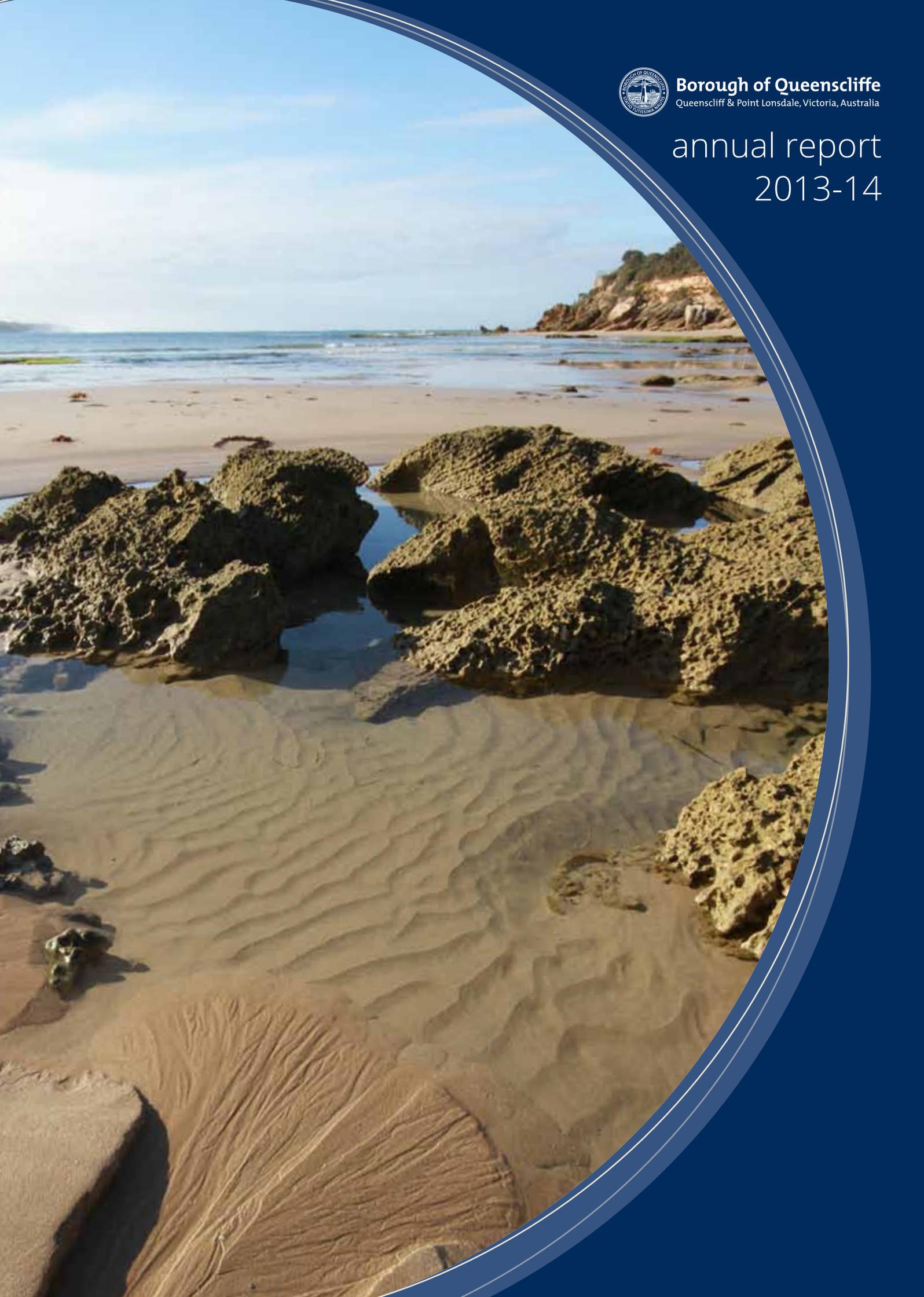




**Borough of Queenscliffe**  
Queenscliff & Point Lonsdale, Victoria, Australia

# annual report 2013-14





*The Point Lonsdale Foreshore Revitalisation Project won the 2014 Victorian Coastal Building and Design Award.*

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## About this annual report

### The Borough of Queenscliffe Annual Report 2013–2014 highlights Council's performance against the first year of the Council Plan 2013–2017 and the 2013–14 Budget.

The Council Plan 2013–2017 sets out five strategic directions that Council's performance is measured against:

1. A healthy, involved and creative community
2. A vibrant local economy
3. A unique natural environment
4. A well-planned and attractive place to live and visit
5. A proactive and accountable Council

This Annual Report includes information about Council's achievements and challenges for each of these strategic directions within the 2013–14 year, as well as an outline of Council services and operations. It also provides comprehensive and externally audited Financial Report.

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

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

### Feedback or questions relating to the annual report are welcome.

**Email:** [info@queenscliffe.vic.gov.au](mailto:info@queenscliffe.vic.gov.au)

**Post:** Chief Executive Officer,  
Borough of Queenscliffe,  
PO Box 93, Queenscliff VIC 3225.

The Annual Report is available in a range of alternative formats and can also be viewed electronically on Council's website [www.queenscliffe.vic.gov.au](http://www.queenscliffe.vic.gov.au)

Cover: Rock pools along the Point Lonsdale foreshore.

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*Point Lonsdale beach at dawn.*





# Year in review

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# Mayor's and CEO's report

**It has been an exciting, productive and rewarding year, highlighted by the launch of the Community Environment Alliance and the completion of major infrastructure projects at the Monahan Centre and the Point Lonsdale Foreshore.**

## Celebrating our volunteers

Council continues to recognise and celebrate the contribution of our volunteers. For us here in the Borough of Queenscliffe, valuing our volunteers is extremely important given the extent of our local population who actively volunteer, which is over 50 per cent.

Together our volunteers partner with Council, many local service providers and agencies to form an amazing workforce powering many essential community, environmental, sporting, welfare, emergency services, education and cultural services.

We'd like to take this opportunity to thank the Borough's many volunteers for selflessly giving so much of their time and energy to the community's sporting clubs and community organisations.

Volunteers are the fabric of our society and without them the Borough would be a very different place to live. Our volunteers provide a strong foundation for our community-minded culture.

Council continues to support local organisations through donations and the Community Grants Program, which helps to facilitate new initiatives and projects that strengthen the governance, services and facilities of local organisations. A total of \$136,458 in grants and donations was paid to local organisations throughout the year, including community events \$75,901, contributions to community organisations; \$34,812, community grants \$20,045, youth programs and education scholarships \$5,700.

## Delivering vital community services

The 2011 Census highlights the Borough's unique demographic trends, such as having the oldest age profile in Australia. Although we are older than the rest of Victoria, we are also healthier, with 62.9% of local residents reporting 'very good' or 'excellent' health, compared with the state average of 54.3% (source: Victorian Population Health Survey 2011-2012, Department of Health). Overall our residents have rated their wellbeing at 81.5%, compared with the state average of 77.5% (source: VicHealth Indicators Survey 2011 Results).

This underlines the challenges associated with meeting the increasing demand for services and confirms the importance of Council's aged and disability services in supporting people to live independently in their own homes. Council's commitment to and continued achievement of a zero waiting list for access to home and community care services provides a level of comfort to residents.

Council developed and adopted a new Health and Wellbeing Plan 2013-17 in partnership with the community and regional service providers, to further support our 'healthy, inclusive and connected community.'

## Improving our performance

Community engagement has been a primary focus for Council. A number of initiatives have been made to increase the number and variety of ways that Council engages and informs the community – an example of this has been an increase in media releases issued, 91 compared to 52 in the previous year.

These initiatives have been reflected in the outstanding results achieved in the annual Local Government Community Satisfaction Survey. Highlights for the year included the following:

- The Borough of Queenscliffe was rated higher than the state-wide and 'small rural councils' group averages on all core performance measures.
- The score for 'overall performance' was three points higher than 2013 and ten points higher than the state-wide average.
- The score for 'community consultation' was two points higher than 2013 and eight points higher than the state-wide average.
- The score for 'informing the community' was one point higher than 2013 and four points higher than the state-wide average.
- The score for 'overall Council direction' was one point higher than 2013 and nine points higher than the state-wide average.

## Maximising grant opportunities

Council has had significant success in attracting funds for community facilities and infrastructure from state and federal governments, thereby reducing the financial pressures on local ratepayers. A total of \$3,351,990 in grant funding has been received – a significant increase on the previous year.

This has enabled Council to undertake larger-scale infrastructure upgrades to local roads, as well as undertake improvements to important community assets such as the Queenscliff Sports Club building (Monahan Centre), Point Lonsdale foreshore, the long awaited roundabout at Admans Street and the Queenscliff historic railway station precinct.

Central to the success in attracting grant funding has been:

1. good planning – involving local residents, community organisations and Council to clarify needs and determine the best way to address the gaps in the standard of facilities and infrastructure.
2. strategic advocacy - building a strong case to other levels of government for grants to enable Council and the local community to achieve facility and infrastructure improvements.

## Developing a sustainable financial position

Council ended the year in a healthy financial position, with an underlying operating surplus of \$636,000. During 2013-14 a total of \$2.242 million was spent on capital works across the Borough. This included a total of \$906,000 on renewals/upgrades and \$1.336 million on new assets.

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

A commitment to cost restraint and provision of services of value to residents and ratepayers remains imperative to this Council and drove financial decisions in 2013-14.

## Harnessing tourism opportunities

Tourism is a key component of the local economy, contributing some \$41 million per annum. Council pursued and was successful in obtaining significant funding opportunities from other levels of government to plan for the future of several important areas in the Borough.

Other economic development activities that have been conducted included facilitating business development seminars and hosting a number of television production companies that have profiled Queenscliff and Point Lonsdale.

The Queenscliffe Visitor Information Centre continues to provide excellent service to visitors and the local community. It has maintained its Level 2 Accreditation status and launched digital platforms on social media to promote our region as a destination of choice. Again, volunteers have contributed greatly to the success of this important service.

### In summary

2013–14 has been an exceptionally rewarding year, with 83% of Business Plan Priority Actions completed and a further 17% in progress. A number of outstanding results have been achieved. We have successfully delivered major infrastructure priorities and the foundations have been laid for several exciting projects to progress in 2014–15.

The importance of good working relationships and project partnerships between community, Council and other levels of government continues to underpin everything we do.

Councillors and Council officers are committed to the ongoing improvement of the Borough of Queenscliffe. Their level of professionalism, dedication and enthusiasm is nothing short of brilliant and, for that, we sincerely thank them.



**Cr Helene Cameron**  
Mayor

**Lenny Jenner**  
Chief Executive Officer

## Highlights of 2013-14

- The 2014 Community Satisfaction Survey results highlight that the Borough of Queenscliffe received an overall performance rating of 71 index score points (up a significant 3 points from 2013).
- Completion and official opening of the redevelopment of the Monahan Centre.
- 20 partners joined the Community Environment Alliance, a partnership of individuals, businesses, schools and community groups united to reduce carbon emissions.
- Council won the prestigious Coastal Building and Design Award at the 2014 Victorian Coastal Awards for the Point Lonsdale Foreshore Revitalisation project.
- Council's 2012-13 Annual Report received the Institute of Chartered Accountants Australia and the Municipal Association of Victoria's Best Governance (Low Resource) Award and was recognised with an Honourable Mention as runner up for the Best Overall Annual Report.
- Council was successful in obtaining a \$350,000 Early Learning Facility Upgrade grant for the Queenscliff Kindergarten Upgrade.
- Zero waiting list maintained for access to Aged Care & Disability Services.
- Funding secured for a Fort Queenscliff Tourism Development Plan.
- Total grant funding received by Council in 2013-14 was \$3.35 million – an increase of \$789,063 over the 2012-13 financial year.
- Improved coastal vegetation protection and weed reduction.
- Council signed the Refugee Welcome Zone Declaration.
- New roundabout constructed at the corner of Admans Street and Point Lonsdale Road, Point Lonsdale.
- Community singing workshop and concert with Jonathon Welch AM and the local Tides of Welcome Choir.
- Filming in the Borough by six television production companies. This included the TV series, iFish, What's Up Down Under, Miss Fisher Murder Mysteries, Paddock to Plate with Matt Moran, Postcards, Country Style Magazine and Coxy's Big Break.

## Disappointments

- The development of a Footpath Strategy has been delayed as a result of substantial demands on Council staff to complete significant capital projects during the 2013-14 financial year. The development of the strategy has been rescheduled to be completed in 2014-15.
- Queenscliffe Planning Scheme Review not completed.
- Council was unsuccessful in its application for funding from the Federal Government's Regional Development Australia Fund (RDAF) to upgrade to energy efficient street lighting in residential streets.



## Fast facts

- 3,091 permanent residents
- 3,034 rateable properties
- 17,120 peak population over summer
- 19 birth notifications
- 83% of Council Plan actions completed
- 17% of Council Plan actions still in progress
- \$3.35 million of grant funding received by Council
- 12 grants totalling \$20,045 were awarded to local Community Groups
- 9,405 hours of Aged Care & Disability Services provided
- 112 food safety audits conducted
- 149 planning applications received
- 31,479 visits to the Queenscliff Library
- 43,480 people assisted at the Queenscliffe Visitor Information Centre
- 42 kilometres of local road network maintained
- 1,783 shrubs and ground covers planted
- 176 park and street trees planted
- 129.36 tonnes of environmental weeds removed
- 1,299 tonnes of waste sent to landfill from kerbside bins
- 182 kilograms of household batteries were recycled
- 91 media releases issued
- 28 Mayor's columns published
- 5,458 items of incoming correspondence processed.

# At a glance

STRATEGIC DIRECTION	ACHIEVEMENTS
<p><b>A healthy, involved and creative community</b> (refer to page 42 for further information)</p>	<ul style="list-style-type: none"> <li>□ Maintained the zero waiting list status for access to Aged Care &amp; Disability Services.</li> <li>□ Secured \$350,000 Early Learning Facility Upgrade grant for the Queenscliff Kindergarten.</li> <li>□ Completed the new Health and Wellbeing Plan 2013-17.</li> <li>□ Awarded 12 Community Grants, totalling \$20,045.</li> <li>□ Supported a diverse range of local community organisations, civic events and arts, cultural and sporting activities.</li> </ul>
<p><b>A vibrant local economy</b> (refer to page 46 for further information)</p>	<ul style="list-style-type: none"> <li>□ Showcased Queenscliff and Point Lonsdale through filming and media visits.</li> <li>□ Promoted the Borough of Queenscliff at the Regional Victoria Living Expo.</li> <li>□ Supported local business through support of the Small Business Festival and Social Media Training.</li> <li>□ Conducted 51 Heritage Walks involving 579 participants.</li> <li>□ Funding secured to develop a plan for the future use of the Fort Queenscliff Precinct.</li> </ul>
<p><b>A unique natural environment</b> (refer to page 48 for further information)</p>	<ul style="list-style-type: none"> <li>□ Launched the Community Environment Alliance.</li> <li>□ Secured \$30,000 grant funding from Sustainability Victoria to upgrade bin enclosures and improve signage at Queenscliff Recreation Reserve Caravan Park and Royal Park Caravan Park.</li> <li>□ 182 kilograms of household batteries recycled and saved from landfill.</li> <li>□ Expanded the weed management program in foreshore areas.</li> <li>□ Removal of 129.36 tonnes of environmental weeds.</li> </ul>
<p><b>A well-planned and attractive place to live and visit</b> (refer to page 52 for further information)</p>	<ul style="list-style-type: none"> <li>□ Council signed the Refugee Welcome Zone Declaration.</li> <li>□ Completed the Queenscliff Sports Club Building Enhancement Project (Monahan Centre).</li> <li>□ Completed the Point Lonsdale Foreshore Revitalisation Project, Stages 1 and 2.</li> <li>□ Significant progress made on the Ferry to Pier Foreshore Development Project.</li> <li>□ 72% of planning permits were decided within the 60 day timeframe compared to 55% in 2012-13.</li> <li>□ New roundabout constructed at the corner of Admans Street and Point Lonsdale Road.</li> <li>□ A road pavement report was completed and road reseals were carried out on 11 roads.</li> </ul>
<p><b>A proactive and accountable Council</b> (refer to page 54 for further information)</p>	<ul style="list-style-type: none"> <li>□ Total grant funding received of \$3.35 million – an increase of \$789,500.</li> <li>□ The rate increase of 4.5% remained one of the lowest rate increases (as a percentage) in the region and the state.</li> <li>□ The 2014 Community Satisfaction Survey results highlight that the Borough of Queenscliff receives an overall performance rating of 71 index score points (up a significant 3 points from 2013).</li> <li>□ 91 media releases issued and 28 Mayor's Columns published in local newspapers.</li> <li>□ 90% of leases up to date by 30 June 2014.</li> </ul>

DISAPPOINTMENTS	CHALLENGES	YEAR AHEAD
	<ul style="list-style-type: none"> <li>❑ Slow progress in completing the concept plan and securing funding for the proposed Queenscliffe Park on the old Queenscliff High School site.</li> <li>❑ Continuing work required in relation to a future home for the Point Lonsdale Board Riders and Surf Life Saving Clubs.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Secure funding for the Queenscliffe Park Project.</li> <li>❑ Finalise the Hesse Street Revitalisation Project.</li> <li>❑ Complete the Queenscliff Recreation Reserve Master Plan.</li> <li>❑ Complete feasibility study of preferred option into possible future uses of Point Lonsdale and Queenscliff Lighthouse Reserves.</li> </ul>
<ul style="list-style-type: none"> <li>❑ The new Regional Tourism organisation did not receive state government funding.</li> </ul>	<ul style="list-style-type: none"> <li>❑ The restructure of regional tourism groups is still not complete.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Complete a Tourism Development Plan for Fort Queenscliff in consultation with the Department of Defence, community and other stakeholders.</li> </ul>
<ul style="list-style-type: none"> <li>❑ Council delayed the completion of the street tree planting in May and June 2014 to enable community consultation and will undertake the tree planting program in July 2014.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Sourcing options to facilitate an increase in the kerbside green waste collection.</li> <li>❑ Managing several instances of tree vandalism.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Increase community participation in the Community Environmental Alliance.</li> <li>❑ Work towards a solution on increasing the green waste disposal capacity of the region.</li> <li>❑ Secure funding to upgrade residential street lighting to energy-efficient alternatives.</li> </ul>
<ul style="list-style-type: none"> <li>❑ Review of the Queenscliffe Planning Scheme not completed.</li> <li>❑ Footpath Strategy was not completed as anticipated.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Further risk management assessments are required by the Department of Environment and Primary Industries required before priority recommendations from the Geotechnical Cliff Safety Assessment at Point Lonsdale can be implemented. The final assessment is scheduled to be completed late in 2014.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Complete the review of the Queenscliffe Planning Scheme.</li> <li>❑ Continue to seek funding for the Queenscliff Sport &amp; Recreation Precinct Development Project.</li> <li>❑ Complete a Footpath Strategy.</li> </ul>
<ul style="list-style-type: none"> <li>❑ The Community Engagement Policy was not finalised in 2013-14 as anticipated. The report was prepared for consideration in July 2014 with an extension to the community consultation period in response to community feedback.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Working with relevant members of parliament and senior government officers from the Department of Defence, the state government and Geelong Otway Tourism to maximise use of Fort Queenscliff.</li> </ul>	<ul style="list-style-type: none"> <li>❑ Complete a tourism development plan for Fort Queenscliff.</li> <li>❑ Community engagement continues to be a key area of focus for both Council and the community.</li> <li>❑ Collect the Fire Services Property Levy on behalf of state government.</li> <li>❑ Implement a Professional Development Plan to maintain staff qualifications and enhance skills and knowledge.</li> </ul>

To realise the vision and achieve the strategic directions in the Council Plan, specific Business Plan Priority Actions were set for 2013–14. Below is a summary of the number of actions achieved for each strategic direction.

STRATEGIC DIRECTION	NUMBER OF ACTIONS	COMPLETED	IN PROGRESS	YET TO COMMENCE
A healthy, involved and creative community	7	6	1	0
A vibrant local economy	8	8	0	0
A unique natural environment	8	7	1	0
A well planned and attractive place to live and visit	6	4	2	0
A proactive and accountable Council	13	10	3	0
<b>2013–2014 overall result</b>	<b>42</b>	<b>35</b>	<b>7</b>	<b>0</b>
2012–2013 overall result	63	52	8	3

### Progress on strategic directions: 2013–14 compared with 2012–13

Council's progress on the Business Plan Priority Actions is rated under one of three outcomes:

#### Completed

While these actions were fully implemented, some are ongoing in nature and, given their importance to the Borough, have been included in the Council Plan 2013–2017.

#### In Progress

These actions were progressed but not completed. Any actions assessed as priorities for the future have been included in the Council Plan 2013–2017.

#### Yet to commence

All Business Plan priority actions were commenced within 2013–14.



Council celebrated the Centenary of the Australian Red Cross in May 2014 with a high tea at the Queenscliff Town Hall. Pictured: Val Lawrence and Gwen Munro with fellow volunteer.

# Our successes

Considerable progress has been made on a number of projects that will have lasting benefit to the Borough of Queenscliffe community and visitors to the area. Here are some of the highlights.

## Community launches Environment Alliance

### Reducing our carbon footprint together

We are fortunate indeed to call the Borough of Queenscliffe home with its majestic parkland, heritage buildings and bayside and ocean beaches.

The air we breathe is pure and clean and the scenery we look over is both grand and pristine. The great natural beauty of this place is an intrinsic part of our daily lives - it is a part of who we are. Our environment is both fragile and sensitive and something we should never take for granted.

It is a valuable asset that we must nurture and protect, not just for ourselves but for our children, their children and the generations that follow them. The good work we do today in safeguarding our environment will reap dividends through the ages.

That is why our Community Environment Alliance program is such an important new initiative for Queenscliff and Point Lonsdale. The Borough of Queenscliffe is committed to this initiative and the many community projects it will inspire.

Council encourages businesses, community groups and private individuals to consider joining as an Alliance partner to help reduce the Borough's carbon emissions.

### What is the Community Environment Alliance?

The Community Environment Alliance is a group of Queenscliff and Point Lonsdale locals who are working together to reduce carbon emissions. Our aspiration is for the Borough of Queenscliffe to be a carbon neutral community by 2020.

Carbon neutral is where emissions are effectively reduced to zero. Such reduction can happen through a combination of actions such as: Reducing electricity and gas usage; Using solar or wind power; Offsetting any remaining emissions.

## Alliance highlights

### Partners sign up to the Community Environment Alliance

The Queenscliff and Point Lonsdale communities have responded enthusiastically to the Community Environment Alliance. To date we have more than 30 partners representing local businesses, community organisations and schools.

You can help this number grow by encouraging your friends, neighbours and work colleagues as well as local organisations and businesses to get involved. The pledge form is now available online on Council's website and people are invited to consider joining in this fantastic initiative.

### Electronic Waste Recycling

Residents across Point Lonsdale and Queenscliff put their e-waste to good use this year - disposing of their electronic waste in a safe and environmentally friendly way. An estimated 8,520kgs of electronic and electrical items were collected during Council's free e-waste drop off held on 24 May 2014.

A total of 196 cars were recorded passing through the temporary drop-off facility at Ocean View Car Park in Queenscliff with 46 per cent of people using the service for the first time. An estimated



*Council convened the first meeting of the Community Environment Alliance to discuss ways of reducing our carbon footprint together in the Borough.*

7,000kgs of televisions and computer equipment was received and will be recycled by Sims E-Recycling in Melbourne with a 95% recovery rate.

Smaller e-waste items such as kitchen appliances, mobile phones, radios and power tools accounted for 1,520kgs and will be recycled through Geelong Disabled People's industries (GDP). Staff from GDP will de-manufacture the e-waste into components including plastics, glass, metals, wiring and circuit boards which are then sent to various recovery facilities for reuse or to be made into new products.

### Power savers to explore Solar Bulk-Buy options

Sourcing good value renewable energy solutions for residents and businesses across the Borough of Queenscliffe was the topic of choice at the inception meeting of the Community Environment Alliance Power Savers Working Group.

The group met to discuss ways in which the local community could reduce power consumption and save money through the use of solar power. The group will now explore options in working together to investigate and install solar systems in Queenscliff and Point Lonsdale.

# Our successes

## Queenscliff Sports Club Building Enhancement Project (Monahan Centre)

The \$2.2m redevelopment of the Monahan Centre was officially opened on Saturday 22 February 2014 by the State Minister for Sport and Recreation, the Honourable Hugh Delahunty.

By any standards it was a major achievement and one of which we can all be very proud. The project, to upgrade facilities at Queenscliff Recreation Reserve, brought together two tiers of government, sporting groups, local tradespeople and residents in a unique community partnership.

The Queenscliff Sports Club recognised a need to update the Monahan Centre to ensure that it provided facilities that the current day community would utilise well into the future. Over much of the past decade the Sports Club worked to develop a proposal for the redevelopment of the centre. The Victorian Government contributed funding of \$500,000 to undertake the project through the 2008–09 round of the Community Facility Funding Program. Local cash contributions to the project included the Borough of Queenscliffe (\$327,000), Queenscliff Sports Club (\$350,000), Football and Netball Club (\$75,000) and Queenscliff Cricket Club (\$75,000). In addition to this, an estimated \$800,000 of in-kind services have been provided.

Because only limited funds were available, the project was undertaken utilising a unique community partnership model for construction. This model utilised the skills of local tradespeople within the sporting community providing at-cost labour and materials and in some instances in-kind goods and services. The hard work and good will of these community members has enabled the Queenscliff Sports Club Building Enhancement Project to be realised.

The works included the creation of multi-use community meeting rooms, home and away team change rooms, including facilities for both male and female match officials, and a medical treatment area. There are also improved kitchen and canteen areas, upgraded grandstand seating and all abilities access to all areas. There is also improved office and storage space. The works also provided much of the electrical and plumbing services that will be required for a final stage of the project that is yet to be funded. The future works include a community gymnasium and a spa treatment facility.

The project is a tribute to the many people who made this dream a reality. It demonstrates the power of community spirit and the positive outcomes that can be achieved when everyone is working towards a common goal.

## Point Lonsdale Foreshore Revitalisation Project

The new lookout platform at the Point Lonsdale foreshore has been completed and is now open for use; affording a fabulous view along Point Lonsdale beach and across the Port Phillip Heads. It's a great meeting space for locals and visitors to enjoy.

The platform has been designed to sit at footpath level so as not to obstruct views from the Point Lonsdale cafes. It links with the pedestrian crossing to facilitate safe pedestrian movement between the village and the foreshore.

The mix of natural and manmade building materials used in the lookout platform construction is a nice balance.

The timbers, stonework and steel features blend seamlessly with the Point Lonsdale streetscape and foreshore precinct. The platform is just one of the key elements of the Point Lonsdale Foreshore Revitalisation project that have been completed.

A number of new features have been included to better accommodate mobility impaired foreshore users. This was a particularly important aspect of the project planning given the high rate of older and mobility impaired residents within the Borough of Queenscliffe. Improvements include two Disability Discrimination Act (DDA) compliant ramps to provide all-abilities access to the beach promenade (the previous ramp was not DDA compliant).

Other new features include an accessible drinking fountain with a dog water bowl, accessible picnic tables and an additional disabled car park adjacent to the foreshore. The final landscaping works along the foreshore and around the new Admans Street roundabout include new trees and an additional 35m<sup>2</sup> of garden beds.

The Point Lonsdale Foreshore Revitalisation project is the culmination of over a decade of planning and community participation.

