

Abbreviations

| Term | Explanation |
|------|---|
| 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 |
| BoQ | Borough of Queenscliffe |
| CA | Chartered Accountant |
| CALD | Culturally and Linguistically Diverse |
| CEO | Chief Executive Officer |
| CERP | Climate Emergency Response Plan |
| CHSP | Commonwealth Home Support Programme |
| CIV | Capital Improved Value |
| CMMP | Coastal & Marine Management Plan |
| CPA | Certified Practicing Accountant |
| CPI | Consumer price index |
| CPR | Cardiopulmonary resuscitation |
| Cr | Councillor |
| EBA | Enterprise Bargaining Agreement |
| 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 |

| Term | Explanation |
|-------|---|
| HR | Human Relations |
| IT | Information Technology |
| JMAPP | JLT Municipal Asset Protection Plan Discretionary Trust |
| JP | Justice of the Peace |
| LGPro | Local Government Professionals |
| LMI | Liability Mutual Insurance |
| LSL | Long service leave |
| MAV | Municipal Association of Victoria |
| MCH | Maternal and Child Health |
| MEMP | Municipal Emergency Management Plan |
| MT | Management Team |
| NA | Not applicable |
| NDIS | National Disability Insurance Scheme |
| 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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