The project has been made possible thanks to grant funding from the Victorian Government, the Australian Government, Powercor and the Queenscliff Point Lonsdale Lions Club; as well as various in-kind contributions from Parks Victoria, the Lion's Club, the Rotary Club and Queenscliffe Men's Shed.

## Hesse Street Roundabout

Construction works are well underway for a new roundabout at the 5-way intersection of Hesse, Wharf and Symonds Streets in Queenscliff.

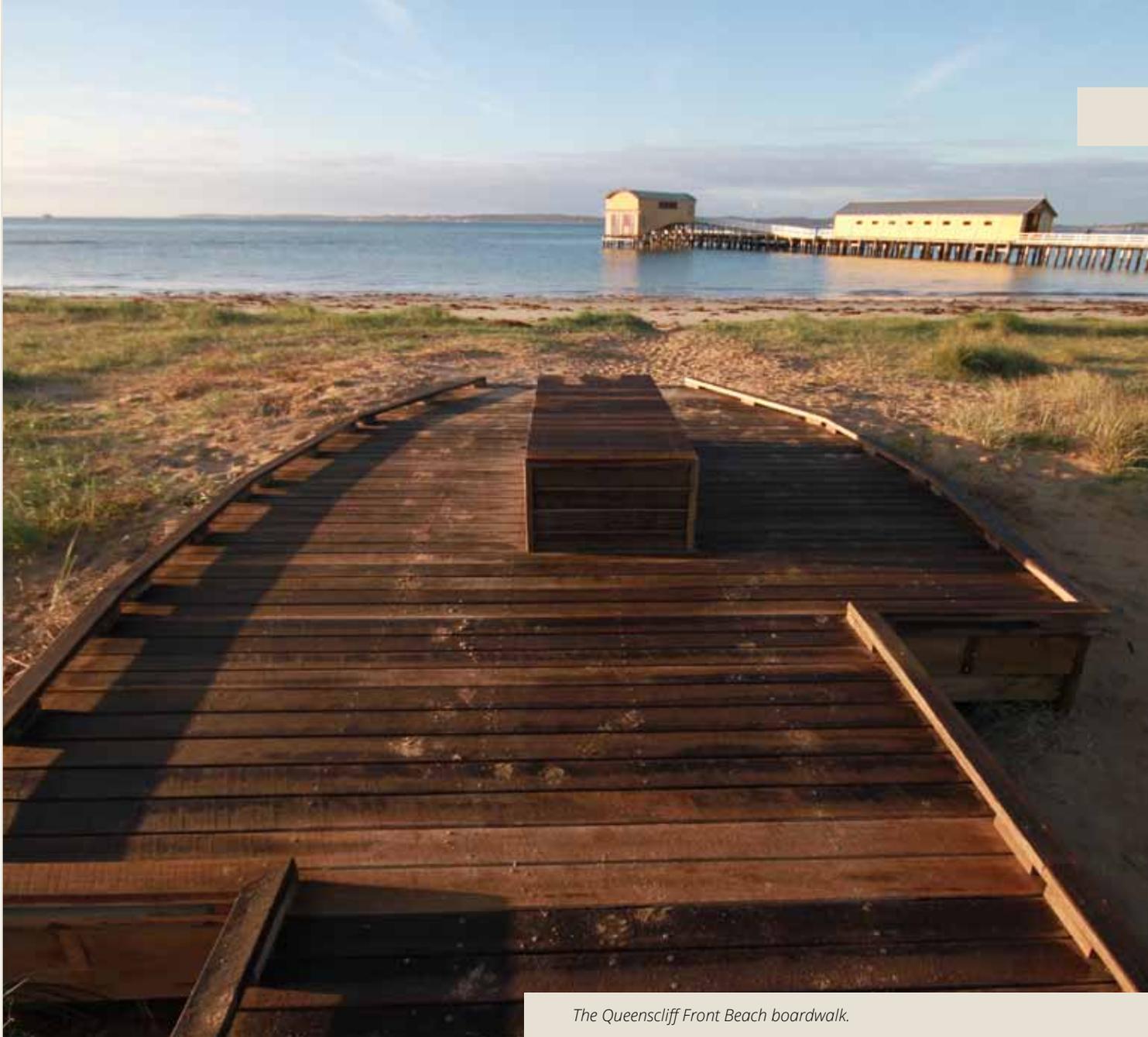
The major construction phase, due to commence early August will address long-held community concerns about safety at the intersection especially during busy holiday times.

Improving traffic and pedestrian safety at this intersection is a high priority and Council undertook detailed community consultation with residents and traders to inform the program of works and minimise disruption.

Following completion of the works by the contractor, Council will carry out landscaping and streetscape works around each of the corners of the roundabout, at both of the pedestrian crossings, within the central island and in the area of Symonds Street that has been closed. This includes the installation of timber seats, bin enclosures, bike racks, garden beds and tree planting.

To minimise disruption to the area, Council has negotiated with VicRoads to undertake major maintenance works along Hesse Street between Stokes and Symonds Streets during the construction phase of the roundabout. This will ensure that disruptions due to road works are kept to a minimum.

Powercor will then be upgrading the public street lighting along Hesse Street at the roundabout and the pedestrian crossing between Hobson and Symonds Street during November. The Victorian Government's Country Roads and Bridges program has funded this project.



*The Queenscliff Front Beach boardwalk.*

## Ferry to Pier Trail

Construction of a new coastal trail to link the ferry terminal and the Queenscliff Pier is nearing completion. This project represents one of the most important pieces of foreshore trail network from the ferry terminal in Queenscliff right through to the Point Lonsdale Lighthouse.

It provides people travelling on the ferry with an ideal introduction to one of Victoria's most picturesque coastal vistas overlooking the entrance to Port Philip and creates a gateway trail from the ferry terminal to the township.

The trail includes:

- a 125 metre timber boardwalk with beach access points
- a lookout platform with vistas across the bay to The Rip, Point Nepean and the Mornington Peninsula
- interpretative and directional signage
- upgrades to the existing gravel pathways
- bench seats at key vantage points.

The boardwalk has been styled to complement the nearby pier and be unobtrusive in the surrounding natural environment.

The works program includes re-vegetation and weed removal in the area and the installation of fencing to stop adhoc pedestrian access across the dune system.

# Financial overview

A key focus for this Council and a priority for the 2013–14 year has been to maximise grant funding opportunities for capital works and major projects to improve community facilities whilst at the same time minimising rate increases.

## 2013-14 capital works project highlights included:

- Completed a master plan and stage 1 development plan for Queenscliff Kindergarten
- Completed an initial master plan for the Queenscliffe Park
- Completed the stage 1 construction of the Hesse Street Revitalisation Project
- Worked with Bellarine Railway to commence upgrading the Queenscliff Historic Railway
- Worked with the Point Lonsdale Surf Life Saving Club and Point Lonsdale Boardriders to plan the development of shared clubroom facilities
- Completed Stages 1 and 2 of the Point Lonsdale Foreshore Revitalisation project
- Completed the Ferry to Pier Foreshore Development project
- Secured funding to undertake a Tourism Development Plan for Fort Queenscliff
- Commenced planning for the upgrade of the Queenscliff Senior Citizens Centre to incorporate the functions and needs of the Queenscliff Sea Scouts
- Completed the design of the Hesse, Wharf and Symonds Streets roundabout in Queenscliff
- Completed construction of the Admans Street, Point Lonsdale Road roundabout in Point Lonsdale.

A commitment to cost restraint and provision of services of value to residents and ratepayers remains imperative to this Council and drives financial decisions.

## In brief

The following information relates to the financial statements contained in this Annual Report.

- An underlying surplus of \$636,000, which is \$966,000 above the budgeted underlying deficit of (\$330,000) due largely to operating budgets and grant funding for projects not yet expended and carried forward for completion in the 2014-15 year
- \$11.647 million in revenue with 50% coming from rates and charges
- \$2.242 million Capital Works and Major Projects Program delivered, including \$906,000 in renewal/upgrade of existing assets
- \$9.549 million expenditure with 34% attributable to employee costs and 53% spent on to materials and services
- \$66.648 million in fixed assets, comprising community facilities and infrastructure
- \$4.310 million in holdings of cash – \$374,000 more than 2012-13.
- \$749,000 in loans and borrowings – \$223,000 less than 2012-13.

Within the 'small shire councils' grouping of 21 councils across the state, the outcomes for the financial sustainability indicators as assessed by the Victorian Auditor-General's Office (VAGO) indicates that the Borough of Queenscliffe Council is in a sound financial position and Council is considered 'low' risk on five of the six financial sustainability indicators, with one indicator slightly below the 'low' risk category for the 2013-14 year.

Council has achieved excellent results against all Local Government Authorities in the 'small shire councils' grouping on the Financial Sustainability Index, which provides a score against four financial benchmarks including:

1. underlying operating results as a percentage of total assets
2. debt as a percentage of own source revenue
3. capital spend as a percentage of total depreciation
4. asset renewal and upgrade as a percentage of depreciation over six years.

These results, which are either equal to or more favourable than the group average, highlight an overall positive indicator of Council's long-term financial sustainability.

## Underlying operating result

Council's underlying surplus for 2013–14 was \$636,000. This is a \$966,000 improvement on the budgeted underlying deficit of \$330,000. This is due largely to operating budgets and grant funding for projects not yet expended and carried forward for completion in the 2014-15 year.

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

In each of the past six years, Council has maintained an underlying surplus greater than budget. Council has been successful in attracting significant external grant funding for investment in the Borough that often spans more than one financial year. This has resulted in large cash holdings that continue to attract interest revenue in excess of \$100,000 per annum.

## Underlying operating surplus / (deficit), 2008–09 to 2013–14

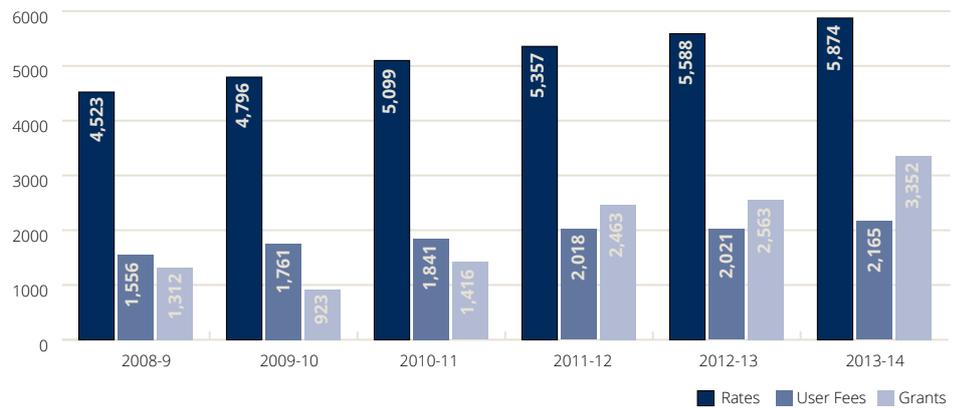


## Revenue streams

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

Council has sought to actively minimise rate increases and continues to post one of the lowest increases in the state. It continues to pursue alternative income streams such as fees from its caravan parks and camping grounds and has been highly successful in attracting external grant funding from all levels of government.

Rates, user fees and grant income, 2008-09 to 2013-14 (\$'000)



## Sustainable capital expenditure

Council aims to ensure that our assets can be maintained at the expected levels while continuing to deliver services needed by our community. During 2013-14 a total of \$2.242 million was spent on capital works across the Borough. This included a total of \$906,000 on renewals/upgrades and \$1.336 million on new assets.

Council recognises the importance of asset renewal and actively programs this expenditure into its annual budget. Council's rate of spending on existing infrastructure, property, plant and equipment compared to depreciation on assets has been recognised by VAGO in the top 3 Councils in the 'small shire councils' grouping and in the top 4 of all councils in Victoria, based on the results of the local government audits for the 2012-13 financial year. The results for the 2013-14 financial year audits are expected to be released by VAGO late in the 2014 calendar year.

Percentages higher than 100% indicate that spending on existing assets is greater than the rate at which Council is consuming its assets. This long-term indicator is averaged over a number of years and Council continues to focus on its Asset Management Plan to ensure existing infrastructure, property, plant and equipment is renewed when required.

Council has been highly successful in attracting significant external funding from sources such as the Country Roads and Bridges Program and the Local Government Infrastructure Fund to support this investment.

A significant level of funded expenditure was also invested in new assets during 2013-14 year, primarily with respect to the Point Lonsdale foreshore revitalisation project.

Renewal gap (expenditure on asset renewal and upgrade as a percentage of depreciation), 2008-09 to 2013-14



## Cash holdings

In total, holdings of cash and cash equivalents and financial assets have increased to \$4.310 million during 2013-14. Included in this amount is \$3.717 million in reserve funds, of which \$2.841 million is carried forward from previous years and earmarked for specific projects, \$412,000 is earmarked for specific asset renewal projects and \$464,000 is set aside for Council to respond to future capital works opportunities.

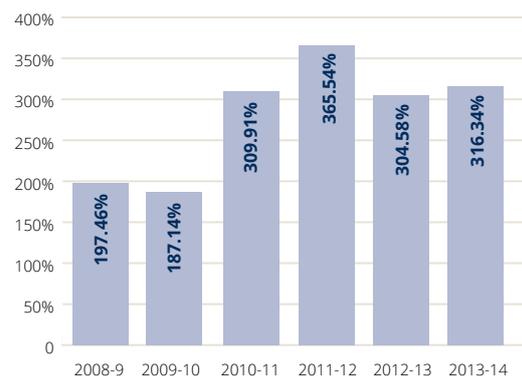
Council currently holds an appropriate level of cash to ensure that liquidity remains strong and is above forecast levels.

Council has been assessed by VAGO as being medium risk in future years. This is based on the assumption that all planned capital projects will be fully completed each year, which is not the case. As a result the liquidity position of Council always is better than forecast.

Cash holdings (\$'000), 2008-09 to 2013-14



Working Capital (adjusted for LSL provision)



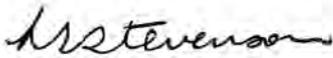
## Future planning

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

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

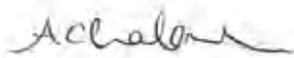
It is important that Council reflects upon its financial performance, ensuring it is sound and the community's assets continue to be well managed, adequate cash reserves are held and satisfactory financial ratios are maintained.

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



**Lynne Stevenson, CPA**

General Manager, Corporate and Community Services



**Allison Chaloner, CPA**

Senior Accountant





Discover the Retail Trail through Queenscliff and Point Lonsdale.

# Event highlights

Council recognises that festivals and events bring a range of social, economic and cultural benefits to the community, and help to promote the Borough as a tourism and leisure destination on a local, national and international scale. In 2013-14 Council directly supported more than 30 local events and activities.

## July 2013

Bellarine Lighthouse Film Festival

## August 2013

Bellarine Rail Trail Fun Run

Small Business Festival

## September 2013

100 Steps Fun Run

## October 2013

Around the Bay in a Day

Victorian Seniors Festival

Interactive Children's Concert

FReeZA Youth Event

## November 2013

Queenscliff Music Festival

Walking Home

Walk to School

## December 2013

Point Lonsdale Lighting of the Christmas Tree

Annual Harley Riders Toy Run

Rip View Swim Classic

## January 2014

Rip to River Run

Sand Sculpture Contest

Australia Day Celebrations

Blue Water Swim Classic

## February 2014

Queenscliff Hot Rod Show

## March 2014

Maritime Weekend

Jonathon Welsh workshop and concert

## April 2014

Anzac Day commemorative services

Skate, Scoot and BMX event

Artists in Residence Project

## May 2014

Sea of Words

M2M 2014 Geelong 24 hour extreme walk

Red Cross High Tea

Volunteer Celebration

## June 2014

Refugee Welcome Zone Signing Declaration

St Kilda Film Festival Regional Tour



*The Regional World's Longest Lunch at Queenscliff Harbour.*





# Your Council

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*Visitors flock to the Queenscliff Heritage Railway.*

# Borough of Queenscliffe profile

## VISION

A vibrant, safe and welcoming community that draws inspiration and life from our heritage, unique environment and connection to the sea.



## The Borough of Queenscliffe comprises the coastal townships of Queenscliff and Point Lonsdale.

The Borough of Queenscliffe, the only Borough in Australia, was created in May 1863. In May 2013 the Borough of Queenscliffe Council and community celebrated its 150th anniversary.

Queenscliff was first and foremost built for government purposes. It provided postal, customs, health and telegraph services, lighthouse and signal services, military and defence establishments and the sea pilots service.

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

Perched above the point where Port Phillip Bay 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 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.

## Location

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

## Borough of Queenscliffe, Victoria, Australia

People are attracted to the Borough for its picture-perfect streetscapes; towering lighthouses; heritage buildings; contemporary living; vibrant coffee culture; great schools and kinder; maritime history; stylish new harbour; fashion boutiques and art galleries; fresh and gourmet produce; museums; live music; markets; the beach; and, most of all, its vibrant and inclusive community.

## The Borough of Queenscliffe name

In 1836, when the first permanent settlement started here, the area was known as Whale Head. It was later changed to Shortland's Bluff in honour of Lieutenant John Shortland, who took part in the surveying of Port Phillip.

In 1853, Lieutenant Governor La Trobe, who often holidayed here with his family, renamed the town 'Queenscliff' in recognition of Queen Victoria. At this time, Point Lonsdale was designated a battery reserve. It was not truly settled until the late 1880s once it became popular with holiday-makers.

In 1863 the Honourable TH Fellows forwarded to the Governor a hand-written memorial signed by 185 householders seeking declaration of a municipal area. The memorial called for proclamation of the locality by the name of 'The Municipal District of Queenscliffe'.

Later in 1863 the Victorian Parliament passed the Municipal Consolidation Act, and the Municipal District of Queenscliffe became the Borough of Queenscliffe.

The modern understanding of the spelling is that Queenscliffe with the 'e' refers to the municipality whereas Queenscliff without an 'e' refers to the township.

The corporate seal was designed in 1864. The Latin text in the corporate seal 'Statio Tutissima Nautis' is loosely translated as a 'safe harbour for seafarers'. 150 years later we are still using the essence of the original seal and continue to be a safe harbour – not just for seafarers but for all residents and visitors.

## Community

The Borough of Queenscliffe has a unique demographic profile of permanent residents. The following data is sourced from the ABS 2012 and Census 2011:

- There are 3,091 permanent residents and 2,767 dwellings, with an average household size of 2.09.
- The 53% of private dwellings unoccupied during the 2011 Census is indicative of the large temporary population: many property owners only holiday or live part-time in the Borough.
- 53.2% of the permanent resident population live in Point Lonsdale.
- 43.3% of the population is aged over 60.
- The three largest ancestries are Australian, English and Irish.
- 1,051 people (35%) have a tertiary qualification.
- 1,153 people are employed. There is a high proportion of retirees and semi-retirees.
- 64% of homes in the Borough of Queenscliffe have a broadband internet connection.

The Borough's population fluctuates due to tourism and increases to 17,120 people over the summer period.

## Age structure

Age structure is an important indicator of an area's 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 2011.

	Borough of Queenscliffe	Victorian average
Babies and pre-schoolers (0–4)	4.2%	6.4%
Children (5–17)	12.8%	16.0%
Adults (18–59)	39.7%	57.7%
Mature adults and seniors (60–84)	38.5%	17.8%
Elderly (85 and over)	4.8%	2.0%

*Percentage of population by age group, comparison of Borough of Queenscliffe and Victorian average in 2011  
(Source: [www.profile.id.com.au/queenscliffe](http://www.profile.id.com.au/queenscliffe))*

## Our wellbeing

According to the VicHealth Indicators Survey 2011:

- Although we are older than the rest of Victoria, we are also healthier, with 62.9% of residents reporting 'very good' or 'excellent' health, compared with the state average of 54.3%.
- Our residents rated their wellbeing at 81.5 out of 100, compared with the state average of 77.5.
- When compared with the whole of Victoria, people living in the Borough have a significantly higher rating in the following areas:
  - volunteering (the highest in Victoria)
  - participation in citizen engagement
  - likelihood of attending arts activities and cultural events
  - feel safe walking alone during the day and at night (highest in Victoria)
  - likely to visit green spaces regularly (highest in Victoria).

When asked to describe the best thing about the Borough of Queenscliffe, top responses from residents themselves included:

- Location, including a beautiful beach and foreshore: 16%
- The community, particularly the small neighbourhood feeling: 16%
- Location, overall a good place to live: 14%
- Councillors work well and are approachable: 13%

(Source: 2014 Local Government Community Satisfaction Survey, JWS Research.)

## Environment

The Borough of Queenscliffe is surrounded by coastal foreshore on three sides.

The Port Phillip and Bass Strait coastlines of the Borough 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 Shortlands Bluff are significant landscape features. The marine and terrestrial environments of Swan Bay, its foreshore and islands are environmental assets of international significance under the Ramsar Convention.

Council has considerable responsibility for coastal and Crown land management, with a number of foreshore reserves under its management. These comprise approximately 8% of the total municipal area (27 reserves totalling around 104 hectares) – the highest proportion of any municipality in Victoria.

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

## Economy

The Borough's economy is dependent on three major industry sectors. By annual economic output the largest contributors are:

- public administration and safety (\$155 million)
- tourism (\$41 million)
- construction (\$38.6 million).

At the time of the 2011 Census, 1,153 people living in the Borough of Queenscliffe were employed and there were 1,561 jobs located in the Borough of Queenscliffe.

The major industry contributors to local jobs are:

- health care and social assistance (14.3%)
- education and training (11.7%)
- public administration and safety (11.2%)
- accommodation and food services (10.3%)
- retail trade (8.7%).

There are three primary retail and business precincts: Hesse Street in Queenscliff, Queenscliff Harbour and Point Lonsdale Village.



*Waves crashing under the Queenscliff pier.*

# Your councillors

The current Council was elected to office in October 2012.



L-R: Cr Sue Wasterval, Cr Graham J Christie, JP, Cr Helene Cameron (Mayor), Cr Susan Salter (Deputy Mayor), Cr Bob Merriman

## Cr Helene Cameron, Mayor

Cr Helene Cameron was first elected to Council in 2008 and was elected for a second term in 2012. She was elected Mayor for a second one-year term at the Statutory Meeting of Council on 14 November 2013.

In her 17 years in the Borough, Cr Cameron has been actively involved with the Queenscliff Kindergarten, St Aloysius Catholic Primary School, Parents and Friends committees, fundraising auctions, playgroups and family groups, children's services network and the Queenscliff High School Site Steering Committee.

Her interests include spending time with her children and family, reading, handicrafts and listening to music.

**Portfolio:** Community Wellbeing and Amenity

### Delegation to Council committees and reference groups:

- Australia Day Awards Reference Group (Chair)
- Community Grants Reference Group (Chair)
- Point Lonsdale Lighthouse Reserve Project Reference Group (Chair)
- Queenscliff Lighthouse Reserve Project Reference Group (Chair)

### Delegations to external organisations:

- G21 Health and Wellbeing Pillar
- Geelong Region Library Corporation Board
- MAV Human Services sub committee
- Rural Councils Victoria
- Municipal Association of Victoria
- Local Government Ministerial - Mayors Advisory Panel

Mobile: 0448 887 728

Email: [helene.cameron@queenscliffe.vic.gov.au](mailto:helene.cameron@queenscliffe.vic.gov.au)

## Cr Susan Salter (Deputy Mayor)

Cr Salter has lived in Queenscliff for nearly 30 years. She has been actively involved in or volunteered in a number of community organisations, book groups and community groups.

Cr Salter is a maths teacher at Bellarine Secondary College, Drysdale Campus, and is known to many community members through her various current and previous roles at the college.

Cr Salter was the president of the Queenscliff Neighbourhood House for 10 years. She has a particular interest in trees, especially historic and native, and has extensive experience in creating public gardens and managing public open spaces.

**Portfolio:** Planning, Heritage, Arts and Culture

### Delegation to Council committees and reference groups:

- Audit Committee
- Community Grants Reference Group
- Reconciliation Reference Group
- Botanic Gardens Project Reference Group

### Delegations to external organisations:

- G21 Arts and Culture Pillar
- G21 Education and Training Pillar
- Geelong Regional Library Corporation Board (deputy)

Mobile: 0428 398 966

Email: [susan.salter@queenscliffe.vic.gov.au](mailto:susan.salter@queenscliffe.vic.gov.au)

## Cr Bob Merriman

Cr Merriman was first elected to Council in 2008 and was elected for a second term in 2012.

Cr Merriman is actively involved with the community, particularly sporting clubs and organisations. He is a former Australian Industrial Relations Commissioner whose professional background includes the vehicle, building, electrical and civil construction industries. He is also a former chair of Cricket Australia, Councillor of Latrobe University and Trustee of the Bradman Foundation and Cats Foundation.

**Portfolio:** Governance and Finance

**Delegation to Council committees and reference groups:**

- Audit Committee
- Hesse Street Revitalisation Reference Group (Chair)
- Point Lonsdale Main Street and Foreshore Reference Group

**Delegations to external organisations:**

- G21 Region Alliance Board
- Municipal Association of Victoria (Deputy)
- Geelong Queenscliffe Coastal Mapping Project Strategic Partnership Group
- Rural Councils Victoria

Mobile: 0400 062 967

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

## Cr Sue Wasterval

Cr Wasterval is a long-term resident of the Borough and previously worked as a senior occupational therapist and mental health professional.

She has been an active community worker on Council reference groups, environment associations, the committee of the Neighbourhood House and Council's Australia Day Awards selection committee.

Cr Wasterval believes that the preservation of our beautiful bays, ocean beaches, open spaces, coastal vegetation, and historical buildings is essential for residents and visitors.

**Portfolio:** Sustainability and Local Environment

**Delegation to Council committees and reference groups:**

- Australia Day Awards Selection Reference Group
- Point Lonsdale Lighthouse Reserve Reference Group
- Queenscliffe Park Project Reference Group (Chair)
- Point Lonsdale Main Street and Foreshore Reference Group

**Delegations to external organisations:**

- G21 Environment Pillar
- Barwon Region Waste Management Group Board

Mobile: 0428 395 784

Email: sue.wasterval@queenscliffe.vic.gov.au

## Cr Graham J Christie JP

Cr Christie relocated to the Borough in 2003 following a career in senior finance management roles with major corporations.

He has been heavily involved in driving business and tourism within the Borough. He has coached senior cricket teams and held senior roles within Probus, and the local RSL (as a Vietnam Veteran).

He is a registered Justice of the Peace and has served on many working parties for community projects and local clubs. Cr Christie enjoys spending time with his grandchildren and family.

**Portfolio:** Local Economy

**Delegation to Council committees and reference groups:**

- Hesse Street Revitalisation Reference Group
- Queenscliff Lighthouse Reserve Project Reference Group

**Delegations to external organisations:**

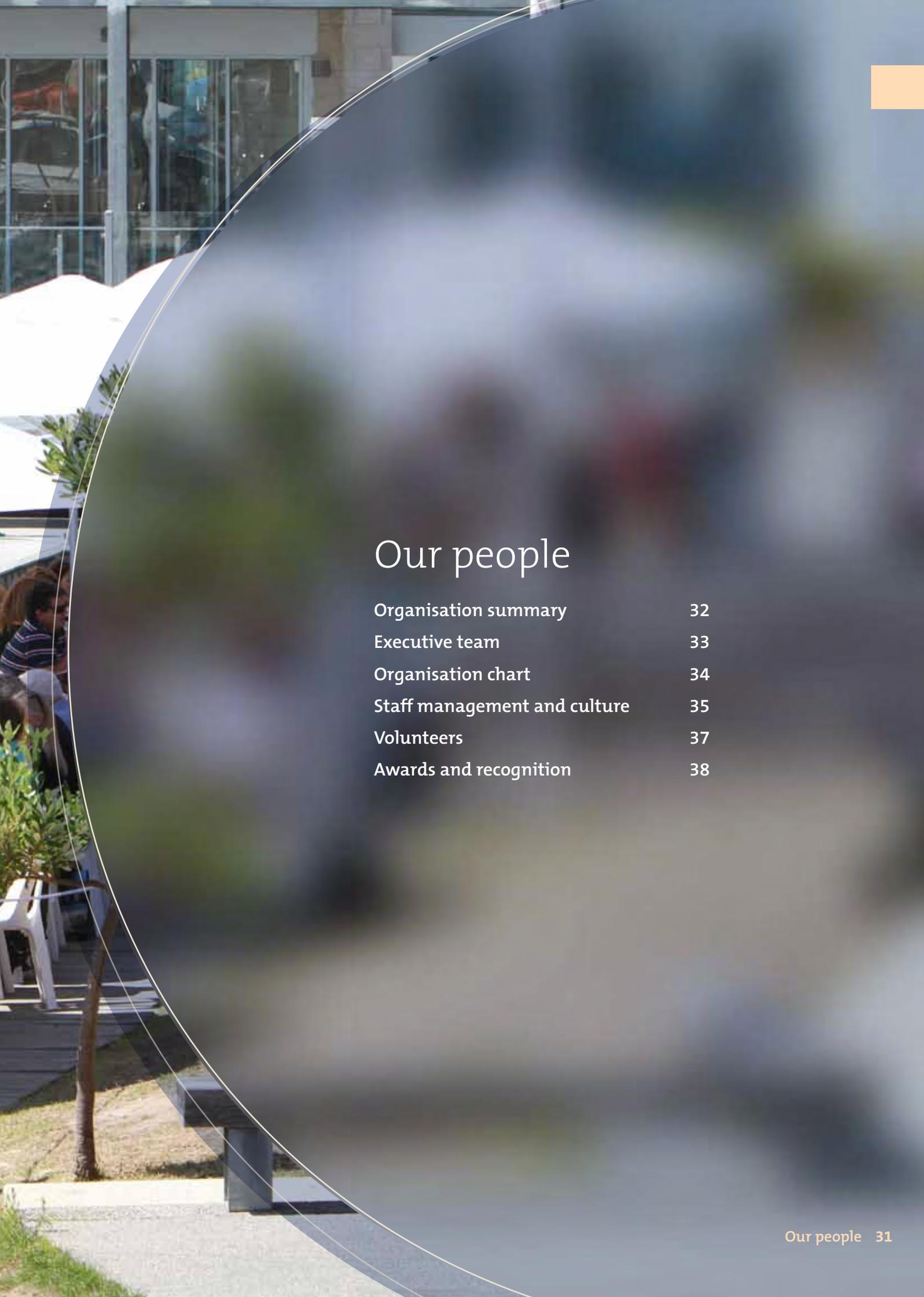
- G21 Economic Development Pillar
- G21 Sport and Recreation Pillar
- G21 Transport Pillar
- Association of Bayside Municipalities
- Tourism Greater Geelong and the Bellarine

Mobile: 0428 437 994

Email: graham.christie@queenscliffe.vic.gov.au



*Dining on the boardwalk at the picturesque Queenscliff Harbour.*



# Our people

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# Organisation summary

The primary objective of Council is to endeavour to achieve the best outcomes for the local community, having regard to the long-term and cumulative effects of decisions.

In seeking to achieve its primary objective, Council manages a broad range of functions, activities and services that:

- promote the social, economic and environmental viability and sustainability of the municipal district
- ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community
- improve the overall quality of life of people in the local community
- promote appropriate business and employment opportunities
- ensure that services and facilities provided by the Council are accessible and equitable
- ensure the equitable imposition of rates and charges
- ensure transparency and accountability in Council decision making
- deliver the strategies and initiatives outlined in the Council Plan.

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 right.

The small team at the Borough of Queenscliffe comprises 62 people; however, the full-time equivalent is only 36.47 positions. This includes:

- 18 full-time, 36 part-time and 8 casual staff
- 13 male and 49 female staff
- 10 community care workers
- 8 school crossing supervisors
- 1.3 local laws officers
- 5 tourism, economic development and visitor information services staff.

Council and the local community also benefit from the services of approximately 35 volunteers at the Queenscliffe Visitor Information Centre and other volunteers who support Council events and activities.

Directorate	Primary areas of responsibility
Executive Services	Mayor and councillor support Governance Communications Citizenship and civic events Community engagement Organisational development Strategic advocacy
Planning and Infrastructure	Animal management Building control Building maintenance Caravan park management Coastal and crown land management Contract management Emergency management Engineering Environmental health Heritage advice Local law enforcement Powerline clearance Public amenities Road maintenance and works School crossings Strategic and statutory planning Street lighting Sustainability and environment Waste management.
Corporate and Community Services	Aged and disability services Arts, recreation and cultural services Community development Customer service Events Finance, risk and audit Information technology Early years services Human resources Library services Rate collection Tourism and economic development Visitor information Youth services.

# Executive team

## Executive Management Team

Council's Executive Management Team (EMT) is led by the Chief Executive Officer and includes the General Manager Planning and Infrastructure and the General Manager Corporate and Community Services. EMT meets on a fortnightly basis.



### Chief Executive Officer – Lenny Jenner

Lenny Jenner was appointed to the position of Chief Executive Officer in October 2008.

His qualifications include a Master of Arts (Social Policy), Bachelor of Education and Bachelor of Arts (Recreation).

As Chief Executive Officer (CEO), Lenny has overall responsibility for the operations of the Council. Under the Local Government Act the CEO is the only appointment made by the Council. All staffing responsibilities rest with the CEO.



### General Manager Planning and Infrastructure – Phil Josipovic

Phil Josipovic was appointed to the position in November 2011.

Phil's qualifications include a Masters in Business Administration and a Certificate of Technology in Civil Engineering.

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

In addition to the management of functions and resources, the role involves providing professional advice to Council on a range of statutory matters.



### General Manager Corporate and Community Services – Lynne Stevenson

Lynne Stevenson was appointed to the position in July 2014.

Lynne has a Bachelor of Business (Accounting), is a Certified Practising Accountant (CPA) and has completed post-graduate studies in Local

Government Law and Business Administration. As General Manager Corporate and Community Services, Lynne is responsible for several diverse portfolios including Corporate Services, Governance, Finance, Risk Management, Information Technology, Aged Care, Children and Family Services, Tourism & Community Development, Arts & Culture, Events, Customer Service and Records.

### Acknowledging Kerrie Weippert-Rowe

Prior to Lynne's appointment these services were managed by Kerrie Weippert-Rowe. Kerrie was appointed to the position in March 2013 until April 2014. Kerrie is a Certified Practising Accountant (CPA), has a Graduate Certificate in Commerce and Bachelor of Commerce as well as a Diploma in Applied Science (Mathematics & Computing).

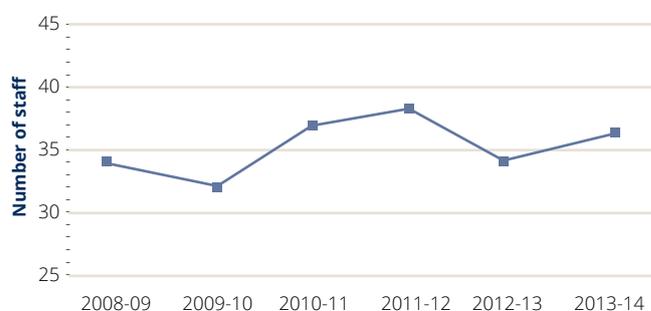
## Staff profile

The Borough of Queenscliffe staff team comprises 62 people; however, the full-time equivalent is only 36.47 positions.

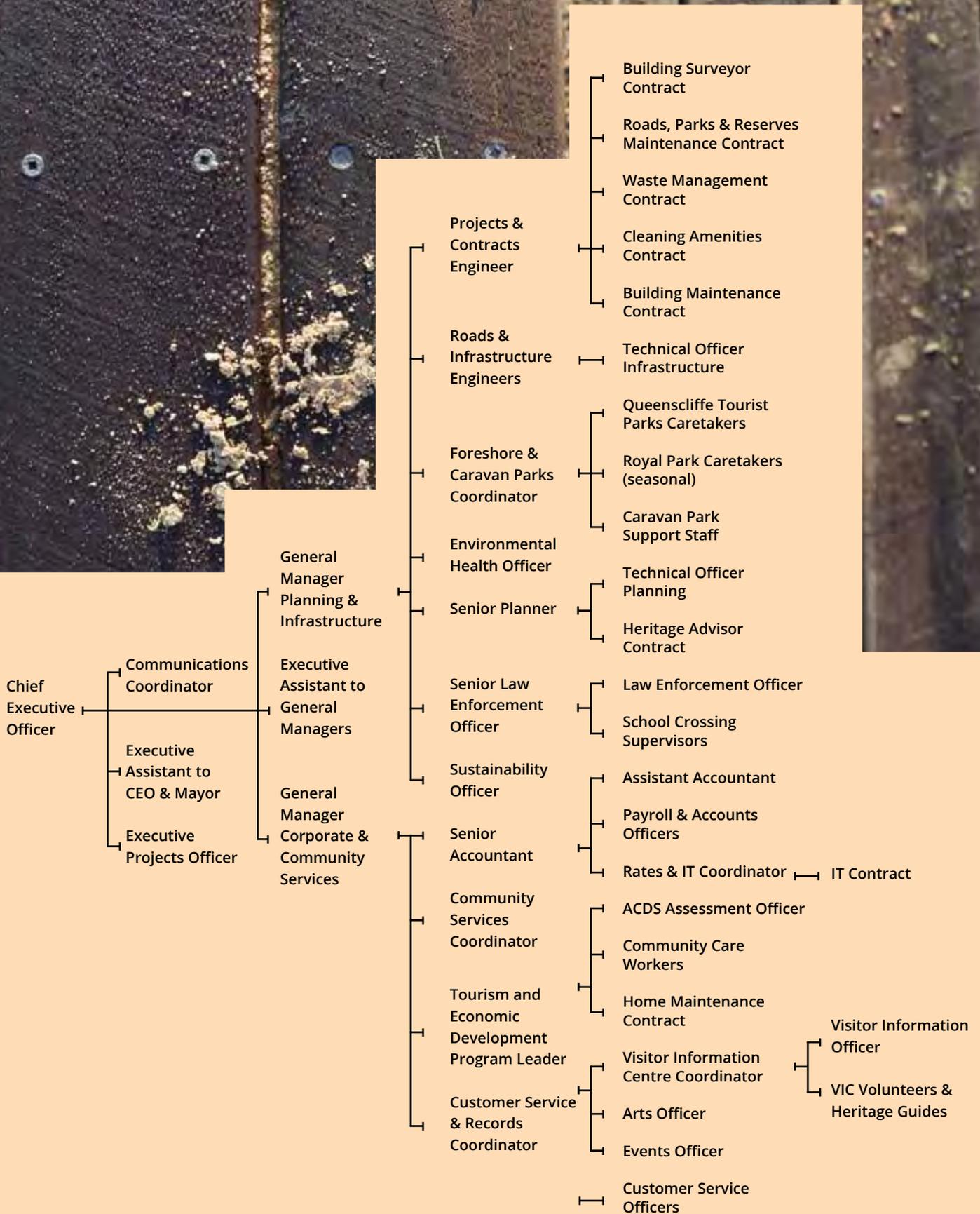
Staffing at the Borough of Queenscliffe, 2013-14

Type of employment	Female	Male
Full time	10	8
Part time	32	4
Casual	7	1
TOTAL	49	13
Full-time equivalent	26.94	9.53

Total staff (full-time equivalent) employed by the Borough, 2008-14



# Organisation chart



# Staff management and culture

## Enterprise Bargaining Agreement

The current Enterprise Bargaining Agreement No 8, 2013, will be valid until 15 January 2016.

The agreement relates to all staff not under a fixed term employment contract and provides general terms and conditions under which staff are employed. The agreement is underpinned by the Victorian Local Authorities Award 2001; therefore, any item not detailed in the agreement can be found in the award.

## Staff changes and recruitment

For a small Council, the turnover in staff in 2013–14 was moderate. The following positions were recruited in the 2013–14 financial year:

- General Manager Corporate & Community Services (replacement due to resignation)
- Roads Projects Engineer (funded by the State Government's Country Roads & Bridges program)
- Communications Coordinator (replacement due to resignation)
- School Crossing Supervisors x 3 (recruitment to increase Casual pool)
- Casual Caravan Park Attendant (recruitment in increase Casual pool)
- Events Officer

Positions were advertised in the Geelong Advertiser, Bellarine Echo and/or the Age, as well as on the Borough of Queenscliffe website. Extensive interview and selection processes were undertaken, with successful candidates being recruited to each position.

## Equal employment opportunity

Council has a strong commitment to promote a workplace free of discrimination where each person has the opportunity to progress to the extent of their ability. Equal Employment Opportunity, or EEO, means the absence of discrimination or less-favourable treatment with regards to a person's employment. Council is committed to upholding the principles of Equal Employment Opportunity in all Council activities.

In all policies and practices of the Council there shall be no discrimination relating to sex, marital status, parenthood, race, colour, national origin, physical or mental impairment, religious or political affiliation.

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.

## Employee performance

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

A core component of performance management is development. The appraisal process allows staff to review recent and current performance, plan for the future and identify training requirements and development opportunities.

## Training and development

In 2013–14 a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their roles at the Borough of Queenscliffe. An indication of the types of training undertaken is as follows:

- Coastal Governance Workshop
- Business Writing
- Animal Management Workshop
- National Smart Communities Conference
- Induction to Local Government
- Customer Service and Conflict Resolution
- Essential Governance Workshop
- Local Economic Development & Changing Times Conference
- Special interest group meetings relevant to staff roles.

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

## Occupational health and safety

The Borough of Queenscliffe is committed to providing a safe and healthy workplace for our staff, contractors, volunteers and visitors. Council's occupational health and safety (OH&S) manual provides a clear framework with policies and procedures to guide the health, safety and welfare of all staff.

Council's internal Risk Management Committee meets bi-monthly and discusses matters relating to OH&S. Ongoing OH&S training is a key element in our continuous improvement approach to health and safety performance. In 2013–14 staff participated in various training and information sessions in an effort to maintain awareness and reinforce the importance of OH&S. Topics covered included incident reporting and awareness, bullying in the workplace and manual handling.

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 expected 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.

## Staff Consultative Committee

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

- provide a forum for management and staff to discuss any issues relating to the organisation, including business decisions affecting Council and its employees
- facilitate consultation between management and employees on workplace relations, organisational human resource issues and other matters
- review significant human resource 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
- provide a mechanism by which all employees may participate in the implementation of the Enterprise Bargaining Agreement and in changes to work practices brought about by the agreement
- consult on organisational matters affecting employees and their conditions of employment
- consult on organisational OH&S matters.

In 2013–14 the Staff Consultative Committee met on two occasions.

## Appreciating our people

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

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

Several employees reached service milestones with the Borough of Queenscliffe in 2013-14. Six employees reached their 5 years anniversary and one employee reached 10 years of continuous service with the Borough of Queenscliffe.

## Commitment to the Corporate Carbon Neutral Action Plan

Council team members are committed to upholding the principles of the Corporate Carbon Neutral Action Plan through proactively recycling and minimising energy use within the Council offices. A Staff Green Team promotes sustainability practices to staff.

Initiatives have included:

- placing recycling bins at each workstation
- printing drafts documents on recycled paper
- having printers default to printing two-sided copies

- placing a recycling bin in the staff room for mixed recyclable products (i.e. paper, cans, plastic bottles, etc.) and a chook bin for food products (i.e. half-eaten apples, stale cake, etc.)
- having lights set to turn off after a period of inactivity within that area of the building
- where possible, encouraging staff to walk or ride (two bicycles are provided) to appointments
- where possible, purchasing stationery and cleaning supplies through environmentally responsible products and organisations
- collecting all polystyrene from deliveries for recycling
- using degradable, environmentally friendly dog poo bags.

## Staff wellbeing

Council is committed to providing a workplace that upholds the health and wellbeing of the staff team. A number of programs were conducted in 2013–14 that contributed to a positive and healthy work environment.

## Global Corporate Challenge

In May 2014 two teams, each consisting of seven employees of the Borough of Queenscliffe, entered the Global Corporate Challenge®, the world's largest and most exciting workplace health and wellness program.

Each participating employee received two pedometers that use the motion-sensing technology found in smartphones to accurately track their daily activity (number of steps taken, kilometres ridden, etc). The employees record their daily activity levels via the Global Corporate Challenge website or mobile applications.

The more active a team is, the more instant rewards they receive. Instant rewards include progression along a virtual journey of the world, performance statistics, personalised motivational results videos, virtual trophies and certificates.

The program has seen a significant increase in employee health and wellbeing within the workplace. Employees have actively participated in brisk walks around the Borough during lunch breaks, and the fun of team competitiveness has boosted staff morale considerably.

## Staff flu vaccinations

Staff Flu Vaccinations were administered to 24 staff members under the Council's vaccination program. This was a decrease from 28 Flu vaccinations given in the previous year. Some staff also took up the option of having the Tetanus/Whooping Cough Boostrix. Given that there are 63 staff members (full-time, part-time & casual) there is scope for the vaccination rate to be increased.

## Contribution to charity

During 2013-14 staff participated in several fundraising activities to raise money for local and national charities. This included: Alfred Transplant Unit, Australia's Biggest Morning Tea, Daffodil Day, Geelong Animal Welfare, Give Where You Live, Movember, and Sids and Kids Red Nose Day.

# Volunteers

**Volunteers are the fabric of our society and without them our Borough would be a very different place to live in. Our volunteers provide a strong foundation for our community-minded culture.**

Council is very proud of the high rate of volunteerism within the Borough of Queenscliffe. Residents in the Borough of Queenscliffe are more likely to volunteer at least once a month (62.1%) than the state average (34.3%) (source: VicHealth Indicators Survey 2011). Council believes that volunteering plays a central role in developing and maintaining a connected community, which, in turn, adds to our overall sense of wellbeing.

There are a number of ways that people can volunteer within the Borough of Queenscliffe, including the Council managed activities described below.

## Visitor Information Centre Information officers

Volunteers at the Queenscliffe Visitor Information Centre facilitate customer service and share local knowledge of the community and tourism experiences with visitors. The Queenscliffe Visitor Information Centre offers volunteers a calendar of familiarisation tours, social functions, training opportunities and volunteer conferences. Currently there is a team of 35 volunteers who attend to over 48,000 visitor enquiries, 364 days of the year.

## Australia Day Awards and Community celebration

The annual Australia Day Awards and Community Celebration was held at the Queenscliff Town Hall. Volunteer tasks included helping to set up and pack down, serving refreshments and assisting with children's activities. Over 20 local volunteers assisted in the running of the event in January 2014.

## Volunteer celebration

In conjunction with National Volunteers Week in May 2014, Council hosted a civic function to applaud volunteers from across the community. Over 120 community volunteer representatives attended the function, where the Mayor formally said 'thank you' for the valuable contribution the volunteers make to the Borough of Queenscliffe community.



*Volunteers at the Visitor Information Centre at Queenscliff.*

# Awards and recognition

## In 2013-14 the Borough of Queenscliffe received two awards for the preparation of the 2012-13 Annual Report.

The Institute of Chartered Accountants Australia and the Municipal Association of Victoria awarded the Borough of Queenscliffe with the "Best Governance Reporting – Low Resource Council" for the publication of our 2012 -2013 Annual Report. That same publication was 'runner up' in the Best Overall Annual Report and received an Honourable Mention.

Mayor, Cr Cameron, accepted the awards at the MAV State Council meeting. This is a great outcome for the Borough Councillors, staff and community and demonstrates Council's commitment to enhancing its approach to annual reporting.

## Council wins prestigious Victorian Coastal Building and Design Award

The Borough of Queenscliffe Council was recognised for its outstanding achievements at the Victorian Coastal Awards for Excellence 2014.

The Borough of Queenscliffe Council won the prestigious Coastal Building and Design Award at the 2014 Victorian Coastal Awards for the Point Lonsdale Foreshore Revitalisation project.

The Minister for Environment and Climate Change, the Honourable Ryan Smith MP announced the win at the awards ceremony in The Great Hall at the NGV International (National Gallery of Victoria) in Melbourne.

The project has been a local priority for over a decade, with ongoing and passionate support and participation in its development since early 2000. The Point Lonsdale Foreshore Revitalisation project aim was to increase foreshore amenity, facilities and accessibility, whilst retaining the iconic foreshore character and village feel.

This project was stunningly achieved through conscientious scope development, meticulous material selection and sensitive design to the coast and previously historic built environment.

Key to the win was Council's partnership with the community to thoroughly consider the scope of the project.

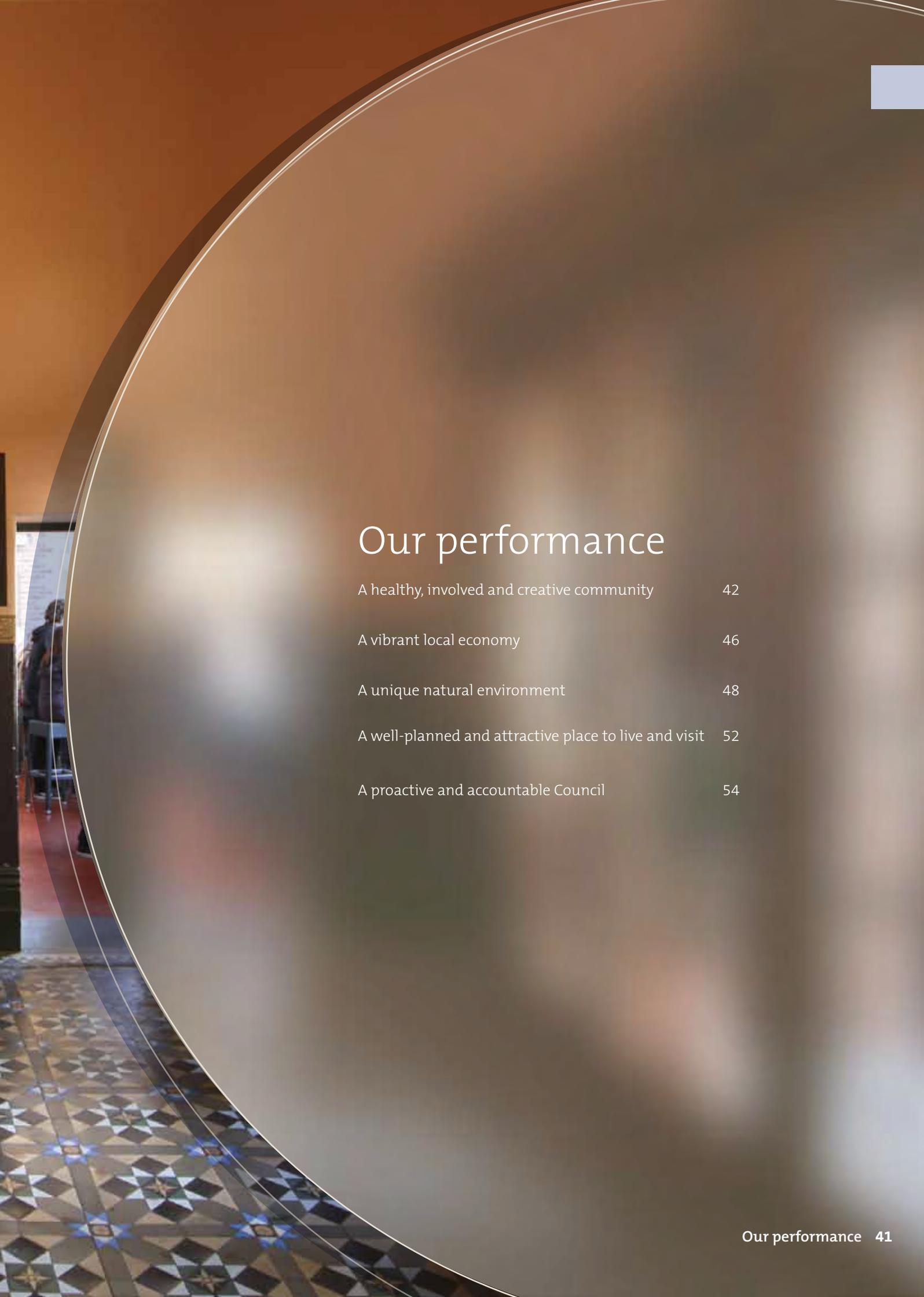
In accepting the award, Queenscliffe Mayor Helene Cameron acknowledged the contribution of the community representatives on the Point Lonsdale Main Street Community Reference Group, who assisted Council to create a vision for revitalising the foreshore.

The project was recognised for highlighting local features, both natural and built, using well researched materials, sensitive and innovative design and ensuring a high level of construction supervision. It now provides much better access to the foreshore and has created a fantastic space for locals and visitors to enjoy.



*Point Lonsdale viewing platform.*





# Our performance

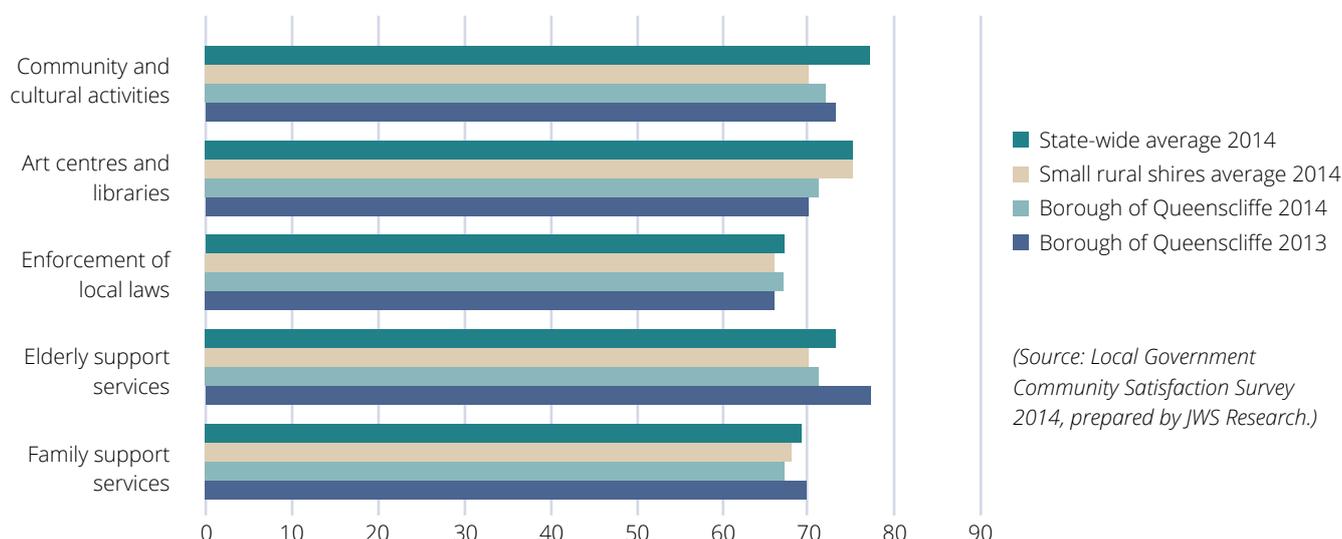
A healthy, involved and creative community	42
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A unique natural environment	48
A well-planned and attractive place to live and visit	52
A proactive and accountable Council	54

# A healthy, involved and creative community

PRIMARY FOCUS AREAS	2013-14 SUCCESSES
<ul style="list-style-type: none"> <li>Promote community health and wellbeing</li> <li>Facilitate access to a range of sport and recreation activities</li> <li>Protect, enhance and promote public health</li> <li>Support local clubs and community organisations</li> <li>Encourage and recognise volunteers</li> <li>Facilitate access to child and family services and life-long learning opportunities</li> <li>Invest in activities and events that respond to the needs of young people</li> <li>Support older residents and people with disabilities to access services and live independently</li> <li>Promote shared use of community facilities</li> <li>Promote community safety</li> </ul>	<ul style="list-style-type: none"> <li>72% of residents are members of the Queenscliff Library. This is the highest membership per capita of all libraries within the region.</li> <li>12 grants totalling \$20,045 were awarded to local Community Groups</li> <li>9,405 hours of Aged Care &amp; Disability Services were provided.</li> <li>The zero waiting list for access to Aged Care &amp; Disability Services was maintained.</li> <li>112 food safety Inspections and assessments were completed.</li> </ul>

2013-14 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Administer a community grants and sponsorship program to support local clubs and community organisations	Completed
Conduct public events that recognise the contribution of volunteers	Completed
Support local organisations plan and implement community recreation, sport, and civic activities and events	Completed
Produce and implement the Borough of Queenscliffe Municipal Health & Wellbeing Plan 2013-2017	Completed
Provide an accredited, responsive aged and disability support service with a 'zero waiting' list	Completed
Ensure statutory obligations with respect to the Food Act 1984 and Public Health & Wellbeing Act 2008 are met	Completed
Establish a joint use agreement and shared facility management arrangements between Queenscliff Senior Citizens and Queenscliff Sea Scouts	In progress

## Level of community satisfaction





*Citizen of the Year, Nancy Allbutt and husband Gil.*

## Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2014. Award recipients in 2014 were as follows.

### **Citizen of the Year – Nancy Allbutt**

Nancy Allbutt has lived in the Borough since she was a young girl. Nancy has been heavily involved in a volunteering capacity with Borough organisations including the Point Lonsdale & Queenscliff Unit of the Red Cross, the Queenscliff Maritime Museum, the Queenscliff Lighthouse Theatre Group, and many others.

### **Young Citizen of the Year – Meagan Canaway**

Meagan Canaway has been involved with the Queenscliff Football Netball Club for many years. Together with the committee, Meagan has worked extremely hard to ensure the club provides a fun, safe and inclusive environment for the youth of the Borough to participate in a sporting activity and to encourage healthy living.

### **Community Event of the Year – St Aloysius Catholic Primary School ‘100 Steps Fun Run’**

The school decided to host a fun run event in 2013, primarily as a health and wellbeing activity that would be open to, and encourage involvement of, the broader community. The event was to showcase the beautiful coastline, environment and was part of the celebrations marking the 150th year of the Borough of Queenscliff.

### **Community Service of the Year – Volunteers of the Queenscliff Historical Museum**

The Queenscliff Historical Museum was formed from the Queenscliff Historical Society which began in 1965 and has been operating from its current location since 1974, officially becoming a museum in 1987. The museum is wholly staffed by volunteers.

### **Community Environment Project of the Year – Queenscliff & Point Lonsdale Primary Schools for the ‘Save the Hooded Plover’ Project**

On 26 November 2013 the Queenscliff and Point Lonsdale Primary Schools combined their efforts and hosted a ‘Save the Hooded Plovers’ event. A full day of promoting awareness about the plight of the critically endangered Hooded Plovers. These birds lay their eggs on open areas of the shoreline and the eggs and chicks are extremely vulnerable to loss through human and animal intervention. This was a well organised project and a fine example of cooperation between the two school communities.

## Achievements

### Supporting local events

During 2013–14 Council supported a range of community, sporting and cultural events. The key events included the following:

#### Civic events

Australia Day Awards and Community Celebration | Community Grants Reception | Volunteer Celebration | Refugee Welcome Zone Signing Declaration | Anzac Day services

#### Arts and cultural events

Seniors Week celebrations | Sea of Words Festival | Lighthouse Film Festival | St Kilda Film Festival | Queenscliff Music Festival | Queenscliff Rod Run | M2M 2014 Geelong 24 hour extreme arts walk | Sand Sculpture Contest

#### Sporting activities

Skate, Scoot and BMX competition | Rip View Swim Classic | Rip to River Run | Nippers Carnival | Blue Water Swim Challenge | Round the Bay in a Day

#### Community organisation events

Rotary Club of Queenscliffe – Queenscliffe Bricks | Lighting of the Christmas Tree | Queenscliff Maritime Museum's Maritime Weekend | International Lighthouse Weekend | Children's Week

### Community Grants

Administration and allocation of the 2013-14 Community Grants program was completed in August 2013 with 12 grants totalling \$20,045 awarded to local Community Groups. The projects included support of community events, better equipment for events and local community groups, kitchen upgrade, and website and social media upgrade.

### Aged Care & Disability Services

The total direct service hours for the 2013-14 financial year was 9,405 hours delivered to 221 active clients – this included 600 hours of assessment/re-assessment/care coordination of 161 clients.

Council maintained a 'zero waiting list' during the year for all Aged Care and Disability Services within the Borough. The Aged Care and Disability Service also performed very well in the Community Common Care Standards audit undertaken in February, putting the service in the top 10% of service providers across the State. Council provided the following levels of service in 2013–14:

- 4,973 hours of home care
- 922 hours of respite care
- 1,788 hours of personal care
- 1,119 hours of home maintenance.
- 600 hours of assessment/care coordination.

### Use of Queenscliff Library

Use of the Queenscliff Library is extremely high, with 2,224 of residents (72% of Borough of Queenscliffe) with membership and 30,904 visits to the library in 2013-14. This is the highest membership rate of any Local Government Area within the region, with the next highest being City of Greater Geelong, with 38%.

### Environmental health activities

Key activities undertaken in 2013-14 as part of Council's environmental health service included the following:

- 52 food recalls were actioned.
- The annual mosquito control program, which involves monitoring and treating of public sites as required, as well as trapping and identifying mosquito species, was implemented from August 2013 to March 2014, in collaboration with the City of Greater Geelong.
- Council conducted:
  - 113 food safety assessments (including mandatory and non-compliance inspections)
  - 22 assessments of accommodation and beauty treatment services, and
  - 32 tobacco inspections.
- The food sampling compliance rate for the sampling period (March 2013 to February 2014) was determined to be 83%.
- The Department of Health and MAV cigarette sales to minors program resulted in 'no sales' of cigarettes, which demonstrates a high level of compliance by tobacco retailers in the Borough.
- Caravan parks were audited by the Country Fire Authority in relation to health, emergency management plan and fire fighting equipment.
- A staff flu vaccination program was delivered.
- Education was provided to sporting clubs, the public and community groups regarding changes to the Tobacco Act. 'No smoking' signage was erected at children's playgrounds, skate parks and sporting venues within the Borough.

## Disappointments

### Footpath Strategy

The development of a Footpath Strategy has been delayed as a result of substantial demands on Council staff to complete significant capital projects during the 2013–14 financial year. The development of the strategy has been rescheduled to be completed in 2014–15.

## Challenges

### Proposed Queenscliffe Park

The Queenscliffe Park Project Reference Group has been working with Council to progress work on the proposed park and community garden. A consultant has been appointed to develop a concept design and a meeting has been held to discuss the design parameters and concepts for the site.

### Clubhouse for Point Lonsdale Boardriders Club and the Point Lonsdale Surf Life Saving Club

During 2013–14 a number of discussions were held with the Point Lonsdale Surf Life Saving Club with the aim of assisting the club to find a suitable location for a new club headquarters. To date, the club has yet to identify a preferred long-term site to meet their requirements.

In terms of immediate needs, discussions were also held with the Point Lonsdale Boardriders Club, with a lease finalised to use the engine shed at the Point Lonsdale Lighthouse Reserve site on a short-term basis (up to five years).

The Boardriders Club undertook the required work to make the building fit for purpose with assistance provided by Council through the Community Grants program. Point Lonsdale Boardriders Club provided a scope of works to bring the engine shed to a standard suitable for their use which was approved by Heritage Victoria.

This was a requirement given the lighthouse reserve is subject to a precinct heritage overlay of state significance and requires approval from Heritage Victoria for any works.

### Year ahead

- Complete the Queenscliff Recreation Reserve Master Plan.
- Work with the Point Lonsdale Boardriders Club and the Point Lonsdale Surf Life Saving Club to progress their future accommodation needs.
- Complete the Queenscliff Kindergarten Upgrade Project.
- Progress the Footpath Strategy.
- Complete feasibility study of preferred option into possible future uses of Point Lonsdale and Queenscliff Lighthouse Reserves.
- Secure funding for the Queenscliffe Park project.



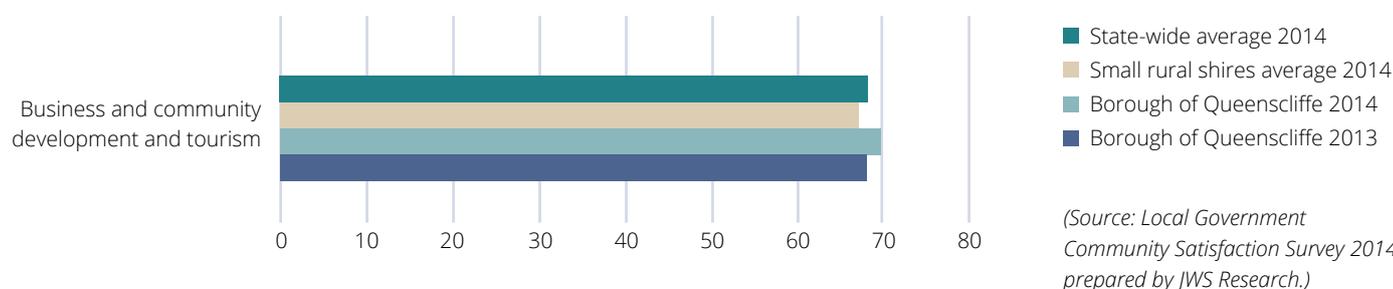
*The redevelopment of the Monahan Centre was officially opened on Saturday 22 February 2014.*

# A vibrant local economy

PRIMARY FOCUS AREAS	2013-14 SUCCESSES
<ul style="list-style-type: none"> <li>• Manage and operate an accredited and vibrant Visitor Information Centre service</li> <li>• Increase tourism visitation to the Borough</li> <li>• Support local businesses and new business investment</li> <li>• Work with local, regional and state tourism organisations to promote Queenscliffe as a holiday, events and festivals destination</li> <li>• Advocate for improved public transport</li> <li>• Increase access and occupancy of Council managed holiday accommodation</li> </ul>	<ul style="list-style-type: none"> <li>• Filming in the Borough by six television production companies.</li> <li>• Assisted 43,480 walk-in visitors at the Queenscliffe Visitor Information Centre.</li> <li>• Conducted 65 Heritage Walks involving 785 participants.</li> <li>• Provided support for 25 local businesses through the Small Business Festival.</li> <li>• Provided event support for 30 local events.</li> <li>• Achieved high occupancy rates at Council managed caravan parks during peak holiday periods.</li> </ul>

2013-14 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Maintain the accreditation of the Visitor Information Centre service	Completed
Actively engage volunteers in the delivery of Visitor Information Centre (VIC) services	Completed
Improve the level of Council, community, business and visitor information available through Council's electronic media	Completed
Work with local, regional and state tourism organisations to increase the profile of tourism products and services in the Borough	Completed
Facilitate local businesses access to information and professional development opportunities	Completed
Support local organisations to effectively plan and promote major public participation events in the Borough	Completed
Support the Queenscliff Lonsdale Business & Tourism Association and local community in conducting the annual 'Kids Busking for the Kids' Royal Children's Hospital fundraising event	Completed
Work with neighbouring municipalities, G21 and the State Government to develop the G21 Public Transport Plan	Completed

## Level of community satisfaction





*Miss Fisher Murder Mysteries filmed at several locations across the Borough.*

## Achievements

### Small Business Festival events

In partnership with the QLBT Council co-hosted a full day seminar and Women in Business Networking dinner. Approximately 25 local businesses participated in the breakfast / full day business development seminar and over 30 local business women attended the networking dinner.

### Regional Victoria Living Expo

The Regional Victoria Living Expo attracted 9,500 visitors, up 15% on the previous year. The Borough of Queenscliffe was represented in the Geelong and Surrounds region and actively promoted a region-wide Open Day weekend, held 1 and 2 June 2014. This event attracted approximately 30 families to the region with 10 families choosing Queenscliff as a destination to experience and explore.

### Destination of choice for TV Production

Council worked with a number of media organisations to ensure that opportunities were maximised during media visits. This included the TV series, *What's Up Down Under*, *Miss Fisher Murder Mysteries*, *Paddock to Plate with Matt Moran*, *Postcards*, *Country Style Magazine* and *Coxys Big Break*.

### Local events calendar

During 2013–14 Council improved and promoted the calendar of events via:

- Social media – The Visitor Information Centre actively promoted local events with regular posts on its Facebook site. The VIC Facebook regularly 'shared' detail of local events with its followers as well as the Visit Geelong Bellarine Facebook site.
- Borough of Queenscliffe website – Council officers updated event content as required and introduced an improved searchable calendar of events as part of the website upgrade.
- Industry communication – Council officers provided regular event details to QLBT for inclusion in monthly e-newsletters for distribution to the QLBT database.

### Queenscliffe Visitor Information Centre

The Level 2 Accreditation status of the Queenscliffe Visitor Information Centre has been maintained. Key activities at the Visitor Information Centre in 2013–14 included the following:

- 43,480 walk-in visitors were assisted
- a part-time Tourism Information Officer was appointed
- a base of 35 volunteers was maintained
- 65 Heritage Walks, totalling 785 participants, were coordinated
- iPad technology was introduced as a tool to access tourism information
- staff and volunteers undertook three half-day, three full-day and one overnight local and regional familiarisation tours
- staff and volunteers undertook a full-day professional development seminar.

## Challenges

### Regional tourism structure

The restructure of regional tourism groups is still not complete. Regional councils have agreed on an Interim Great Ocean Road Tourism Board that will complete a strategic plan and sustainable funding model in 2014-15.

### Year ahead

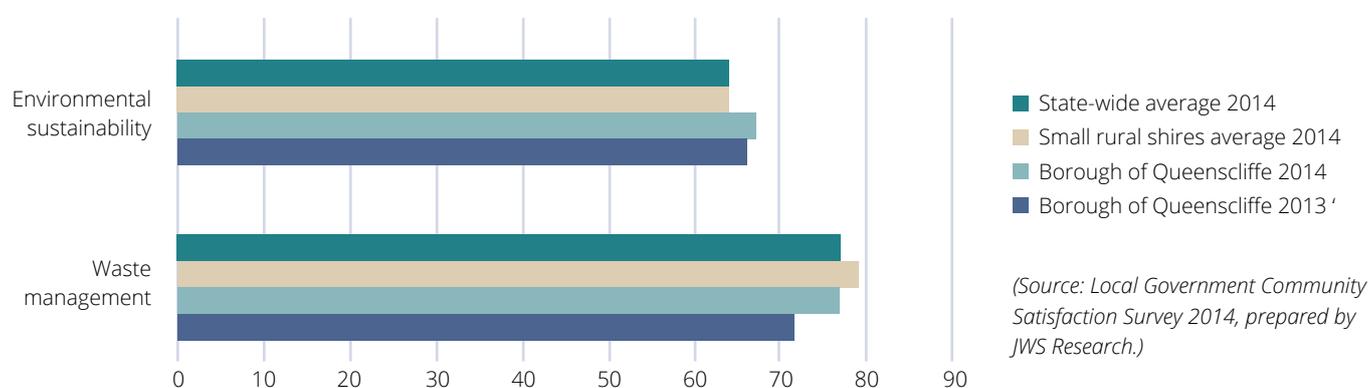
- Complete a Tourism Development Plan for Fort Queenscliff in consultation with the Department of Defence and community.

# A unique natural environment

PRIMARY FOCUS AREAS	2013-14 SUCCESSES
<ul style="list-style-type: none"> <li>• Protect the natural environment and significant vegetation</li> <li>• Limit the spread of noxious weeds</li> <li>• Promote recycling and minimise waste</li> <li>• Work with the community to reduce carbon emissions</li> <li>• Actively respond to climate change</li> <li>• Improve access to parks and beaches</li> <li>• Enhance walking and cycling routes to encourage use by the community and visitors</li> </ul>	<ul style="list-style-type: none"> <li>• Improvements to coastal reserves with assistance from CCMA, BCN, CVA and Department of Justice.</li> <li>• 8,755 kilograms of televisions, computers and other household electronic items collected at the e-waste collection event and diverted from landfill.</li> <li>• 1,299 tonnes of waste sent to landfill from kerbside bins compared to 1,321 in 2012-13, which is indicative of the success of recycling campaigns.</li> <li>• 182 kilograms of household batteries recycled and saved from landfill compared to 105 kilograms in 2012-13.</li> <li>• 129.36 tonnes of environmental weeds removed compared with 91.65 tonnes in 2012-13.</li> <li>• 20 partners join the Community Environment Alliance, a partnership of individuals, businesses, schools and community groups united to reduce carbon emissions.</li> </ul>

2013-14 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Collaborate with local and regional organisations to implement weed reduction programs	Completed
Support local organisations and volunteers undertaking projects designed to protect and enhance the natural environment	Completed
Develop and implement a tree planting program that reflects the character of Queenscliff and Point Lonsdale	Completed
Work with local and regional organisations and neighbouring Councils to reduce waste and promote recycling in the Borough and enhance the green waste disposal capacity of the region	Completed
Implement the Council's Corporate Carbon Neutral Action Plan	Completed
Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan	Completed
Actively participate in the Geelong Queenscliffe Coastal Mapping Project	Completed
Work towards the development of a network of connected walking and cycling routes	Completed

## Level of community satisfaction





*Weed management at Bunny woods is critical in protecting our foreshore areas.*

## Achievements

### Environmental weed management

Council has land management responsibility for significant areas of coastal and natural environments within the Borough. In many instances these environments contain important remnant stands of vegetation, such as the coastal Moonah woodlands and other coastal vegetation classes. Weed invasion has long been recognised as a threat to these environments and are targeted for weed reduction programs.

The Corangamite Catchment Management Authority (CCMA) has provided grant funding to Council over a five year period to implement vegetation management plans for coastal areas. Weed removal activities at both The Narrows and the Point Lonsdale dune system were undertaken. This work followed on from activities to secure the sites, such as new fencing, fencing repairs and the closing of informal dune access tracks, where required. Revegetation using appropriate plant species will be undertaken as part of the program.

As this work progresses, the beneficial impact can be observed in the form and quality of native flora and fauna with the absence of introduced species. There is current interest by field naturalists to study these restored habitats for the presence of a range of small mammals.

It has been observed that overall the dune systems contain a good level of flora diversity with healthy stands of Moonah.

During the year, Council received nominee status in the annual state-wide Department of Justice Community Collaboration Awards for various weed and vegetation projects undertaken by Correctional Services workers. The nomination is good recognition of the benefits of partnerships to undertake this work. Through these activities sites such as the Narrows roadside clearing and the Swan Bay foreshore now showcase the impact that weed reduction can have. Council has also maintained strong relationships with Bellarine Catchment Network (BCN) and community volunteers, with ongoing revegetation tasks near the Dog Beach dune erosion area, and through BCN, a number of local vegetation management activities with local and regional school groups were also undertaken.

Council has also had a productive year working closely with Conservation Volunteers Australia (CVA) to manage weeds at a number of Borough locations including Queenscliff front beach, Shortlands Bluff, Santa Casa beach, and the Bunnywoods location at Point Lonsdale.

These weed reduction activities resulted in excess of 129.36 tonnes of weeds being removed from coastal environment sites throughout the year.

## Environmental Sustainability Plan

During 2013–14 Council continued to implement priority actions from its Sustainable Living Action Plan and included:

- Implemented the following five actions from the Corporate Carbon Neutral Action Plan:
  1. Continued to monitor and investigate the most efficient public lighting technologies available.
  2. Investigated renewable energy generation options for Council facilities. This resulted in funding included in the 2014-15 budget for the installation of solar panels on Council's office building.
  3. Identified funding opportunities to progress renewable energy generation options.
- Secured \$21k in funding through the Victorian Adaptation and Sustainability Partnership (VASP) to implement the 'Community action on climate change in Queenscliff and Point Lonsdale project'. The project will increase the community's awareness of climate risks and reduce carbon emissions.
- Worked with school students and community members to design a logo and promotional material for the Community Environment Alliance – an initiative to reduce the community's carbon emissions.
- Officially launched the Community Environment Alliance in May 2014 with a breakfast event attended by 50 people.
- Organised and hosted Council's third successful e-waste collection event in Queenscliff that recycled 8,755 kilograms of televisions, computers and other household electronic items.
- Worked with nine partner Councils to progress the Climate Resilient Communities of the Barwon South West project, funded through the Victorian Government's Victorian Adaptation and Sustainability Partnership (VASP).
- Worked with neighbouring Councils and contractors to organise inspections of kerbside waste and recycling bins in Queenscliff in May 2014. Funded through Sustainability Victoria, the program aimed to increase recycling amounts and reduce contamination rates.
- Recycled 182 kilograms of household batteries using nine collection containers located across Borough businesses and schools compared to 105 kilograms in 2012-13.
- Installed customised bin enclosures, bins and signage in Victoria Park under the 'Don't waste it. RECYCLE IT' program funded by the Alcoa Foundation. The project also included development of education materials to be distributed to park visitors to increase recycling rates and reduce contamination.
- Secured \$30k grant funding from Sustainability Victoria to upgrade bin enclosures and improve signage at Queenscliffe Recreation Reserve Caravan Park and Royal Park Caravan Park to increase recycling rates.
- Hosted a collection event in the Town Hall foyer for National Recycling week accepting items not acceptable through the kerbside service, including polystyrene, batteries, fluorescent tubes and mobile phones.
- Participated in a regional litter campaign over the summer months to reduce roadside littering.

- Successfully participated in the Garage Sale Trail event in October 2013 for the first time, with 15 sales held across Queenscliff and Point Lonsdale, almost double Council's target of eight sales.

## Carbon Neutral Action Plan

Actions taken by Council during the 2013-14 period to reduce its carbon footprint and achieve the objectives of its Carbon Neutral Action Plan included:

- Investigated opportunities to upgrade to LED street light technology by assisting consultants to prepare a business case for the bulk change of street lights in residential streets from inefficient 80watt Mercury Vapours luminaires to super efficient LED technology.
- Attended a meeting of the Streetlight Group in June 2014 to discuss with other member Councils the restrictions to upgrading to LED lighting in residential streets.
- Attended a Project Control Group meeting to progress the 'Climate Resilient Communities of the Barwon South West' project. This regional project is funded through the Victorian Adaptation and Sustainability Partnership (VASP) and Council will use funds to deliver an action from its Climate Change Adaptation Action Plan. Council hosted a workshop in September 2013 with key Council staff and consultants to review Council's existing Climate Change Action Plan and reprioritise actions.
- Attended the 'Australian Smart Lighting Summit' in Melbourne in August 2013 to investigate LED technology options for street lighting.

## Disappointments

### Unsuccessful funding applications

Council was unsuccessful in its application for funding from the Regional Development Australia Fund to upgrade to energy efficient street lighting in residential streets. This is despite a successful trial of energy-efficient lamps in two streets in Queenscliff and Point Lonsdale.

Council will continue to explore funding opportunities to upgrade residential street lighting to energy-efficient alternatives as part of the bulk replacement scheduled in 2014.

## Challenges

### Regional waste challenges

A very real problem exists in relation to the disposal of waste within the region. Of particular importance to the Borough of Queenscliffe is green waste disposal options given the community's expressed demand for a green bin service.

Currently the green waste bundles collected are delivered to the Point Henry transfer station. Here any contaminated material (such as wood, food, plastics and metals) is manually removed and the green organics are mulched.



*Mayor Helene Cameron launches the Community Environment Alliance.*

Given that green bins in the Borough, if introduced, will generate more waste than the current bundled green waste collection, Council continues to work with Barwon Regional Waste Management Group and City of Greater Geelong on a long-term solution.

### **Year ahead**

- Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan.
- Secure funding to upgrade residential street lighting to energy-efficient alternatives.
- Continue to work on the introduction of a bin based green waste collection service.

# A well-planned and attractive place to live and visit

## PRIMARY FOCUS AREAS

- Preserve and value the Borough's significant history and heritage
- Manage Council infrastructure in accordance with the Borough's asset management plans and annual capital works program
- Enhance the main streets of Queenscliff and Point Lonsdale
- Maintain road and pedestrian safety
- Maintain shared pathways and improve walking and cycling routes
- Promote arts and cultural activity

## 2013-14 SUCCESSES

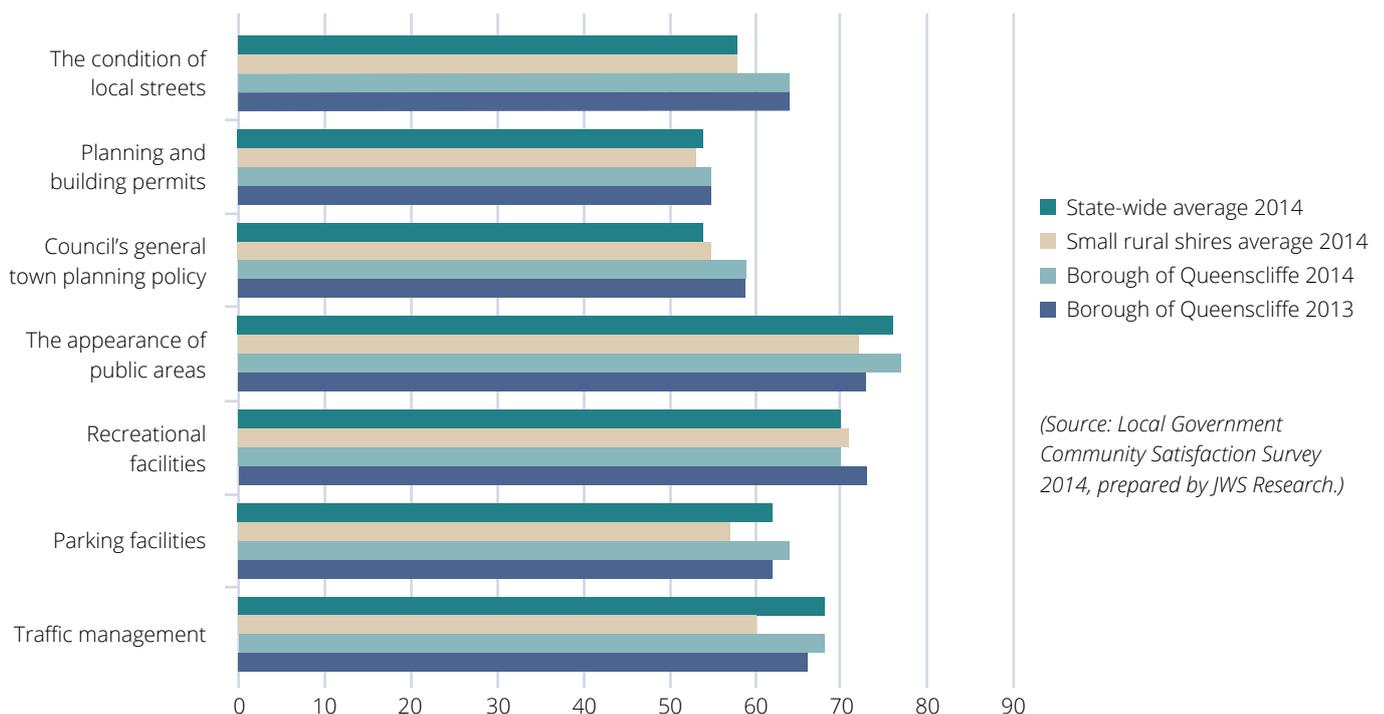
- 72% of planning permits were decided within the 60 day timeframe compared to 55% in 2012-2013.
- A road pavement report was completed and road reseals were carried out on 11 roads.

## 2013-14 COUNCIL PLAN INITIATIVES

## COUNCIL'S PERFORMANCE

Complete review of the Queenscliffe Planning Scheme and commence statutory amendment process	In progress
Develop a Heritage Strategy to increase community awareness of and provide direction to the Council regarding the Borough's significant heritage	In progress
Use Council's Planning Scheme, Policies and Local Laws to protect significant vegetation	Completed
Implement Council's asset renewal and maintenance program for Council owned and managed community buildings and open space	Completed
Implement Council's asset renewal and maintenance program for Council infrastructure including roads, paths and drainage	Completed
Promote and support a range of arts, cultural and reconciliation activities and events	Completed

## Level of community satisfaction



## Achievements

### Queenscliffe Planning Scheme Review

The review of the Queenscliffe Planning Scheme is a legislative requirement and commenced in 2011–12. During 2013-14 the review has progressed to non-statutory public consultation of the final version of the recommendations report, with a view to commence statutory exhibition of the planning scheme amendment in 2014-15.

### Reformed Residential Zones

A planning scheme amendment was supported to introduce the state government's reformed residential zones to the Borough, prior to the default zones coming into force state-wide on 1 July 2014.

### Planning application processing rate

In 2013-14, 72% of planning permits were decided within the 60 day timeframe compared to 55% in 2012-13.

### Asset Management Plan implementation

Council's asset renewal programs emanating from the Asset Management Plan are reviewed annually to ensure that Council's assets are fit for purpose. Council's Road Asset Renewal Program, involving road pavement repair and various road reseals, was successfully completed in March 2013. The 2013-14 program included works on:

- Ann Street
- Beach Close
- Downton Crescent
- Grimes Road (Point Lonsdale Road to Downton Crescent)
- Johnstone Street
- McDonald Road
- Mercer Street
- Old Geelong Road
- Sara Street
- Stevens Street (Hobson Street to Stokes Street)
- Waiora Court.

In addition to the Council-funded program outlined above, large-scale road renewal projects were undertaken through the Victorian Government funded Country Roads & Bridges program. Works included completion of the Admans Street roundabout in Point Lonsdale and the Bay Street road and drainage augmentation in Queenscliff (final seal to road to be applied in warmer months).

Design for the Hesse Street roundabout was also completed using this funding with construction scheduled to be completed by end of October 2014. The state government's funding has enabled Council to undertake these important major projects within the 2013-14 year. It would otherwise have been difficult for Council to fund these independently.

## Challenges

### Point Lonsdale cliff safety

Following a Victorian Government review of the Geotechnical Cliff Safety Assessment for Point Lonsdale, a decision was taken by the state to consider alternative risk management strategies to those suggested in the assessment. These alternative strategies were provided to the Department of Environment and Primary Industries (DEPI) with a request for assistance to vary the funding arrangement. This would accommodate the alternatives and expand the project to include issues such as the increasing erosion at Dog Beach.

DEPI has advised that, as part of the general risk mitigation issue for this area, experts have been engaged to carry out new assessments of the Point Lonsdale foreshore. Project delivery of recommendations of the Geotechnical Cliff Safety Assessment is dependent on these new assessments. The final assessment is scheduled to be completed late in 2014.

## Year ahead

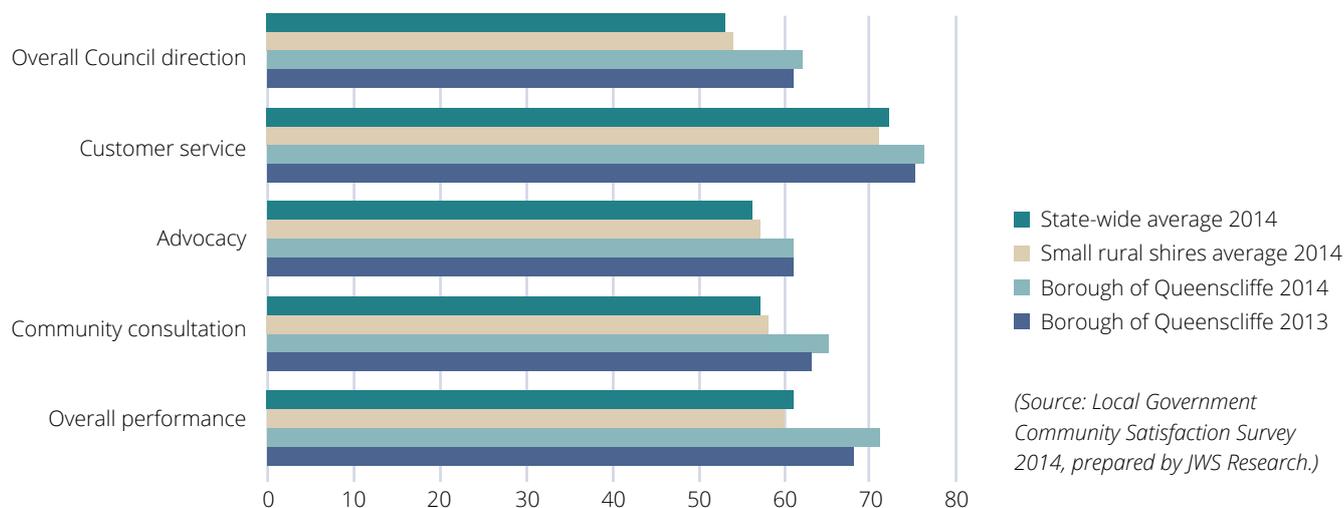
- Seek funding for the Queenscliff Sports and Recreation Precinct Development Project.

# A proactive and accountable Council

PRIMARY FOCUS AREAS	2013-14 SUCCESSES
<ul style="list-style-type: none"> <li>Value and draw on the skills, knowledge and views of the local community</li> <li>Provide transparent, open and accountable governance and ensure compliance with relevant legislation</li> <li>Ensure sustainable financial management and maximise external funding opportunities</li> <li>Minimise rate increases</li> <li>Maximise return on Council assets</li> <li>Increase revenue sources by developing Council managed caravan parks</li> <li>Foster partnerships with community organisations, business, our municipal neighbours and other levels of government</li> <li>Provide a high standard of customer service</li> <li>Increase residents' access to information</li> <li>Advocate to other levels of government on issues of key concern to the local community</li> <li>Ensure the continuing independence of the Borough</li> </ul>	<ul style="list-style-type: none"> <li>The rate increase of 4.5% remained one of the lowest rate increases (as a percentage) in the region and the state.</li> <li>The 2014 Community Satisfaction Survey results highlight that the Borough of Queenscliffe received an overall performance rating of 71 index score points (up a significant 3 points from 2013).</li> <li>91 media releases issued and 28 Mayor's Columns published in local newspapers.</li> <li>Council's rate of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets has been recognised by the Victorian Auditor-General's Office (VAGO) in the top 3 Councils in the 'small shire councils' grouping and in the top 4 of all councils in Victoria, based on the results of the local government audits for the 2012-13 financial year.</li> <li>Council has achieved excellent results against all Local Government Authorities in the 'small shire councils' grouping on the Financial Sustainability Index.</li> <li>Continued to work with community reference groups on a number of local projects.</li> </ul>

2013-14 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Develop and implement a 'Community Information and Engagement' policy to increase public participation and access to information	In progress
Establish reference groups to advise Council on major community projects as determined by Council	Completed
Participate in the annual Local Government Community Satisfaction Survey	Completed
Minimise municipal rates applied to local sporting clubs that have limited revenue sources	Completed
Review lease arrangements with organisations occupying Council owned or managed land	Completed
Establish a Councillor Code of Conduct and ensure that Councillor and staff behaviour complies with the respective Codes of Conduct	Completed
Build collaborative relationships with local organisations, neighbouring Councils and other levels of government	Completed
Ensure adherence to guidelines on prudent management of debt, cash and asset renewal	Completed
Review Council assets to improve return on investment	In progress
Produce and forward the Council Plan, Strategic Financial Plan, Performance Statement and Annual Budget to the Minister for Local Government by 31 August 2013	Completed
Complete an annual review of its Strategic Financial Plan and long term budget as part of its annual Budget preparation process	Completed
Implement the Fire Services Property Levy (FSPL) in accordance with legislative requirements	Completed
Effectively manage public and organisational risk and meet all legislative requirements	In progress

## Level of community satisfaction



## Achievements

### Rate increase minimised

The rate increase of 4.5% was one of the lowest rate increases (as a percentage) in the region and the state.

### State and federal grant revenue maximised

Total grant funding received by Council in 2013–14 was \$3.35 million – an increase of \$789,063 over the 2012–13 financial year.

Four successful funding programs are particularly noteworthy:

- The Victorian Government's Country Roads & Bridges initiative has enabled Council to address major road and drainage renewal challenges in Gellibrand and Learmonth Streets in Queenscliff as well as undertake road improvements across numerous local roads in Queenscliff and Point Lonsdale. In addition, Council was also able to address safety concerns and introduce new roundabouts at the corner of Point Lonsdale Road and Admans Street in Point Lonsdale and at the corner of Hesse, Symonds and Wharf Streets in Queenscliff.
- The Victorian Government's Putting Locals First Program has resulted in funding for the upgrade of the Queenscliff Historic Railway and redevelopment of the Queenscliff Senior Citizens Centre to incorporate the needs of the Queenscliff Sea Scouts.
- The Victorian Government's Community Works Program has funded stage 1 of the Point Lonsdale Foreshore Revitalisation Project.
- The Australian Government Regional Development Fund has funded stage 2 of the Point Lonsdale Foreshore Revitalisation Project.

Refer to page 68–69 for an overview of the grants and subsidies received.

### Increasing information to residents

A number of significant improvements were made to Council's website in 2013. New features include a searchable list of upcoming events and activities, progress pages for current major projects and answers to frequently asked questions. Also provided are searchable directories for all businesses and community groups within Queenscliff and Point Lonsdale.

Other avenues that Council used to provide information to residents included:

- Borough Bites – four editions of the Borough Bites quarterly newsletter were published and sent to ratepayers in 2013–14.
- Media releases – 91 media releases were issued in 2013–14 compared with 52 in 2012–13.
- Mayor's Columns – 28 Mayor's Columns were published in local newspapers.

### Long-term financial sustainability

Council has achieved excellent results against all local government areas (LGAs) in the 'small councils group' on the Financial Sustainability Index. The Financial Sustainability Index provides a score against four financial benchmarks:

1. underlying operating result as a % of total assets
2. debt as a % of own source revenue
3. capital spend as a % of total depreciation
4. asset renewal and upgrade as a % of depreciation over six years.

The results, which are either equal to or more favourable than the group average, highlight an overall continuing positive movement by Council towards long-term financial sustainability.

## Disappointments

### Unsuccessful grant applications

Council submitted several funding applications that were unsuccessful, including:

- Department of Justice Public Safety Infrastructure Fund – application for \$250,000 for the Point Lonsdale Foreshore Revitalisation Project stage 3 – Village Park project
- Tourism Industry Regional Development Fund – application for \$55,000 (\$25,000 of this to be matching funding from Tourism Victoria) funding for a Tourism Development Plan for Fort Queenscliff
- Victorian Government Regional Development Victoria Putting Locals First – Local Community Initiatives – application for \$125,000 to support Council's 150th anniversary celebrations.



The background of the page is a photograph of an outdoor community market. In the foreground, there is a large, semi-transparent circular graphic with a dark green-to-blue gradient. The market scene shows people, trees, and a sign that says "HERBS".

# Corporate governance

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*Point Lonsdale community market is held on the second Sunday of every month.*

# Council governance

## The value of good governance

Good governance is vital to ensure accountability, fairness and transparency for all of our stakeholders: management, employees, state and federal government authorities, and our community.

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

## Council's role

The Borough of Queenscliffe is one of 79 Victorian councils that derive their roles, powers and functions primarily from the Local Government Act 1989.

Under section 3D of the Act:

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

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

## Decision making

Council decisions are made in one of two ways:

1. by resolution at Council meetings and Special Committees of Council
2. by Council officers under delegated authority.

Most decisions of an operational nature have been delegated to officers through the Chief Executive Officer (CEO). This system recognises the CEO's responsibility under the Local Government Act in managing the day-to-day operations of the organisation.

## Conflict of interest

During the course of dealing with matters that come before Council for decision, individual councillors and members of staff may find that they, or their immediate family, have a financial or some other advantage that could be interpreted as having undue influence on the outcome.

To ensure transparency in the decision-making processes of Council, both councillors and staff are required to declare and document their interest in a matter. Where councillors have declared an interest, they take no part in the decision-making process.

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

## Elected representatives

### Councillor elections

Victorian local government councils held councillor elections on 27 October 2012. At the Borough of Queenscliffe elections, the following councillors were elected:

- Councillor Bob Merriman (second term)
- Councillor Helene Cameron (second term)
- Councillor Susan Salter
- Councillor Sue Wasterval.
- Councillor Graham J Christie JP

An induction program for the new Council was delivered early in the Council's new term.

### Code of Conduct

Council has a Code of Conduct, which was last revised on 18 September 2013. The code aims to embrace the principles of good governance and guide behaviour, accountability and dispute resolution amongst councillors.

The existing code is available on Council's website.

## Council meetings

Council conducts its business in open and publicly advertised meetings. Ordinary meetings of Council are usually held on the fourth Wednesday of each month in the Queenscliff Town Hall.

Ordinary meetings of Council were held on:

- Wednesday 24 July 2013
- Wednesday 28 August 2013
- Wednesday 18 September 2013
- Wednesday 30 October 2013
- Wednesday 27 November 2013
- Wednesday 18 December 2013
- No meeting in January 2014
- Wednesday 12 February 2014
- Wednesday 26 March 2014
- Wednesday 30 April 2014
- Wednesday 28 May 2014
- Wednesday 25 June 2014

During the 2013–14 year, additional public meetings were held for the purpose of providing information to the community on the draft Council Plan, Budget and Rating Strategy. These meetings were held on:

- 12 May 2014 in Queenscliff
- 13 May 2014 in Camberwell.

In accordance with Section 71 of the Local Government Act 1989, at the Ordinary Meeting of Council held on 27 November 2013 Councillors set the Mayoral term for one year, and elected the Mayor and Deputy Mayor for this period.

The statutory meeting at which the current Council took the Oath of Office and were elected was held on 14 November 2012.

## Council Meeting Attendance

Councillor	Number of Council and statutory meetings		Number of special meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Helene Cameron (Mayor)	11	11	0	0
Cr Susan Salter (Deputy Mayor)	11	11	0	0
*Cr Bob Merriman	11	10	0	0
Cr Graham Christie	11	8	0	0
Cr Sue Wasterval	11	11	0	0

\*Previous Deputy Mayor to November 2013.

### Meeting conduct

Council meeting dates, agendas and minutes are available on Council's website. The meeting dates are also promoted through the Borough Bites quarterly newsletter and the Mayor's Columns in local newspapers.

Meetings are conducted in accordance with Local Law No. 1 2010 - Process of Municipal Government and reports are prepared independently by staff for both the decision and information of the Council. Councillors and officers are required to disclose any conflict of interest in any item to be discussed at Council meetings. Councillors and officers who disclose any conflict of interest are subsequently precluded from any discussion and voting on an item.

Members of the public have the opportunity to ask questions on issues in which Council has a direct interest or responsibility. Question time is held at the start of each Council meeting.

### Councillor allowances and expenses

The Local Government Act 1989 (section 75) provides for the reimbursement of necessary out-of-pocket expenses incurred while performing the duties of a councillor. The Borough of Queenscliffe Reimbursement of Councillors and Members of Council Committees Policy outlines arrangements for reimbursement of expenses for training, registration fees for conferences and functions, travel and child care.

### Interstate and overseas travel

The Local Government Act 1989 requires councillors to register their interstate and overseas travel and associated expenses.

In the 2013-14 financial year the Mayor, Cr Helene Cameron, registered travel expenses of \$2,677.03 to attend the 2014 National General Assembly of Local Government in Canberra in June.

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

Councillor	Allowance	Expenses	Total
Cr Helene Cameron	\$50,276	\$50	\$50,326
Cr Bob Merriman	\$19,964	\$40	\$20,004
Cr Sue Wasterval	\$19,964	\$50	\$20,014
Cr Susan Salter	\$19,964	\$0	\$19,964
Cr Graham Christie	\$19,964	\$0	\$19,964
<b>TOTAL</b>	<b>\$130,131</b>	<b>\$140</b>	<b>\$130,271</b>

### Committees of Council

The Local Government Act 1989 acknowledges the need for Advisory and Special Committees of Council. These committees may include councillors, Council staff and other persons as deemed necessary. The Act also allows for Council, by Instrument of Delegation, to delegate any of its functions, duties or powers to a Special Committee.

The Borough of Queenscliffe has one Advisory Committee of Council: the Audit Committee. The Audit Committee's role is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

Council also has a number of reference groups to provide advice and direction on specific projects. These reference groups consist of community members, councillors and Council staff. Reference groups as at 30 June 2014 include:

- Australia Day Awards Selection Reference Group
- Queenscliffe Park Project Reference Group
- Community Grants Advisory Reference Group
- Governance & Finance Portfolio Reference Group
- Hesse Street Revitalisation Reference Group

- Point Lonsdale Lighthouse Reserve Reference Group
- Point Lonsdale Main Street and Foreshore Reference Group
- Queenscliff Lighthouse Reserve Reference Group
- Reconciliation Reference Group
- 150th Anniversary Organising Committee.

Refer to pages 28-29 for Councillor representation on these reference groups.

New committees and reference groups are established as required.

## Audit Committee

The Audit Committee is a formally appointed Advisory Committee to Council that forms part of Council's overall governance framework.

The primary objective of the Audit Committee is to assist Council in the effective conduct of its responsibilities for financial reporting, management of risk, maintaining a reliable system of internal controls and facilitating the organisation's ethical development.

During the year two of the four independent committee members were reconfirmed as members of the Committee for the following periods:

- Mr Roland 'Barney' Orchard and Mr David Shaw for a further three year period to 21 November 2016

As at 30 June 2014, the members of the Committee are:

- Mr Roland 'Barney' Orchard (Chair)
- Mr Richard Bull
- Mr Graeme Phipps
- Mr David Shaw
- Cr Bob Merriman
- Cr Susan Salter

Council officers (including the Chief Executive Officer, General Manager Corporate and Community Services and the Senior Accountant) attend meetings but are not formally part of the committee.

During the 2013-14 financial year the Audit Committee met three times:

- 2 September 2013
- 2 December 2013
- 30 June 2014

The meetings covered a number of standing items that address Council's audit and risk evaluation and functions. Audit reports presented to the Audit Committee were 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.

Internal audit topics for the 2013-14 year included:

- procurement, purchasing policy and public tenders
- rates (revenue, debtors, pensioner rebates, fire services property levy and differential rates)
- payroll
- caravan park operations
- Audit Committee performance assessment
- ongoing review of risk management (including OH&S)
- status of outstanding actions from previous internal audit reports

Council officers also presented the following documents to the committee for scrutiny:

- the quarterly Financial Reports
- the draft annual Council Plan Implementation, Budget and presentation to the public
- the year end Financial Report prior to 'in principle' adoption by Council and sign-off by VAGO.

Other significant items received by the committee included:

- VAGO reports on emerging issues, with Council officers providing comment on the Borough's position. The topics reviewed included rating practices in local government, public asset valuation, organisational sustainability of small Councils, results of the 2012-13 Local Government Audits, implementation of the government risk management framework, shared services in local government, asset management and maintenance by Councils.
- bi-annual reports from Council officers on the Risk Management Committee's activities, including incident reporting, progress regarding outstanding audit recommendations, an update of Council's Risk Register and Business Continuity Management Plan.
- revised draft Council policies, including the investment of available funds, asset management and asset disposal policies.
- review of the annual Local Government Community Satisfaction Survey, which compares performance across all Victorian councils.
- New Local Government Performance Reporting Framework (LGPRF) - report on progress to date and preparation for data collection in 2014-15.

The independent members of the committee are paid a sitting fee for each meeting attended. The remuneration of members is set out in the following table.

### Audit Committee Attendance

Member	Eligible to Attend	Meetings Attended	Total sitting fees paid/accrued
Mr Roland 'Barney' Orchard	3	3	\$1,400
Mr Richard Bull	3	3	\$1,100
Mr David Shaw	3	3	\$1,100
Mr Graeme Phipps	3	3	\$1,100
Cr Bob Merriman	3	3	\$0
Cr Susan Salter	3	2	\$0
<b>TOTAL</b>			<b>\$4,700</b>

## Risk management

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

Incident reporting is an important part of Council's risk plan and, where potential liability is identified or incidents occur, these are referred to Council's insurers or to the relevant government department.

Incident reporting is included in Council's quarterly finance reports during the year. An average of 3-4 incidents are reported each quarter and followed up in line with Council's risk management policies and procedures.

Council has an internal Risk Management Committee which regularly meets to ensure Council's risk management practices operate within appropriate frameworks, relevant legislation and Council strategy.

Members of the Committee are:

- General Manager Corporate & Community Services
- Senior Accountant
- Foreshore & Caravan Parks Coordinator
- Projects & Contracts Engineer
- Community Services Coordinator
- Tourism & Economic Development Program Leader
- Executive Assistant to the General Managers (minute taker)

The Committee met on five occasions during the 2013-14 year. Six monthly reports on risk management activities of the Committee, and the organisation as a whole, were provided to the Audit Committee in December 2013 and June 2014.

The standing agenda for this Committee comprises:

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

During the year, a number of internal risk management related staff development activities were undertaken, including fire evacuation drill, general and senior first aid, emergency warden training, manual handling, employee assistance program, bullying awareness, and incident reporting and incident reporting procedures for home care workers, MAV insurance best practice forum, Local Government infrastructure and asset management conference.

Risk-related policies considered by the Committee and subsequently adopted by Council during the year included: recognition of capital works projects; commercial, community and mixed use leases; Councillor code of conduct; protected disclosures; and outsourcing.

### 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 & sickness (employees & Councillors)
- commercial crime (fidelity).

Insurance premiums continued to increase, with a 12% (\$19,000) increase in 2013-14 compared with the 2012-13 year. This is a result of high claims experience across the industry and not directly related to Council's own experience.

Importantly, Council has been advised that the calculation of premiums in 2014-15 will factor in the claims experience of each Council. This is expected to have a positive effect for Council, with the 2014-15 renewal process resulting in an overall reduction of almost 4% (\$6,000) in 2014-15 compared to the 2013-14 year.

Whereas Council was previously subjected to biannual insurance audits, the industry is moving away from audits and towards targeted workshops and other information sessions instead. Officers continue to attend regular Best Practice Forums conducted by Council's insurance brokers and attended by other Councils within the region. This is an important source of information in helping to manage Council's risks in the most appropriate manner.

### Business continuity

Further work is required in the area of Business Continuity Management (BCM) to ensure documentation is up to date and in line with current good practice guidelines and standards. This will also maximise the resilience and capability of Council to respond to a business interruption event in a controlled and methodical manner and significantly reduce prolonged periods of interruption in service provision to the Community. A review of Council's Business Continuity Plan has commenced and is anticipated to be completed in the second half of 2014.

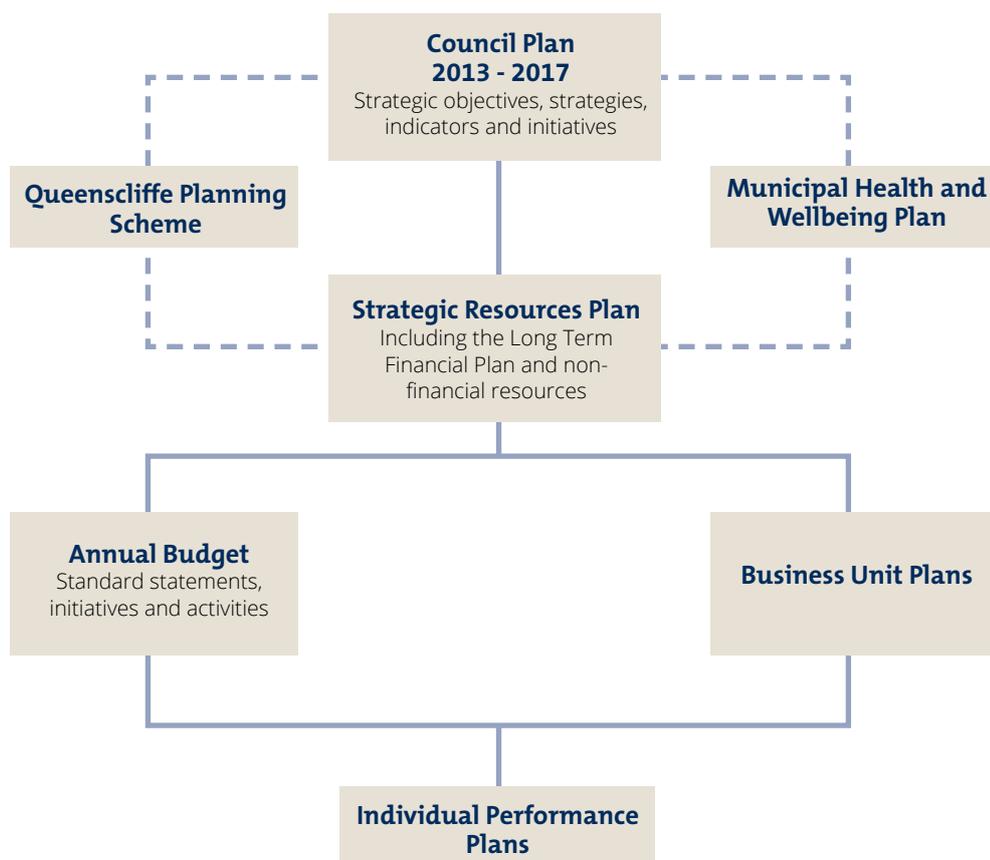
## Business planning framework

The Council Plan is the key strategic document guiding the direction of the Council for its elected term. It is available on Council's website.

The Borough of Queenscliffe's Council Plan 2013–2017 was produced after a comprehensive process that included extensive strategic research on the key drivers and trends affecting current and future growth and the welfare of our community. The process also involved inputs from councillors and Council staff, community consultation and consideration of statutory and contractual requirements.

The diagram shown on the right represents Council's strategic planning framework.

The timing of each component of the planning framework is critical to the successful achievement of planned outcomes. The Council Plan, including the Strategic Resource Plan, is required to be completed by 30 June in the year following local government elections. The Council Plan is reviewed each year to inform the annual budget.



## Policies, strategies and plans

The following policies, strategies and key planning documents were reviewed and/or adopted by Council during 2013–14.

These documents and other Council policies and key planning documents are available for viewing on Council's website.

Title	Date adopted
Borough of Queenscliffe Domestic Animal Management Plan 2013-2017	24/07/2013
Council Policy CP022 Sponsorships	28/08/2013
Borough of Queenscliffe Health and Wellbeing Plan 2013-2017	8/09/2013
Council Policy CP005 Councillor Code of Conduct	18/09/2013
Council Policy CP025 Protected Disclosures	30/10/2013
Council Policy CP026 Outsourcing	30/10/2013
Borough of Queenscliffe 2012-2013 Annual Report	30/10/2013
G21 Regional Health and Wellbeing Plan 2013-17	30/10/2013
Council Policy CP024 Memorials and Plaques	27/11/2013
Council Policy CP028 Recognition of Capital Works Projects	26/03/2014
Council Policy CP029 Commercial, Community and Mixed Use Leases	30/04/2014
Point Lonsdale Foreshore Tree Plan	28/05/2014
G21 Region Public Transport Strategy	25/06/2014
Borough of Queenscliffe 2014/15 Implementation Plan	25/06/2014
Borough of Queenscliffe 2014/15 Budget	25/06/2014

## Legislative compliance

### Information privacy

Council is committed to protecting the personal privacy of residents and ratepayers. Council will only collect, use or disclose personal information where it is necessary to perform Council functions or where required by law, as per the Victorian Information Privacy Act 2000. Council's Information Privacy Policy is available on Council's website.

Information requests and any questions or complaints regarding people's rights under the privacy legislation and Council's Information Privacy Policy can be discussed with Council's Privacy Officer on 5258 1377 or via email: [privacy@queenscliffe.vic.gov.au](mailto:privacy@queenscliffe.vic.gov.au)

### Information and records management

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

### Freedom of information

The *Freedom of Information Act 1982* establishes a legally enforceable right for individuals or organisations to access information from certain records held by Council.

At the commencement of 2013 the Borough of Queenscliffe produced an Information Statement in accordance with Part II of the *Freedom of Information Act 1982*. This outlines the role of the Council and its key services, functions and reports, and how a person can access the information they require.

Council received three requests for information during the financial year 2013-14.

Council's Freedom of Information Part II Information Statement is available on Council's website.

### Protected disclosures (formerly whistleblower protection)

The *Protected Disclosures Act 2012* repealed the Whistleblower Protection Act 2001 and is the new legislative framework for receiving protected disclosures and protecting those who make them.

The main objective of the Protected Disclosures Act is to encourage and facilitate the making of disclosures about improper conduct by public officers and public bodies and to establish a system for matters to be investigated. The Act provides protection from detrimental action to any person affected by a protected disclosure, whether it is the person who makes a disclosure, a witness or the person who is the subject of an investigation.

Council recognises the value of transparency and accountability in its administrative and management practices. It supports the making of disclosures that reveal corrupt conduct, conduct involving a substantial mismanagement of public resources or conduct involving a substantial risk to public health and safety or the environment. Council will take all reasonable steps to protect people who make such disclosures from any detrimental action in reprisal for making the disclosure. It will also afford natural justice to the person who is the subject of the disclosure.

During the financial year 2013-14 no disclosures were made to the Borough of Queenscliffe.

### Road management

As a road authority, in accordance with Section 22 of the Road Management Act 2004 Council is required to publish a copy or summary of any direction received from the Minister in its annual report. No directions were received from the Minister in 2013-14.

### Domestic (feral and nuisance) animals

Under the *Domestic Animals Act 1994* Council is required to create a Domestic Animal Management Plan and to evaluate its implementation in the annual report.

The Domestic Animal Management Plan was first adopted by Council on 21 October 2008. It is prepared in accordance with the requirements and responsibilities under the following legislation and guiding documents:

- *Domestic Animals Act 1994*
- *Impounding of Livestock Act 1994*
- Borough of Queenscliffe Local Law No. 2, 2010 - Community Amenity
- relevant Council policies.

The Domestic Animal Management

Plan identifies a number of key issues including: the importance of the provision of information and education to encourage responsible pet ownership, the value of microchipping and desexing pets, and the need for a strategic approach to manage domestic animals in the community. Refer to page 65 for the number of animals registered within the Borough of Queenscliffe.

Reviews of the Domestic Animal Management Plan are carried out on a yearly basis to ensure that any changes in circumstances may be reflected. (i.e. Domestic Animal Businesses, even though Queenscliffe does not have any at this time.)

### Fire prevention

Under the Country Fire Authority Act Council is required to have a Municipal Fire Prevention Plan and to evaluate its implementation in the annual report. Council's Fire Prevention Plan 2012-2015 was adopted by Council on 19 December 2012.

Council's 2013-14 Annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In total 11 properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance rate. This reflects the increase in awareness and may be attributed to the substantial advertising campaign implemented by the state government. The number of vacant allotments within the Borough is being reduced due to new home construction activity which has also impacted the numbers of notices issued.

# Organisation governance

## Best Value Principles

The Local Government (Best Value Principles) Act 1999 requires all Victorian councils to review their services against key principles to ensure that they are providing value for money to their communities.

Council delivers best value to the community by:

- understanding the needs of both customers and the community
- agreeing on what's required with the resources available
- delivering what's required through effective management in an economical manner
- continually evaluating and improving the service.

Council's Best Value Program has been completed in accordance with its legislative requirements. Council still derives learning from the ongoing review applied to all Council services. This is achieved by adherence to the procurement requirements of the Local Government Act 1989 and Council's Procurement Policy.

## Procurement

Council has a Procurement Policy that outlines the core principles that apply to all purchases made and contracts entered into. This is available on Council's website.

Procurement of goods, services and works must be done in a way that is beyond reproach. To ensure this, Council employees are required to perform their duties and conduct themselves in a manner that ensures that they maintain a reputation for being fair and unbiased when dealing with suppliers and in accordance with the Local Government Act 1989.

## Continuous service improvements

The Best Value provisions outlined in the Local Government Act require Council to review its services against a number of principles including that of 'continuous improvement'.

## Contract management

During 2013-14, it was identified that a group of civil works across different projects could be combined into a single tender, with the intention of achieving best possible value. These works include the

Hesse/Symonds/Wharf Street roundabout construction and the pedestrian crossing component of the Hesse Street revitalisation works. Combining these civil works into the one contract has provided not only financial savings through scale but also reduced the inconvenience to residents and trading impact to retailers in Hesse Street.

## Caravan park operations

During 2013-14, arrangements for the provision of linen for the seven holiday cabins at the Queenscliff Tourist Park were reviewed. Council officers introduced a more cost effective solution in May 2014 involving hire of linen, instead of purchasing and contract cleaning. Better quality cleaning and a more professional service standard resulted, which is in line with marketing a deluxe accommodation unit. Financial savings are anticipated in future reporting periods, taking into account the lower cost of hiring compared to upfront purchase and contract cleaning costs.

## Documents for inspection

A range of public information that is available for public inspection is not included on Council's website. Information is contained in large documents or registers from which specific detail can be sourced. This includes:

1. current allowances fixed for the Mayor and councillors under section 74 or 74A of the Local Government Act
2. details of senior officers' total salary packages for the current financial year and the previous year
3. details of overseas or interstate travel
4. names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted
5. names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted
6. agendas for and minutes of ordinary and special meetings held in the previous 12 months (except if closed to members of the public under section 89 of the Act)
7. list of all special committees established by Council and the purpose for which each committee was established

8. list of all special committees established by Council which were abolished or ceased to function during the financial year
9. minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if closed to members of the public under section 89 of the Act)
10. the register of delegations kept under sections 87, 88 and 98 of the Act
11. list of submissions received in accordance with section 223 of the Act during the previous 12 months
12. agreements to establish regional libraries under section 196 of the Act
13. list of property, finance and operating leases involving land, buildings, plant, computer equipment or vehicles entered into by the Council
14. the register of authorised officers appointed under section 224 of the Act
15. list of donations and grants made by the Council during the financial year
16. list of the names of the organisations of which the Council was a member during the financial year
17. contracts required to be listed valued at \$100,000 (or such higher amount as is fixed from time to time under Section 186(l) of the Act) or more.

The above information is available for public inspection at Council offices during normal office hours, however, for practical reasons, you may require a prior appointment.

## Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2014. The revaluation will apply in the rating year commencing 1 July 2014.

## Local laws

Council has two local laws that aim to protect and enhance the community's general way of life and wellbeing.

They provide for peace, order and good government. The Council's power to make these local laws is contained in sections 91 and 111 of the Local Government Act 1989. The current local laws were adopted on 24 December 2010.

### Local Law No. 1 2010 – Process of Municipal Government

The objectives of this local law are to:

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

### Local Law No. 2 2010 – Community Amenity

The objectives of this local law are to:

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

### Infringements, registrations and permits issued

In 2013–14 a number of infringement notices, registrations and permits were issued under these local laws. These are summarised below.

Infringement notices	2013–14	2012–13	2011–12
Parking infringements	243	321	308
Animal infringements	4	9	7
Local law infringements	4	1	12
Fire prevention	0	0	0
Planning	0	3	0
<b>Total</b>	<b>251</b>	<b>334</b>	<b>327</b>

Court briefs	2013–14	2012–13	2011–12
Court briefs	0	0	25
<b>Total</b>	<b>0</b>	<b>0</b>	<b>25</b>

Animal management	2013–14	2012–13	2011–12
Animals registered	728	708	801
-Dogs	595	576	646
-Cats	133	132	155
Impounded animals	25	14	6
Door knocks (streets)	67	47	38
Animal warning notices	159	172	127
Native animal responses	29	34	27
<b>Total</b>	<b>1008</b>	<b>1,683</b>	<b>1,800</b>

Local law permits	2013–14	2012–13	2011–12
Consume alcohol	10	27	18
Weddings	25	16	36
Major events	24	21	18
Bulk rubbish bins	9	14	15
Disabled parking	219	66	14
Outdoor eating facilities	12	7	11
Goods for sale	8	12	13
A-frames	25	44	47
Residential parking	0	0	2
Boat ramp	265	260	281
Other	38	64	9
<b>Total</b>	<b>635</b>	<b>531</b>	<b>464</b>

Notices	2013–14	2012–13	2011–12
Fire prevention	11	19	28
Non-compliance of notices	0	0	2
<b>Total</b>	<b>11</b>	<b>19</b>	<b>30</b>

Outside hours	2013–14	2012–13	2011–12
After hours calls	87	74	58
After hours call-outs	24	18	14
<b>Total</b>	<b>111</b>	<b>92</b>	<b>72</b>

## Grants and donations to local organisations

To assist our community to undertake cultural, recreational, environmental and community support projects and activities, Council provides grants and donations to community groups and organisations. In 2013-14, Council gifted a total of \$136,458 to the Borough community and represents a substantial investment in our volunteers, the social fabric of this community.

Recipient	Purpose of community grants and donations	2013-14	2012-13
<b>Community events</b>			
Queenscliff Music Festival	Support of the event (cash donation and in-kind support)	\$21,375	\$23,852
150 Years of the Borough	Celebrating 150 Years of the Borough	\$12,130	\$85,343
Point Lonsdale Christmas Tree Committee	Point Lonsdale Christmas Tree festivities	\$6,092	\$7,415
Artists in Residence	Arts event	\$4,000	\$2,243
Senior Citizens Week	Senior Citizens Week activities	\$3,662	\$3,638
Australia Day	Australia Day celebrations	\$3,655	\$3,162
Sea of Words	Sea of Words event	\$2,767	\$1,421
Volunteer Day	Volunteer Day celebrations	\$2,354	\$4,107
Childrens Week	Support of the event (in-kind support)	\$2,003	\$0
Queenscliff Maritime Museum	Maritime Weekend activities	\$1,948	\$2,074
Films	Films event	\$916	\$1,537
Musical Mornings	Music events	\$131	\$1,744
Other event support	Other event support including ANZAC Dawn Service, Red Cross High Tea, Small Business Festival & QMF clean-up	\$14,866	\$1,515
Easter Weekend	Support of the event (in-kind support)	\$0	\$8,830
<b>Sub Total : Community events</b>		<b>\$75,901</b>	<b>\$146,881</b>
<b>Contribution to operating costs</b>			
Point Lonsdale Life Saving Club	Lifeguard services	\$26,568	\$25,207
Australian Volunteer Coastguard Association	Coastguard services	\$5,000	\$5,000
Point Lonsdale Tennis Club	Water usage	\$1,628	\$1,654
Queenscliff Reconciliation Mob	Reconciliation activities	\$1,616	\$2,783
Queenscliff-Lonsdale Tourism Inc.	Tourism activities	\$0	\$10,000
<b>Sub Total : Contribution to operating costs</b>		<b>\$34,812</b>	<b>\$44,644</b>

Recipient	Purpose of community grants and donations		2013-14	2012-13
<b>Arts &amp; Cultural Development Grants</b>				
			<b>2013-14 Year</b>	<b>2012-13 Year</b>
Queenscliff Maritime Museum	Webside and social media development - develop a new website for the museum that will be compatible with mobile phones/iPads.	Digitising Queenscliff's maritime archives	\$2,000	\$1,452
St. Aloysius Catholic Primary School	Funding assistance for the timing at the 100 Steps Fun Run.		\$2,000	\$0
Boroughcoutas Swimming Club	Assist with increased cost of the Point Lonsdale Surf Lifesaving Club providing water safety for the annual Blue Water Challenge event.		\$2,000	\$0
Queenscliff-Point Lonsdale Congregation of the Uniting Church in Australia	Illuminating art - installing improved light fittings in the Community Hall for community art displays.		\$2,000	\$0
Queenscliff Community Sports Club	Purchase of a lectern and portable stage that will complete the presentation equipment available for groups to use in the redeveloped Monahan Centre.		\$2,000	\$0
St James Anglican Church	Purchase of folding chairs and stacking trolley for use by groups hiring Gill Hall for meetings, weddings and other functions/events.		\$2,000	\$0
Point Lonsdale Bowls Club	Contribution towards the annual training costs of coaches, umpires, measurers, referees and first aid personnel.		\$2,000	\$0
St George the Martyr Anglican Church	Improve the kitchen in the old school hall to encourage and enable wider community use.		\$2,000	\$0
Point Lonsdale Surf Lifesaving Club	Portable shelter for Lifesaving Emergency Response Team.		\$1,545	\$0
Friends of the Marine Discovery Centre	Sustainable seafood cookbook - develop and produce a community sustainable seafood cookbook.	Marine Discovery Ranges - a program targeted at grade 5 and 6 students and their teachers in the Borough which seeks to inspire collective responsibility for the health and preservation of the marine environment.	\$1,300	\$1,000
Queenscliff & District Men's Shed	Restore and repair disused and unwanted bicycles for people unable to afford them.		\$1,000	\$0
Combined Probus Club of Queenscliff	Lapel microphones for guest speakers to enable all members at meetings to hear the speakers.		\$200	\$0
Point Lonsdale Board Riders		Engine shed redevelopment.	\$0	\$7,000
Queenscliff and District Neighbourhood House		Purchase of a defibrillator for the Queenscliff and District Men's Shed, purchase of a light tracking system and nappy change facilities and toy replacement at the Point Lonsdale Playgroup.	\$0	\$3,800
Queenscliff Lighthouse Theatre Group		Moveable lighting bar over the stage in the Point Lonsdale Hall for 'Oliver - the Musical'.	\$0	\$2,000
Queenscliff -Lonsdale Yacht Club		Off beach activity program and boathouse doors preservation	\$0	\$2,000
Victoria State Emergency Service		Purchase of chainsaws and E-flares (portable flashing red/blue lights).	\$0	\$1,000
<b>Sub Total : Arts &amp; Cultural Development Grants</b>			<b>\$20,045</b>	<b>\$18,252</b>
<b>Youth Cultural Program</b>				
Queenscliff Music Festival	Cultural Program	Cultural Program	\$4,500	\$4,500
<b>Sub Total : Youth Cultural Program</b>			<b>\$4,500</b>	<b>\$4,500</b>
<b>Education Awards</b>				
Bellarine Secondary College	Scholarship	Scholarship	\$1,000	\$1,000
Point Lonsdale Primary School	Scholarship		\$100	\$0
St. Aloysius Primary School	Scholarship		\$100	\$0
<b>Sub Total : Education Awards</b>			<b>\$1,200</b>	<b>\$1,000</b>
<b>Total grants and donations paid to local organisations</b>			<b>\$136,458</b>	<b>\$215,277</b>

## Grants and subsidies received

In 2013-14 Council received a total of \$3,351,990 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2013-14 Actual	2012-13 Actual
Point Lonsdale Foreshore Revitalisation Stage 2	Capital	Non-recurrent	Federal	Regional Development Australia Fund	\$295,000	\$0
Aged Care - Community Aged Care Packages	Operating	Recurrent	Federal	Department of Health & Ageing	\$78,037	\$79,586
Fort Queenscliff Development Plan	Operating	Non-recurrent	Federal	Austrade	\$30,000	\$0
Energy Efficient Hot Water Systems	Capital	Non-recurrent	Federal	Department of Resources, Energy & Tourism	\$10,528	\$0
Roads to Recovery	Capital	Recurrent	Federal	Department of Infrastructure	\$560	\$74,440
<b>Sub total : Federal funding</b>					<b>\$414,125</b>	<b>\$154,026</b>
Country Roads & Bridges Program	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$768,062	\$626,400
Kindergarten Redevelopment Stage 1	Capital	Non-recurrent	State	Department of Education & Early Childhood Development	\$350,000	\$0
Point Lonsdale Foreshore Revitalisation Stage 2	Capital	Non-recurrent	State	Regional Development Victoria	\$300,000	\$0
Country Roads & Bridges Program	Capital	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$231,938	\$373,600
Queenscliff Historic Railway Precinct	Operating	Non-recurrent	State	Department of State Development, Business & Innovation	\$200,000	\$0
Aged Care - Domestic Assistance	Operating	Recurrent	State	Department of Health	\$135,588	\$136,480
Queenscliff Historic Railway Precinct - Senior Citizens & Sea Scouts Buildings	Capital	Non-recurrent	State	Department of State Development, Business & Innovation	\$100,000	\$0
General Purpose	Operating	Recurrent	State	Victoria Grants Commission	\$97,884	\$186,866
Aged Care - Personal Care	Operating	Recurrent	State	Department of Health	\$59,364	\$44,959
Fire Services Levy Implementation	Operating	Recurrent	State	State Revenue Office - Department of Treasury & Finance	\$54,006	\$35,980
Queenscliff Sports Club Enhancement Project	Capital	Non-recurrent	State	Sport & Recreation Victoria - Department of Planning and Community Development (DPCD)	\$50,000	\$0
Lighthouse Reserves Development Plan	Capital	Non-recurrent	State	Department of State Development, Business & Innovation	\$49,500	\$0
Maternal and Child Health	Operating	Recurrent	State	Department of Education & Early Childhood Development	\$47,455	\$46,786
Aged Care - Assessments	Operating	Recurrent	State	Department of Health	\$41,901	\$41,054
Point Lonsdale Foreshore Revitalisation Stage 1	Capital	Non-recurrent	State	Department of Planning and Community Development	\$40,000	\$160,000
Aged Care - Home Maintenance	Operating	Recurrent	State	Department of Health	\$38,351	\$37,598
Community Development Officer	Operating	Recurrent	State	Department of Health	\$32,003	\$21,060
Local Roads	Operating	Recurrent	State	Victoria Grants Commission	\$25,568	\$41,793
G21 Tennis Strategy	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Planning and Community Development	\$25,000	\$45,000
Localised Planning Statement	Operating	Non-recurrent	State	Department of Transport, Planning & Local Infrastructure	\$25,000	\$0
Fellows Road School Crossing and Pedestrian Path along Grimes Road, Point Lonsdale	Capital	Non-recurrent	State	Department of Transport, Planning & Local Infrastructure	\$20,000	\$0
Community Environment Alliance	Operating	Non-recurrent	State	Department of Environment & Primary Industries	\$16,352	\$0
School Crossing Supervisors	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$15,290	\$13,472

Purpose	Type	Period	Funding	Source	2013-14 Actual	2012-13 Actual
Aged Care - Respite Care	Operating	Recurrent	State	Department of Health	\$15,066	\$14,770
Regional Public Place Recycling	Operating	Non-recurrent	State	Sustainability Victoria	\$15,000	\$0
Beach Cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	\$13,379	\$5,663
Regional Victoria Living Expo	Operating	Recurrent	State	Regional Development Victoria	\$10,000	\$10,000
Walk to School	Operating	Non-recurrent	State	Vic Health	\$10,000	\$0
Senior Citizens Centre	Operating	Recurrent	State	Department of Health	\$7,856	\$8,017
Heritage Advisor	Operating	Recurrent	State	Department of Planning & Community Development	\$7,000	\$14,000
Maternal and Child Health - transitional	Operating	Non-recurrent	State	Department of Education & Early Childhood Development	\$7,000	\$0
Tobacco Activity Program - No Smoking Signs	Operating	Non-recurrent	State	Department of Health	\$5,000	\$0
Support Small Business Day	Operating	Non-recurrent	State	Department of State Development, Business & Innovation	\$5,000	\$0
Aged Care - Minor Works	Capital	Recurrent	State	Department of Health	\$4,634	\$29,210
Victorian Seniors Festival - Senior Citizens Week	Operating	Recurrent	State	Department of Health	\$2,600	\$2,600
Aged Care - Traineeship	Operating	Non-recurrent	State	Department of Training & Workforce Development	\$1,500	\$2,500
Childrens Week	Operating	Non-recurrent	State	Department of Education & Early Childhood Development	\$500	\$0
Hesse Street Revitalisation Stage 1	Capital	Non-recurrent	State	Regional Development Victoria	\$0	\$175,000
Lighthouse Reserves Development Plan - Maintenance	Operating	Non-recurrent	State	Department of Sustainability & Environment	\$0	\$77,354
Point Lonsdale Foreshore Revitalisation Stage 1	Capital	Non-recurrent	State	Regional Development Victoria	\$0	\$75,000
Open Space Strategy	Capital	Non-recurrent	State	Department of Planning and Community Development	\$0	\$27,000
Sustainability Accord	Operating	Non-recurrent	State	Department of Sustainability & Environment	\$0	\$25,000
Vulnerable Persons Database	Operating	Non-recurrent	State	Department of Health	\$0	\$10,000
Kindergarten - Planning	Operating	Non-recurrent	State	Department of Health	\$0	\$10,000
Web-based Heritage Database (150 Years of the Borough)	Operating	Non-recurrent	Other	Heritage Victoria - Department of Planning and Community Development	\$0	\$4,000
<b>Sub total : State funding</b>					<b>\$2,827,797</b>	<b>\$2,301,162</b>
Coastal Tender (Ocean Road)	Operating	Recurrent	Other	Corangamite Catchment Management Authority	\$46,816	\$52,490
Coastal Tender (The Narrows)	Operating	Recurrent	Other	Corangamite Catchment Management Authority	\$36,563	\$40,994
WISE Return to Work Scheme	Operating	Non-recurrent	Other	Worksafe Victoria	\$14,219	\$0
Tobacco Activity Program	Operating	Recurrent	Other	Municipal Association Victoria	\$12,471	\$12,255
Implementation of New Smoking Bans on Patrolled Beaches	Operating	Non-recurrent	Other	Municipal Association Victoria	\$0	\$2,000
<b>Sub total : Other funding</b>					<b>\$110,068</b>	<b>\$107,739</b>
<b>Total grants and subsidies received by Council</b>					<b>\$3,351,990</b>	<b>\$2,562,927</b>

## Memberships of organisations

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

Organisation	Membership contribution		
	2013-14	2012-13	Notes
Geelong Otway Tourism (GOT)	\$15,433	\$18,512	1
Bellarine Catchment Network	\$11,520	\$11,520	
Municipal Association of Victoria (MAV) - Step Asset Management Program	\$8,000	\$8,000	
Municipal Association of Victoria (MAV) - Membership	\$6,910	\$6,644	
G21 Regional Alliance	\$6,500	\$6,000	
Association of Bayside Municipalities (ABM)	\$4,594	\$4,375	
Victorian Caravan Parks Association (Vic Parks)	\$3,113	\$2,895	
Barwon Region Waste Management Group	\$2,730	\$2,375	
Geelong Otway Tourism (GOT) - Tourism Excellence Professional Development Program	\$2,500	\$2,500	
Small Rural Councils of Victoria	\$2,182	\$2,000	
Local Government Professionals (LGPro)	\$1,414	\$1,373	
CPA Australia	\$1,191	\$582	2
The Bellarine	\$628	\$0	2
Caravan, RV & Accommodation Industry of Australia	\$500	\$500	
Revenue Management Association (RMA)	\$378	\$300	
Waste Management Association of Australia	\$304	\$90	
Municipal Association of Victoria (MAV) - LG Information Communications Technology	\$255	\$500	
Local Government Finance Professionals (FinPro)	\$90	\$230	
ANSTAT	\$84	\$0	3
School Crossings Victoria	\$68	\$0	3
Mainstreet Australia	\$0	\$455	4
AAA Tourism Advantage	\$0	\$365	4
<b>Total membership contributions</b>	<b>\$68,393</b>	<b>\$69,215</b>	

### Notes:

1. The contribution paid in 2012-13 includes one quarter relating to the 2011-12 year which was not accrued.
2. The contribution paid in 2012-13 is less (some payment was prepaid in 2011-12).
3. New contributions made during the 2013-14 financial year.
4. Complimentary memberships now in place for the Borough and its Visitor Information Centre.

# Local government performance indicators

The Minister for Local Government, under the authority of the Local Government Act 1989, requires every council to present a report on this set of indicators to allow comparisons between municipalities across the state.

Local Government Performance Indicators	2011-12	2012-13	2013-14	Note
<b>Affordability / Cost of Governance</b>				
Average Rates and Charges per Assessment	\$1,769.61	\$1,844.90	\$1,936.18	1
Average Rates and Charges per Residential Assessment	\$1,710.53	\$1,792.90	\$1,899.44	1
<b>Sustainability</b>				
Average Liabilities per Assessment	\$879.04	\$758.07	\$762.14	2
Underlying Operating Result per Assessment	\$204.71	\$54.38	\$209.78	3
<b>Services</b>				
Average Operating Expenditure per Assessment	\$2,561.84	\$2,997.13	\$3,147.25	4
Community Satisfaction Rating for Overall Performance generally of the Council	66	68	71	
<b>Infrastructure</b>				
Average Capital Expenditure per Assessment	\$724.06	\$661.07	\$739.31	5
Renewal Gap	195%	185%	90%	6
Renewal and Upgrade Gap	231%	196%	98%	7
Renewal and Maintenance Gap	136%	153%	96%	8
<b>Governance</b>				
Community Satisfaction Rating for Council's Advocacy and Community Representation on Key Local Issues	61	61	61	
Community Satisfaction Rating for Council's Engagement in Decision Making on Key Local Issues	60	63	65	
<b>Additional Sustainability Data</b>				
Operating Surplus per Income Statement	\$2,071,377	\$1,666,371	\$1,733,866	3
Underlying Operating Surplus / (Deficit) - (Capital Income and other abnormals removed)	\$620,164	\$164,723	\$636,468	3

## Notes to the Performance Snapshot:

- Reflects the 4.5% rate increase adopted by Council, as well as supplementary rates and charges raised, for the 2013-14 financial year
- Increase in employee provisions, offset with the usual loan redemption payments for three bank loans held by Council.
- The increase in both the operating surplus and underlying result reflects a number of projects for which budgets and grant funding are being carried forward to the 2014-15 year for completion.
- Additional expenditure for funded projects in 2013-14, including the Country Roads & Bridges Program, offset by non-recurrent expenditure in 2012-13 (Borough 150th celebrations and electoral review). Annual increases in expenditure are generally in line with CPI.
- Council has again been successful in securing large government grant funding to progress priority capital projects, particularly under the Country Roads & Bridges Program and Local Government Infrastructure Program.
- The renewal gap ratio measures the rate of capital spending on the renewal of assets compared with the value of the assets used (depreciation) during the year. Council has maintained an average in excess of 100% over the past eight years.
- The renewal and upgrade gap ratio measures the rate of capital spending on the renewal and upgrade of existing assets (as opposed to the creation of new assets) compared with the value of the assets used (depreciation) during the year. This outcome has averaged in excess of 100% over the past eight years.
- The renewal and maintenance gap ratio measures the rate of capital and maintenance spending on the renewal of assets compared with the value of the assets used (depreciation) and the planned level of maintenance during the year. The Point Lonsdale foreshore revitalisation project was the single largest item of capital expenditure in 2013-14 and this comprises both the creation of new assets and the renewal of existing assets.

# Community satisfaction

The 2014 Local Government Community Satisfaction Survey results show that the Borough of Queenscliffe Council rates higher than the state-wide and 'small rural councils' group averages on all core performance measures.

PERFORMANCE MEASURES	Borough of Queenscliffe 2013	Borough of Queenscliffe 2014	Small rural shires average 2014	State-wide average 2014
Overall performance	68	<b>71</b>	60	61
Community consultation (community consultation and engagement)	63	<b>65</b>	58	57
Advocacy (lobbying on behalf of the community)	61	<b>61</b>	57	56
Customer service	75	<b>76</b>	71	72
Overall Council direction	61	<b>62</b>	54	53

The 2014 Local Government Community Satisfaction Survey also includes extensive results related to performance in specific service areas.

PERFORMANCE MEASURES	Borough of Queenscliffe 2013	Borough of Queenscliffe 2014	Small rural shires 2014	State-wide 2014
Informing the community	68	<b>69</b>	62	65
The condition of local streets in your area	64	<b>64</b>	58	58
Traffic management	66	<b>68</b>	60	68
Parking facilities	62	<b>64</b>	57	62
Enforcement of local laws	66	<b>67</b>	66	67
Family support services	70	<b>67</b>	68	69
Elderly support services	77	<b>71</b>	70	73
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*View overlooking Queenscliff Pier from Citizens Park.*



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# Understanding the Financial Report

## Introduction

Financial viability or sustainability is reviewed and assessed using many different tools. The most important tool in understanding Council's financial performance for the period is the Financial Report including the financial statements and standard statements.

The financial statements show how Council performed financially during the 2013-14 financial year and the overall position at the end of the financial year.

The Performance Statement also compares actual measured performance against targeted strategic outcomes that contribute to the Council Plan objectives.

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.

Council's Financial Report has three sets of statements, all of which will be explained in this guide:

- Standard Statements (page 86)
- General Purpose Financial Statements (page 100)
- Performance Statement (page 144)

## What are the Standard Statements?

The Standard Statements provide Council with the opportunity to disclose information in a different format to that presented in the General Purpose Financial Statements and will differ from council to council. The Standard Statements are designed to provide information in a way that is more relevant to the readers and our community. There are five different statements provided:

- Standard Income Statement
- Standard Balance Sheet
- Standard Cash Flow Statement
- Standard Capital Works Statement
- Standard Investment Reserves Statement.

The Standard Statements provide a comparison between the actual results for the year and the adopted Budget that was set by Council at the beginning of the year. All major variances are explained in the accompanying notes.

The figures disclosed in the Standard Statements are prepared on a basis consistent with the Council Budget format and therefore individual line items in the Standard Statements may differ to those disclosed in the General Purpose Financial Statements.

### The Standard Income Statement

The Standard Income Statement is sometimes referred to as a Profit and Loss Statement and shows:

- the sources of Council's income under various income headings
- the expenditure incurred for Council operation during the year. These expenses relate only to the 'operations' and do not include costs associated with the purchase or building of assets.

### The Standard Balance Sheet

The Standard Balance Sheet is a one-page summary that shows what Council owns as assets and what it owes as liabilities. The bottom line of this statement is referred to as 'net assets', which is the net worth of Council that has been built up over many years.

### The Standard Cash Flow Statement

The Standard Cash Flow Statement summarises Council's cash payments and cash receipts for the year. The values may differ from those shown in the Standard Income Statement given that statement is prepared on an accrual accounting basis. In addition, the amounts disclosed in the Standard Cash Flow Statement are at gross value, including goods and services tax (GST) where applicable.

### The Standard Capital Works Statement

The Standard Capital Works Statement sets out the expenditure on creating or buying property, infrastructure, plant and equipment, investment property and intangible assets by each broad type of asset. It also shows how much has been spent (invested) on renewing, upgrading or creating new assets.

### The Standard Investment Reserves Statement

The Standard Investment Reserves Statement summarises funds held in reserve on Council's Balance Sheet for expenditure in future years, with respect to the completion of works for which budgets and grant funding have been carried over from previous financial years, as well as the provision of funds to meet future asset renewal needs of Council for buildings and infrastructure assets.

## What is contained in the General Purpose Financial Statements?

Council's General Purpose Financial Statements has two main sections: the Financial Statements and the Notes. There are four statements and 45 notes. These are prepared by council staff, examined by Council and Council's Audit Committee and audited by the Victorian Auditor-General.

The four 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. Cash Flow Statement.

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

### Comprehensive Income Statement

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

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

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

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

The key figure to look at is the surplus/(deficit) for the year. A surplus means that the revenue was greater than expenses.

### Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial situation as at 30 June 2014. It shows what the Council controls as assets and what it owes as liabilities. The bottom line of this statement is net assets. This is the net worth of Council, which has been 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

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

- the 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year,
- the use of moneys from Council's reserves and transfers to Council's reserves, and
- revaluation of assets – this takes place in a staggered fashion every two years for land and building assets and every three years for road network and drainage infrastructure assets. It also occurs when existing assets are taken up in the books for the first time.

### Cash Flow Statement

The Cash Flow Statement summarises Council's cash payments and cash receipts for the year. This statement is presented according to Accounting Standards and needs some care in analysis. The values differ from those shown in the Comprehensive Income Statement, which is prepared on an accrual accounting basis. In addition, the amounts disclosed in the Cash Flow Statement are at gross value including GST where applicable. Cash in this statement refers to bank deposits and other forms of highly liquid investments that can readily be converted to cash.

### Notes to the Financial Statements

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive on every item. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described in Note 1. Apart from the accounting policies, the Notes also give details behind many of the summary figures contained in the statements.

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

## What is the Performance Statement

The Performance Statement reports on Council's performance in relation to achieving the 'Key Strategic Activities' specified in the annual adopted budget, which contribute to realising the strategic objectives in the Council Plan.

Performance targets and measures are compared to the actual results achieved during the financial year. A written explanation is provided where Council has not substantially achieved the performance targets set out in its annual adopted budget.

## Certification by Principal Accounting Officer and Councillors

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

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

## Auditor-General's Report

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

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

# Summary of Financial Performance

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

In brief, Council:

- achieved an underlying surplus of \$636,000 for the period, which was \$966,000 above the budgeted underlying deficit of (\$330,000) due to operating budgets and grant funding for projects not yet expended (these funds are held in reserve and carried forward for completion of projects in the 2014/15 year,
- ended the 2013-14 financial year with a cash balance of \$4,310,000, and
- increased fixed assets (property, infrastructure, plant and equipment) by \$923,000 as a result of programmed renewal and grant-funded capital expenditure, offset in part by a net asset revaluation decrement largely due to land and land under roads assets.

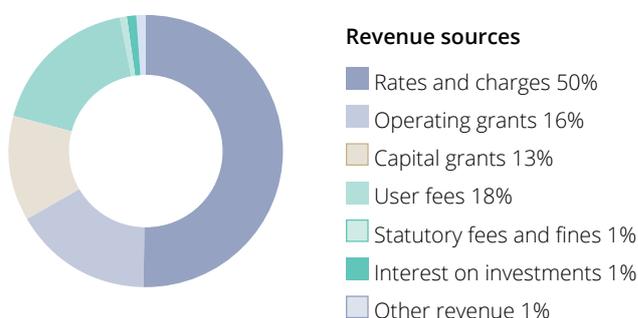
## Underlying result

Council achieved an underlying surplus of \$636,000 for the 2013-14 financial year. This is the sixth successive year that Council has achieved an underlying surplus, which is a tremendous result given the increasing demands placed upon Council services and infrastructure asset renewal requirements.

## Revenue

Council's total revenue for the 2013-14 year was \$11,647,000 (up from \$10,744,000 for 2012-13). The additional income is a combination of increased rate revenue, user fees and government grants.

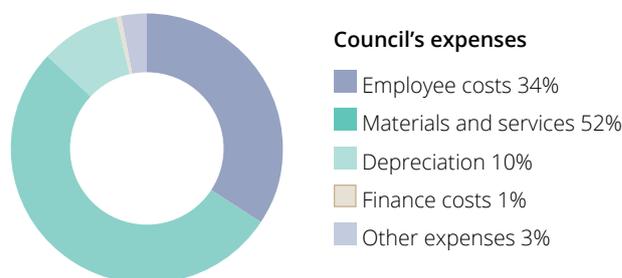
Council's revenue is sourced as follows.



## Expenditure

Council's total expenses for the 2013-14 year were \$9,549,000 (an increase of \$470,000 on the 2013-14 year). Additional expenditure largely reflects Council and grant-funded projects carried forward from the previous financial year for completion in 2013-14, predominantly due to funded Country Roads & Bridges Program works at the Admans Street roundabout and reconstruction of Williams Road.

Council's expenses are categorised as follows.



## Capital works

During the financial year, Council invested \$2,242,000 in capital works projects. The investment in capital works continues to focus on maintenance and renewal of the community's existing assets, assisted by large injections of grant funding including the Country Roads & Bridges Program and the Local Government Infrastructure Program. The 2013-14 year also includes significant investment in the upgrade and provision of new assets as part of the Point Lonsdale foreshore revitalisation project.

Key projects undertaken during the year included:

- reconstruction of Williams Road and the Admans Street roundabout
- annual renewal program including road resealing, infrastructure, motor vehicles and information technology
- completion of the Queenscliff Sports Club building
- revitalisation of Hesse Street
- revitalisation of Point Lonsdale Foreshore
- commencement of Bay Street reconstruction and associated drainage works
- community consultation with respect to the Lighthouse Reserves development plan

## Assets

Council's total asset base is \$72,318,000 – an increase of \$1,748,000 over the previous year. The major components of assets are:

- property, infrastructure, plant and equipment
- cash and financial assets (cash investments < 12 months).

Together these asset categories account for 98.1% of all assets.

## Liabilities

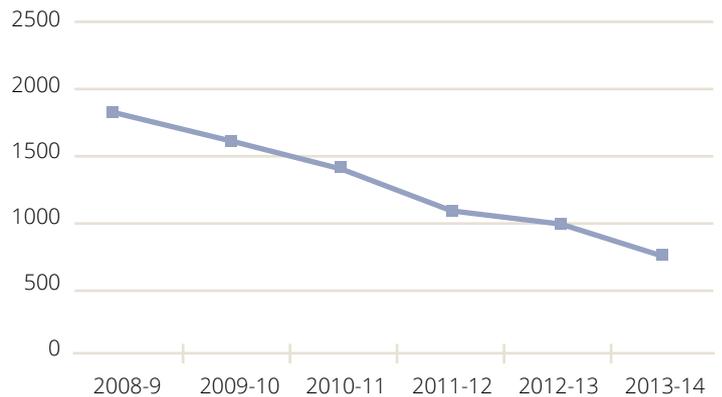
Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$2,312,000 as at 30 June 2014.

The overall level of liabilities has increased by \$16,000 from 2012-13 due to an increase in employee provisions and trade payables (for significant projects completed in 2013-14), offset by the active repayment of debt in accordance with agreed loan schedules. Current debt levels mean that Council is operating well within the Victorian Government prudential ratio limits.

Capital works five-year comparison, 2008-09 to 2013-14



Liabilities five-year comparison, 2008-09 to 2013-14



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

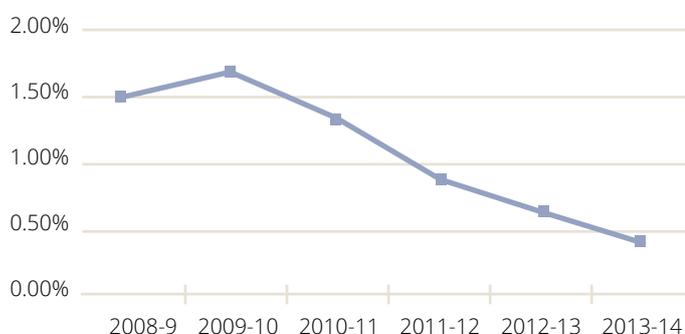
### Debt Servicing Ratio

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

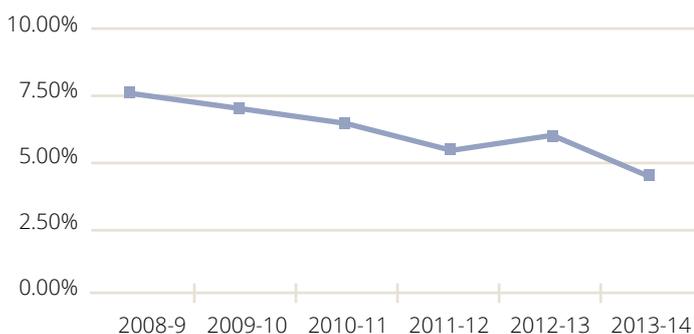
### Debt Commitment Ratio

The Debt Commitment Ratio illustrates how much of Council's revenue is used to fund existing debt for the year (including the payment of both loan principal and interest). The lower the ratio, the better off Council is. Council's ratio is well within the prudential limit of 10% set by the Victorian Government and reflects Council's commitment to continued loan redemption. Note that one loan was repaid in full during the 2013-14 year, in accordance with the agreed loan schedule.

**Debt Servicing Ratio five-year comparison, 2008-09 to 2013-14**



**Debt Commitment Ratio five-year comparison, 2008-09 to 2013-14**



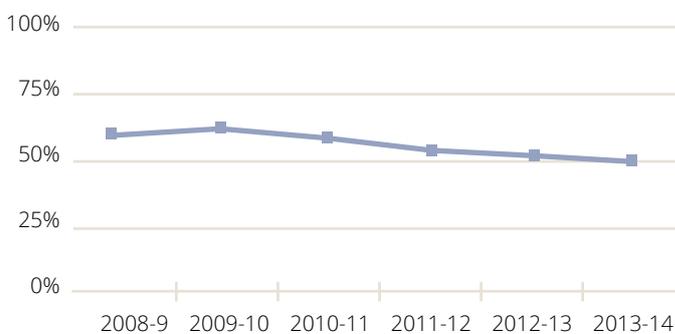
### Revenue Ratio

The Revenue Ratio shows the level of reliance on rate revenue as a percentage of total revenue. This ratio is influenced by other revenue sources including government grants, contributions, user fees and charges. Rate income is a secure and predictable source of revenue, whereas grant income is not and can fluctuate significantly over time. A low ratio can warn of undue reliance on other forms of revenue that may or may not be sustainable. The Borough's success in attracting high levels of grant funding in recent years has resulted in a lower ratio in terms of its reliance on rate revenue.

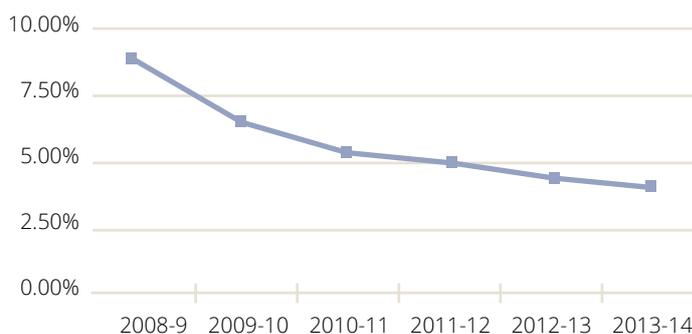
### Debt Exposure Ratio

The Debt Exposure Ratio enables an assessment of Council's solvency and exposure to debt. A low ratio means that Council's realisable assets (those which can be sold and are not subject to restrictions on realisation or use) such as land, buildings, plant and equipment exceed its overall liabilities. Council has a significant holding of crown land assets, which have been excluded from the calculation of realisable assets, as have road infrastructure assets. Council's ratio with regard to debt exposure continues to improve over time.

**Revenue Ratio five-year comparison, 2008-09 to 2013-14**



**Debt Exposure Ratio five-year comparison, 2008-09 to 2013-14**



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

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

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

- Underlying result – whether enough revenue is generated to cover operating costs including depreciation
- Liquidity – whether sufficient working capital exists to meet short-term commitments
- Self-financing – whether sufficient operating cash flows are generated to invest in assets and repay debt

- Indebtedness – whether there is an over-reliance on debt to fund capital works expenditure
- Capital replacement – whether assets have been replaced at a rate consistent with the rate of consumption
- Renewal gap – whether existing assets have been maintained at a consistent rate

The following table shows figures for the Borough of Queenscliffe as included in the VAGO report published in December 2013, with regard to the results of the Local Government Audits 2012-13. It illustrates where Council sits in terms of the level of risk for each of the above six financial sustainability indicators.

SUSTAINABILITY INDICATORS	BOQ RESULT	RISK LEVELS		
		High	Medium	Low
Underlying Result Ratio	12.89%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	203.00%	Equal to or less than 10%	Between 100% and 150%	Greater than 150%
Indebtedness Ratio	0.49%	Greater than 60%	Between 40% and 60%	Less than 40%
Self-financing Ratio	19.48%	Less than 10%	Between 10% and 20%	Greater than 20%
Capital Replacement Ratio	227.00%	Equal to or less than 100%	Between 100% and 150%	Greater than 150%
Renewal Gap Ratio	171.00%	Equal to or less than 50%	Between 50% and 100%	Greater than 100%

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

The following charts indicate the Borough's trend over the past six years on the above financial sustainability indicators. Note that the 2013-14 results are those calculated by the Borough for each of these ratios, as the final VAGO figures will not be released until late 2014.

**Underlying Result Ratio**

VAGO includes capital grants within the Underlying Result Ratio, hence the ratio result of 12.89% in the table above appears more favourable than that which the Borough deems to be the underlying result and has included in the chart below.

The underlying result is reported in Council's Standard Income Statement and differs from the comprehensive result due to the following adjustments:

- capital grant income and community contributions are deducted, given that capital expenditure is not reflected in the Comprehensive Income Statement but, rather, it forms part of the Balance Sheet (property, infrastructure, plant and equipment), and
- asset revaluation adjustments are deducted as they are an abnormal/one-off item.

Council has experienced underlying surpluses in each of the past six years. The underlying result achieved for 2013-14 of \$636,000 is an improvement on the budgeted underlying deficit of (\$330,000), largely due to operating budgets and grant funding for projects not yet expended (these funds are held in reserve and carried forward for completion of projects in the 2014-15 year).

**Underlying Result Rate Ratio five-year comparison, 2008-09 to 2013-14**



## Liquidity Ratio (or Working Capital Ratio)

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

The target in Council's Strategic Resource Plan and Council Plan is to maintain a ratio of at least 100%. Council's current ratio continues to be well over the recommended level of 150% indicated by VAGO. This is a positive result, as it places Council in the 'low' risk category, indicating that there is no immediate issue with repaying liabilities when they fall due.

Council recognises both the Working Capital Ratio (as above) and an Adjusted Working Capital Ratio (below) in its annual financial report, in line with the Victorian City Council Model Financial Report, which is used as the main standard for council financial reports.

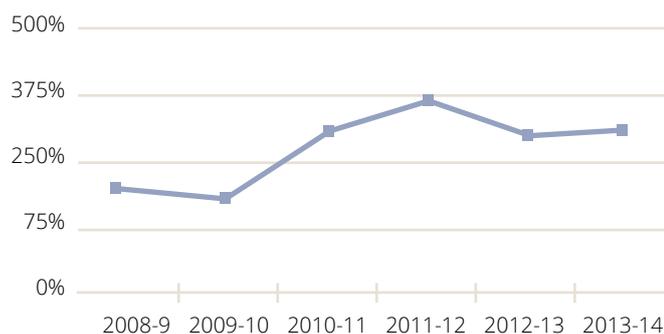
The Adjusted Working Capital Ratio illustrated below has two key adjustments:

- current liabilities have been reduced to reflect the long service leave that is shown as a current liability, as Council does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date, but it is not likely to fall due within 12 months after the end of the period
- current liabilities have also been reduced to reflect bank loans, which are shown as a current liability as the terms and conditions of each bank loan contains a review clause giving the bank the ability to demand payment, should they elect to do so, but which do not fall due and are not likely to be fully repaid within 12 months after the end of the period.

### Liquidity Ratio / Working Capital Ratio five-year comparison, 2008-09 to 2013-14



### Adjusted Working Capital Ratio five-year comparison, 2008-09 to 2013-14



## Indebtedness Ratio

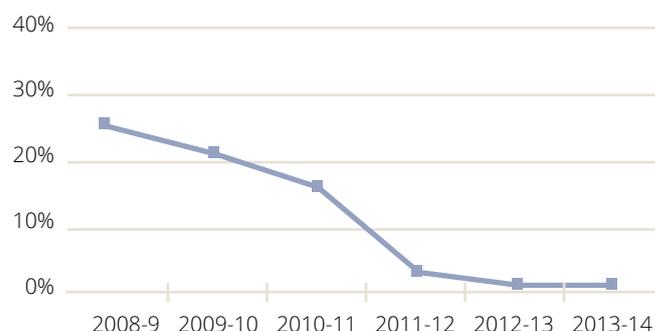
The Indebtedness Ratio indicates Council's ability to repay debt from its own sources of revenue, such as rates and charges. The higher the percentage, the less able Council is to cover non-current liabilities from revenues generated from its own sources, excluding government grants. Council's ratio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

## Self-financing Ratio

The Self-financing Ratio measures the ability of Council to replace assets using cash generated by operations. The higher the percentage, the more effectively this can be achieved. Results indicate that Council is generating enough cash from operations to fund its capital works expenditure (and predominantly the renewal of existing assets).

As Council adjusts its underlying result, as detailed earlier (page 81), and because this is the denominator used in the calculation of the self-financing ratio, Council arrives at a slightly different result for this ratio than VAGO. It should be noted that both the VAGO and Council results for this ratio generally fall within the 'low' risk category (the 2012-13 result as reported by VAGO fell into the 'medium' risk category as it was 19.48% and needs to be above 20% to be considered 'low' risk).

### Indebtedness Ratio five-year comparison, 2008-09 to 2013-14



### Self-financing Ratio five-year comparison, 2008-09 to 2013-14



## Capital Replacement Ratio

The Capital Replacement Ratio relates to the total capital expenditure payments made in a year and draws a comparison of the rate of spending on infrastructure, property, plant and equipment with the level of depreciation expense.

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

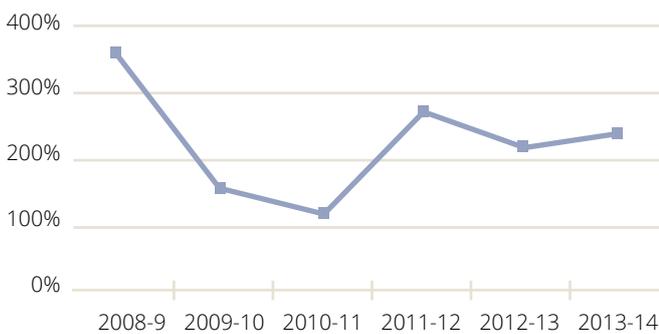
## Renewal Gap Ratio

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

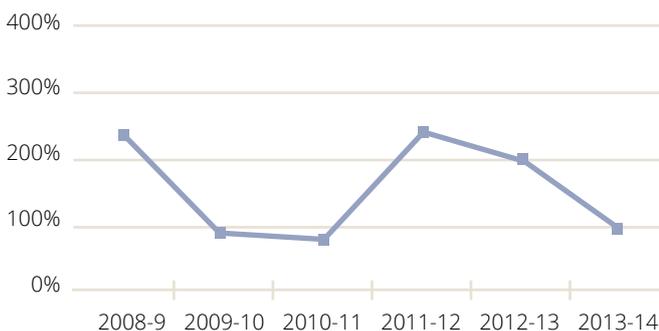
This is a long-term indicator, as capital expenditure compared to depreciation needs to be averaged over a number of years as the peaks and troughs of asset replacement requirements occur. Council has averaged well over 100% for the trend period, demonstrating Council's commitment to maintaining and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

In summary, the outcomes for the financial sustainability indicators as assessed by VAGO illustrates the Borough of Queenscliffe Council's sound financial position and shows that Council is considered 'low' risk on five of the six financial sustainability indicators, with one indicator falling just outside the 'low' risk category for the 2012-13 year.

**Capital Replacement Ratio five-year comparison, 2008-09 to 2013-14**



**Renewal Gap Ratio five-year comparison, 2008-09 to 2013-14**



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# Basis of preparation of Standard Statements

**The Borough of Queenscliffe is required to prepare and include audited Standard Statements within its annual report. Four Statements are required – a Standard Income Statement, Standard Balance Sheet, Standard Cash Flow Statement and a Standard Capital Works Statement, together with explanatory notes.**

Council has included a further standard statement, reflecting the additional standard statement included within the 2013/14 budget adopted by Council on 26 June 2013 - a Standard Investment Reserves Statement.

The above set of five standard statements and supporting notes form a special purpose financial report prepared to meet the requirements of the Local Government Act 1989 and Local Government (Finance and Reporting) Regulations 2004.

The Standard Statements have been prepared on an accounting basis consistent with those used for the General Purpose Financial Statements and the Budget. The results reported in these statements are consistent with those reported in the General Purpose Financial Statements.

The Standard Statements are not a substitute for the General Purpose Financial Statements. They have not been prepared in accordance with all Australian Accounting Standards or other authoritative professional pronouncements.

The Standard Statements compare the Council's financial plan, expressed through its Budget, with actual performance. The Local Government Act 1989 requires explanation of any material variances. The Council has adopted a materiality threshold of 10%

or \$100,000. Explanations have not been provided for variations below the materiality threshold unless the variance is considered to be material because of its nature.

The Budget figures included in the statements are those adopted by the Council on 26 June 2013. The Budget was based on assumptions that were relevant at the time of adoption of the budget. The Council set guidelines and parameters for revenue and expense targets in this Budget in order to meet the Council's business plan and financial performance targets for both the short term and long term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

Detailed information on the actual financial results are contained in the General Purpose Financial Statements. The detailed budget can be obtained by contacting Council or through Council's website. The Standard Statements must be read with reference to these documents.

# Standard Income Statement

For the Year Ending 30 June 2014

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
<b>REVENUES</b>					
Rates and charges	5,874	5,866	8	0%	
Statutory fees and fines	81	90	(9)	(10%)	1
User fees and charges	2,084	2,158	(74)	(3%)	
Grants - Operating	1,900	2,505	(605)	(24%)	2
Grants - Capital	1,452	2,495	(1,043)	(42%)	3
Contributions - cash - capital	10	95	(85)	(90%)	4
Interest received	157	156	1	1%	
Other income	41	-	41	100%	5
Asset recognition	45	-	45	100%	6
<b>TOTAL OPERATING REVENUE</b>	<b>11,644</b>	<b>13,365</b>	<b>(1,721)</b>	<b>(13%)</b>	
<b>EXPENSES</b>					
Employee costs	3,286	3,156	(130)	(4%)	7
Materials and services	5,017	7,056	2,039	29%	8
Bad and doubtful debts	10	2	(8)	(405%)	9
Depreciation	924	864	(60)	(7%)	
Interest expense	52	66	14	21%	10
Other expenses	261	399	138	35%	11
<b>TOTAL OPERATING EXPENSES</b>	<b>9,551</b>	<b>11,543</b>	<b>1,992</b>	<b>17%</b>	
<b>OPERATING RESULT</b>	<b>2,094</b>	<b>1,822</b>	<b>272</b>	<b>15%</b>	
Net asset revaluation decrement	(364)	-	(364)	100%	12
Net gain/(loss) on disposal of property, infrastructure, plant and equipment	2	(5)	7	(137%)	13
Share of net profits/(losses) of associates and joint ventures accounted for by the equity method	3	(5)	8	(157%)	14
<b>COMPREHENSIVE RESULT</b>	<b>1,734</b>	<b>1,812</b>	<b>(78)</b>	<b>(4%)</b>	
less Capital grants and contributions	(1,462)	(2,590)	1,128	(44%)	15
less Other abnormals and library share	364	5	359	7187%	12, 14
add back Loss on asset sales	-	5	(5)	(100%)	13
less Operating grant timing adjustments	-	438	(438)	(100%)	16
<b>UNDERLYING SURPLUS / (DEFICIT)</b>	<b>636</b>	<b>(330)</b>	<b>966</b>	<b>293%</b>	

# Standard Income Statement

## Variance Explanation Report

Note	Item	Commentary
1	<b>Statutory fees and fines</b>	Reduction in parking infringement income (\$2,000) is the direct result of law enforcement, particularly in the vicinity of the boat ramp. Less activity with regards to town planning (\$3,000), animal infringements (\$2,000) and local laws permits/fines (\$2,000).
2	<b>Grants - Operating</b>	<p><b>Recurrent funding</b> Council attracted unbudgeted funding for the following during 2013/14:</p> <ul style="list-style-type: none"> <li>- \$54,000 administration of the Fire Services Property Levy</li> <li>- \$42,000 HACC personal care and community services</li> </ul> <p><b>Non-recurrent funding</b> Queenscliff Historic Railway Precinct original budget of \$400,000 will be received in two instalments (2013/14 \$200,000, 2014/15 \$200,000). Country Roads &amp; Bridges Program funding (\$232,000) was budgeted as operating grants and allocated to capital grants within this funding program. Funding not yet secured or delayed until 2014/15 included:</p> <ul style="list-style-type: none"> <li>- (\$79,000) energy efficient street lighting not yet secured</li> <li>- (\$125,000) Ferry to Pier funding deferred to 2014/15</li> <li>- (\$75,000) Fort Queenscliff development plan funding (2013/14 \$30,000, 2014/15 \$80,000, including an additional \$5,000)</li> </ul> <p>Council was successful in attracting the following grant funding during 2013/14:</p> <ul style="list-style-type: none"> <li>- \$50,000 Caravan Parks Masterplan</li> <li>- \$30,000 regional public place recycling</li> <li>- \$25,000 localised planning statement</li> </ul>
3	<b>Grants - Capital</b>	<p><b>Non-recurrent funding</b> Operating grants budgeted in 2013/14 and redirected to capital projects included:</p> <ul style="list-style-type: none"> <li>- \$232,000 Country Roads &amp; Bridges Program funding allocated to Hesse Street roundabout (VicRoads asset), redirected to Bay Street construction in 2013/14. 2014/15 funding allocated to complete Hesse Street roundabout (operating).</li> <li>- \$300,000 Botanic Gardens project under the Local Government Infrastructure Fund, redirected to the Point Lonsdale foreshore revitalisation project Stage 2 in 2013/14.</li> </ul> <p>Additional funding received in 2013/14 not budgeted included the following projects:</p> <ul style="list-style-type: none"> <li>- \$50,000 balance of grant funding for the Monahan Centre budgeted in 2012/13 and received in 2013/14 on completion of the project.</li> <li>- \$50,000 lighthouse reserves development</li> <li>- \$20,000 pedestrian crossing</li> <li>- \$20,000 Fellows &amp; Grimes Roads \$20,000</li> <li>- \$11,000 energy efficient hot water systems</li> </ul> <p>Funding not yet secured or delayed until 2014/15 included:</p> <ul style="list-style-type: none"> <li>- (\$1,000,000) Queenscliff Sports Club enhancement project deferred to 2014/15 and a larger funding amount is being sought</li> <li>- (\$300,000) Queenscliff Kindergarten deferred to 2014/15 (Council was also successful in securing an additional \$5,000).</li> <li>- (\$205,000) Point Lonsdale Revitalisation project Stage 2 deferred to 2014/15 (2013/14 \$295,000).</li> </ul> <p>Council was unsuccessful in securing budgeted grant funding for the following project:</p> <ul style="list-style-type: none"> <li>- (\$250,000) Point Lonsdale Foreshore Revitalisation Stage 3</li> </ul>
4	<b>Contributions - cash - Capital</b>	Contributions for the Queenscliff Kindergarten development (\$75,000) and the Ferry to Pier project (\$20,000) are now expected to be received in 2014/15. Additional contributions totalling \$10,000 have been received in 2013/14 for the Neighbourhood House upgrade and replacement of the Birds Nest Swing Seat.
5	<b>Other income</b>	Council received \$35,000 reimbursement in Workcover claims and \$6,000 miscellaneous income, including expenses recharged to community groups, during 2013/14.
6	<b>Asset recognition</b>	Council became Committee of Management for the Point Lonsdale Lighthouse Reserve, resulting in the Lighthouse Reserve access road being recognised as a new Council asset.

<b>Note</b>	<b>Item</b>	<b>Commentary</b>
7	<b>Employee costs</b>	<p>Significant variances include:</p> <ul style="list-style-type: none"> <li>- (\$45,000) expensed capital works (operating) relating to engineering resources employed to progress capital projects.</li> <li>- (\$36,000) Workcover claim not budgeted.</li> <li>- (\$27,000) additional Finance &amp; Rates staffing offset by 12 months grant funding received for this position.</li> <li>- (\$25,000) increased ongoing Sustainability and Environment staffing.</li> <li>- \$14,000 net reduction in caravan park salaries, relating to use of contract caretakers (included in Materials and services).</li> </ul>
8	<b>Materials and services</b>	Materials and services for a number of operating projects have been carried over for completion in the 2014/15 year (\$1,207,000 grant funded and \$380,000 operating budgets). Country Roads & Bridges operating projects totalling \$232,000 were redirected to capital works. In addition, \$120,000 of savings in operating materials and services was achieved in 2013/14, largely due to contingencies not required and the significant tree register budget reduced by \$30,000.
9	<b>Bad and doubtful debts</b>	Debtors written down for 2013/14 include \$8,000 for caravan park fees and \$2,000 for parking infringements and related legal costs.
10	<b>Interest expense</b>	Interest is below budget due to variable interest rates on loans being lower than previous fixed interest rates, and budgeted new borrowings of \$500,000 for the Queenscliff Sports & Recreation Precinct being deferred to the 2014/15 budget.
11	<b>Other expenses</b>	Landfill disposal levy (\$147,000) reclassified as Materials and services.
12	<b>Net asset revaluation decrement</b>	Revaluation increments not included in the adopted budget as future fair values were not able to be reliably estimated. Land, including land under roads, buildings and road network infrastructure assets were all revalued in 2013/14.
13	<b>Net loss on disposal of property, infrastructure, plant and equipment</b>	Minor loss on disposal of four replaced motor vehicles, originally budgeted as other comprehensive income.
14	<b>Share of net profits of associates and joint ventures accounted for by the equity method</b>	Council's share of the Geelong Regional Library Corporation's reported surplus for the 2013/14 year (\$3,000 or 2.61% ownership) was originally budgeted as other comprehensive income.
15	<b>Capital grants and contributions (deducted to arrive at the Underlying result)</b>	Recurrent capital grants removed in arriving at the Underlying result, in compliance with the Local Government (Planning and Reporting) Regulations 2014.
16	<b>Operating grants timing adjustments (added back to arrive at the Underlying result)</b>	Non-recurrent operating grants removed in arriving at the Underlying result, in accordance with the Local Government (Planning and Reporting) Regulations 2014.

# Standard Balance Sheet

As at 30 June 2014

	Actual	Budget	Variance		
	\$'000	\$'000	\$'000	%	Note
<b>ASSETS</b>					
<i>Current Assets</i>					
Cash and cash equivalents	1,936	3,884	(1,948)	(50%)	1
Trade and other receivables	480	477	3	1%	
Financial assets	2,374	-	2,374	100%	2
Inventories	4	6	(2)	(32%)	3
Other assets	618	158	460	291%	4
<b>Total Current Assets</b>	<b>5,412</b>	<b>4,524</b>	<b>888</b>	<b>20%</b>	
<i>Non-Current Assets</i>					
Trade and other receivables	-	19	(19)	(100%)	5
Investments in associates accounted for using the equity method	258	236	22	9%	
Property, infrastructure, plant & equipment	66,648	71,410	(4,762)	(7%)	6
<b>Total Non-Current Assets</b>	<b>66,906</b>	<b>71,665</b>	<b>(4,759)</b>	<b>(7%)</b>	
<b>TOTAL ASSETS</b>	<b>72,318</b>	<b>76,189</b>	<b>(3,871)</b>	<b>(5%)</b>	
<b>LIABILITIES</b>					
<i>Current Liabilities</i>					
Trade and other payables	702	1,715	1,013	59%	7
Trust funds and deposits	62	68	6	9%	
Provisions	699	634	(65)	(10%)	8
Interest bearing loans and borrowings	749	245	(504)	(206%)	9
Other liabilities	51	-	(51)	(100%)	10
<b>Total Current Liabilities</b>	<b>2,263</b>	<b>2,662</b>	<b>399</b>	<b>15%</b>	
<i>Non-Current Liabilities</i>					
Provisions	49	48	(1)	(1%)	
Interest bearing loans and borrowings	-	1,034	1,034	100%	11
<b>Total non-current liabilities</b>	<b>49</b>	<b>1,082</b>	<b>1,033</b>	<b>96%</b>	
<b>TOTAL LIABILITIES</b>	<b>2,312</b>	<b>3,744</b>	<b>1,432</b>	<b>38%</b>	
<b>NET ASSETS</b>	<b>70,006</b>	<b>72,445</b>	<b>(2,439)</b>	<b>(3%)</b>	
<b>EQUITY</b>					
Accumulated surplus	32,386	36,246	(3,860)	(11%)	12
Asset revaluation reserve	33,902	34,266	(364)	(1%)	13
Other reserves	3,717	1,933	1,784	92%	14
<b>TOTAL EQUITY</b>	<b>70,006</b>	<b>72,445</b>	<b>(2,439)</b>	<b>(3%)</b>	

## Variance Explanation Report

Note	Item	Commentary
1	<b>Cash and cash equivalents</b>	Council holds a high cash balance at 30 June 2014 as a result of incomplete major projects and capital works. Substantial grant funding has also been received in advance for projects to be completed over more than one financial year, including the Country Roads & Bridges Program. Funds are held in investment reserves for completion of works in future years with cash balances not required within three months invested in short-term deposits, and disclosed as Financial Assets in the Balance Sheet.
2	<b>Financial assets</b>	At the time of budget preparation an assumption was made that all investment reserves at balance date would be held for less than three months. Investments are held at balance date for incomplete major projects and capital works to be completed later than three months, and capital grants received in advance for projects to be completed over more than one financial year.
3	<b>Inventories</b>	Minor variation in merchandise held at the Visitor Information Centre held at balance date for sale.
4	<b>Other assets - current</b>	\$395,000 accrued grant funding related to completion of the Point Lonsdale Foreshore Revitalisation project and due to be received in 2014/15.
5	<b>Trade and other receivables - non current</b>	Three heritage loan debtors were paid out in full during 2013/14. There are no heritage loans at balance date.
6	<b>Property, plant &amp; equipment, infrastructure</b>	<p>Lower than budget as a result of the following:</p> <ul style="list-style-type: none"> <li>- Asset revaluations conducted in 2013/14 for which amounts were not known at the time of setting the 2013/14 budget. Revaluations took place in relation to the following asset classes: land, land under roads, buildings and road network infrastructure assets (roads including kerb and channel, footpaths and cycleways). The net result is a revaluation decrement, with a total of \$0.364 million deducted from Council's asset base at 30 June 2014.</li> <li>- A number of capital projects have been carried over for completion in 2014/15, including grants received in advance for capital projects \$575,000 and other incomplete capital works \$680,000. In addition, grant funding has not yet been secured for the Queenscliff Sports &amp; Recreation Precinct project \$1,500,000 and this project has been deferred to 2014/15.</li> </ul>
7	<b>Trade and other payables</b>	Lower than budget, due mainly to a number of projects carried forward for completion in future years.
8	<b>Provisions - current</b>	Increased long service leave (LSL) provision, which includes receipt of transferred entitlements from other public authorities for new staff appointments, and increased numbers of staff with five years completed service.
9	<b>Interest bearing loans and borrowings - current</b>	Council's long term loans were originally budgeted based on maturity profiles, however borrowings have been reclassified as a current liability at balance date, due to Council not having an unconditional right to defer settlement for at least 12 months after the reporting period. In addition, budgeted new loan borrowings of \$500,000 relating to the Queenscliff Sports & Recreation Precinct redevelopment, were not drawn down due to grant funding not yet secured and now deferred to 2014/15.
10	<b>Other liabilities</b>	Income received in advance includes caravan park seasonal permits \$24,000, rate revenue \$21,000 and sundry income \$6,000.
11	<b>Interest bearing loans and borrowings - non current</b>	Council's long term loans were originally budgeted based on maturity profiles, however borrowings have been reclassified as a current liability at balance date, due to Council not having an unconditional right to defer settlement for at least 12 months after the reporting period.
12	<b>Accumulated surplus</b>	Reduced surplus due to incomplete projects carried forward to 2014/15.
13	<b>Asset revaluation reserve</b>	Revaluation of assets, including land, land under roads, buildings and road network infrastructure assets undertaken in 2013/14, in relation to which an estimate of the fair value was not able to be reliably estimated at the time of budget preparation.
14	<b>Other reserves</b>	Increased reserves due to works not completed at balance date or related to substantial grant funding received in advance for projects to be completed over more than one financial year.

# Standard Cash Flow Statement

For the Year Ending 30 June 2014

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
<b>Cash flows from operating activities</b>					
<i>Receipts</i>					
Rates and charges	5,866	5,860	6	0%	
User fees and fines	1,959	2,218	(259)	(12%)	1
Grants and cash contributions	3,040	5,095	(2,055)	(40%)	2
Other receipts	291	156	135	86%	3
	11,156	13,329	(2,173)	(16%)	
<i>Payments</i>					
Payments to suppliers	(4,918)	(6,473)	1,555	(24%)	4
Employee benefits	(3,189)	(3,127)	(62)	2%	
Other payments	(686)	(401)	(285)	71%	5
	<b>(8,792)</b>	<b>(10,001)</b>	<b>1,209</b>	<b>(12%)</b>	
<b>Net cash provided by operating activities</b>	<b>2,364</b>	<b>3,328</b>	<b>(964)</b>	<b>(29%)</b>	
<b>Cash flows from investing activities</b>					
Payments for property, infrastructure, plant and equipment	(2,243)	(4,376)	2,133	(49%)	6
Proceeds from sale of assets	68	68	0	0%	
Repayment of loans and advances	14	-	14	100%	7
Trust funds and deposits	36	-	36	100%	8
<b>Net cash used in investing activities</b>	<b>(2,124)</b>	<b>(4,309)</b>	<b>2,185</b>	<b>(51%)</b>	
<b>Cash flows from financing activities</b>					
Interest expense	(56)	(66)	10	(16%)	9
Proceeds from borrowings	-	500	(500)	(100%)	10
Repayment of borrowings	(224)	(235)	11	(5%)	
<b>Net cash provided by (used in) financing activities</b>	<b>(280)</b>	<b>199</b>	<b>(479)</b>	<b>(241%)</b>	
Net increase (decrease) in cash and cash equivalents	40	(781)	741	(95%)	
Cash and cash equivalents at beginning of period	1,976	4,665	(2,689)	(58%)	
<b>Cash and cash equivalents at end of year</b>	<b>1,936</b>	<b>3,884</b>	<b>( 1,948)</b>	<b>(50%)</b>	

## Variance Explanation Report

Note	Item	Commentary
1	<b>User fees and fines</b>	Lower than budget due to income accrued not yet received, including property leasing charges and State Revenue Office valuations reimbursement and rechargeable works.
2	<b>Grants and cash contributions</b>	<p>The following grants were budgeted but not received in 2013/14:</p> <ul style="list-style-type: none"> <li>- (\$1,000,000) Queenscliff Sports &amp; Recreation Precinct deferred to 2014/15</li> <li>- (\$250,000) Point Lonsdale Foreshore Stage 3 funding application unsuccessful</li> <li>- (\$205,000) Point Lonsdale Foreshore Stage 2 deferred to 2014/15</li> <li>- (\$200,000) Queenscliff Historic Railway Precinct deferred to 2014/15</li> <li>- (\$125,000) Ferry to Pier deferred to 2014/15</li> <li>- (\$79,000) bulk changeover of energy efficient street lighting funding not yet secured</li> <li>- (\$75,000) Fort Queenscliff development plan (2013/14 \$30,000, 2014/15 \$80,000, including an additional \$5,000)</li> </ul> <p>Council was successful in attracting alternate grant funding during 2013/14 as follows:</p> <ul style="list-style-type: none"> <li>- \$54,000 administration of the Fire Services Property Levy</li> <li>- \$50,000 Caravan Parks Masterplan</li> <li>- \$42,000 HACC personal care and community services</li> <li>- \$30,000 regional public place recycling</li> <li>- \$25,000 localised planning statement</li> </ul> <p>Council is entitled to receive \$395,000 funding for Point Lonsdale Foreshore Revitalisation Stage 2. This income has been accrued in 2013/14, with cash inflows expected to occur in 2014/15.</p>
3	<b>Other receipts</b>	Prepayment of \$100,000 GST on the Country Roads & Bridges Program grant in 2012/13 was refunded to Council in 2013/14.
4	<b>Payments to suppliers</b>	A number of operating projects have been carried over for completion in the 2014/15 year, therefore the actual cash outflow to suppliers is well below the level budgeted. The carry forwards comprise \$1,207,000 operating grants received and \$380,000 operating expense budgets.
5	<b>Other payments</b>	\$416,000 increase in investments held for periods greater than three months, reflecting funds carried over for the completion of major projects in 2014/15.
6	<b>Payments for property, infrastructure, plant and equipment</b>	A number of capital projects have been carried over for completion in 2014/15, therefore the actual cash outflow for property and infrastructure assets is well below the level budgeted. The carry forwards comprise \$575,000 capital grants received and \$680,000 capital expenditure budgets. In addition, the 2013/14 budget provided for \$1,500,000 to be allocated to the Queenscliff Sports & Recreation Precinct project, however government grant funding was not yet secured at balance date and this project is deferred to the 2014/15 budget.
7	<b>Repayment of loans and advances</b>	Relates to three low interest loans that Council has granted to applicants for heritage building works. All loans are paid in full at balance date.
8	<b>Trust funds and deposits</b>	Minor movement in the amount of funds held in trust. This item is unpredictable and generally not budgeted.
9	<b>Interest expense</b>	Interest lower than budget due to the variable interest rate on loans being lower than previous fixed interest rates and budgeted new borrowings of \$500,000 for the Queenscliff Sports & Recreation Precinct being deferred to the 2014/15 budget.
10	<b>Proceeds from borrowings</b>	A new loan of \$500,000 for the Queenscliff Sports & Recreation Precinct project was originally budgeted in 2013/14. Council has not yet secured government grant funding for this project and hence new loan proceeds have been deferred to the 2014/15 budget.

# Standard Capital Works Statement

For the Year Ending 30 June 2014

	Actual \$'000	Budget \$'000	Variance \$'000	%	Note
<b>Capital Works Areas</b>					
Property	231	2,793	(2,562)	(92%)	1
Plant & Equipment	177	210	(33)	(16%)	2
Infrastructure:					
Roads, Kerb & Channel	476	606	(130)	(21%)	3
Footpaths & Cycleways	17	-	17	100%	4
Drainage	8	35	(27)	(76%)	5
Recreational, Leisure & Community Facilities	54	-	54	100%	6
Parks, Open Space & Streetscapes	1,280	732	548	75%	7
<b>Total capital works</b>	<b>2,243</b>	<b>4,377</b>	<b>(2,134)</b>	<b>(49%)</b>	
<b>Represented by:</b>					
Asset renewal	834	939	(105)	(11%)	
New assets	1,336	1,912	(576)	(30%)	
Upgrade/expansion	72	1,525	(1,453)	(95%)	
<b>Total capital works</b>	<b>2,242</b>	<b>4,377</b>	<b>(2,134)</b>	<b>(49%)</b>	

## Property, Infrastructure, Plant and Equipment Movement Reconciliation Worksheet

The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:

Total capital works	2,243	4,376	(2,133)	(49%)	
Asset revaluation increment/(decrement)	(364)	-	(364)	100%	
Depreciation & amortisation	(924)	(864)	(60)	7%	
Asset write-offs	(8)	-	(8)	100%	
Gifted assets recognised	45	-	45	100%	
Written down value of assets sold	(67)	(73)	6	(8%)	
<b>Net movement in property, infrastructure, plant and equipment</b>	<b>924</b>	<b>3,439</b>	<b>(2,515)</b>	<b>(73%)</b>	

## Variance Explanation Report

Note	Item	Commentary
1	<b>Property</b>	<p>Lower than budget as a result of major projects which were not completed at balance date (although some have commenced). Budget variances are as follows:</p> <ul style="list-style-type: none"> <li>- \$1,500,000 Queenscliff Sports &amp; Recreation Precinct (government funding not secured, project deferred to 2014/15 Budget);</li> <li>- \$450,000 Queenscliff Kindergarten redevelopment Stage 1 (grant funding received and carried forward to 2014/15 year);</li> <li>- \$278,000 Point Lonsdale Foreshore revitalisation Stage 3 - Village Park upgrade (now expected to occur in 2014/15);</li> <li>- \$260,000 Queenscliff Historic Railway Precinct - Senior Citizens &amp; Sea Scouts buildings (to be undertaken in 2014/15); and</li> <li>- \$66,000 Annual renewal of buildings (some projects carried over to 2014/15, including Monahan Centre grandstand roof).</li> </ul> <p>Further, (\$140,000) expenditure was incurred for completion of the Queenscliff Sports Club enhancement (Monahan Centre). Note this item was budgeted in the previous 2012/13 year when most of the project works took place, with the balance of funds held in reserve and carried forward for completion of this project in the 2013/14 year.</p>
2	<b>Plant &amp; Equipment</b>	Annual replacement of one motor vehicle deferred to the 2014/15 year (five vehicles budgeted for replacement, four occurred).
3	<b>Roads, Kerb &amp; Channel</b>	<p>Lower than budget as a result of funding carried over to 2014/15 for the following projects:</p> <ul style="list-style-type: none"> <li>- \$63,000 Hesse Street revitalisation Stage 1;</li> <li>- \$60,000 Pedestrian crossings at Fellows &amp; Grimes roads and at Flinders &amp; Henry Streets; and</li> <li>- \$50,000 Dog beach carpark upgrade.</li> </ul> <p>In addition, Bay Street reconstruction (a major project funded under the Country Roads &amp; Bridges Program) was originally budgeted within the Roads asset class, however part of this project included work on the drainage assets (see Note 5 below).</p>
4	<b>Footpaths &amp; Cycleways</b>	Annual renewal of footpaths, originally budgeted within the Roads asset class above.
5	<b>Drainage</b>	Bay Street reconstruction, a major project funded under the Country Roads & Bridges Program, was originally budgeted within the Roads asset class above, however part of this project included works on Council's drainage assets.
6	<b>Recreational, Leisure &amp; Community Facilities</b>	Annual renewal of beach access tracks, originally budgeted within the Parks, Open Space & Streetscapes asset class below.
7	<b>Parks, Open Space &amp; Streetscapes</b>	<p>Projects undertaken in the 2013/14 year, above the level budgeted for due to grant funding received, is as follows:</p> <ul style="list-style-type: none"> <li>- (\$300,000) Point Lonsdale Foreshore Stage 2 (additional funding received from the Regional Development Australia Fund);</li> <li>- (\$190,000) Point Lonsdale Foreshore Stage 1 (grant funding received in 2012/13 and carried forward to 2013/14);</li> <li>- (\$128,000) Ferry to the Pier (\$206,000 funds carried forward from 2012/13, some expended, with the balance in 2014/15);</li> </ul> <p>Note some budget, previously included within this asset class, has been reallocated to Recreational, Leisure &amp; Community Facilities (see Note 6 above).</p>

# Standard Investment Reserves Statement

For the Year Ending 30 June 2014

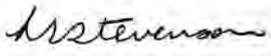
	Actual	Budget	Variance		
	\$'000	\$'000	\$'000	%	Note
<b>Reserves</b>					
<i>Discretionary</i>					
Asset replacement reserve	876	240	636	265%	1
Works carried forward reserve	2,842	1,643	1,199	73%	2
General reserve (matching funds)	-	50	(50)	(100%)	3
<b>Total discretionary reserves</b>	<b>3,717</b>	<b>1,933</b>	<b>1,784</b>	<b>92%</b>	
<b>Total reserves</b>	<b>3,717</b>	<b>1,933</b>	<b>1,784</b>	<b>92%</b>	

## Variance Explanation Report

Note	Item	Commentary
1	<b>Asset replacement reserve</b>	<p>This reserve account is identified in Council's strategic financial plan and is used throughout the year for the following purposes:</p> <ul style="list-style-type: none"> <li>- to park surplus funds from previous financial year(s), for investment in Council's asset renewal program in future years, and</li> <li>- to earmark projects which, whilst not budgeted, meet asset renewal criteria and/or address specific risk management issues.</li> </ul> <p><b>Allocated</b></p> <p>Council has \$412,000 held in the Asset replacement reserve at balance date for specific projects for the renewal of Council assets in future years, including:</p> <ul style="list-style-type: none"> <li>- \$145,000 building renewal which includes building design projects and Monahan Centre grandstand roof</li> <li>- \$135,000 electrical points of supply at Queenscliff Recreation Reserve and Victoria Park</li> <li>- \$97,000 infrastructure asset renewal including drainage, footpaths and Hesse Street revitalisation</li> <li>- \$25,000 Queenscliff historic railway precinct infrastructure.</li> </ul> <p><b>Unencumbered</b></p> <p>Council has \$464,000 held in the Asset replacement reserve at balance date comprising of surpluses achieved in prior financial years, which has not been allocated to specific projects and is therefore available at Council's discretion to meet future asset renewal requirements.</p>
2	<b>Works carried forward reserve</b>	<p>Council budgets for some level of carry forwards each year, however this amount is very difficult to estimate with accuracy given the bulk of the budget setting process is undertaken at least three months prior to the end of the financial year and many projects are delivered over a timeframe of more than 12 months.</p> <p><b>Grant funding not yet expended - Operating</b></p> <p>Council has \$1,207,000 carried forward in operating grant funding not yet expended, for the following projects:</p> <ul style="list-style-type: none"> <li>- \$431,000 Country Roads &amp; Bridges Program</li> <li>- \$202,000 Coastal tender works (Ocean Road and The Narrows)</li> <li>- \$200,000 Queenscliff Historic Railway Precinct infrastructure</li> <li>- \$190,000 Point Lonsdale cliff stability</li> <li>- \$78,000 Ferry to the Pier</li> </ul> <p><b>Grant funding not yet expended - Capital</b></p> <p>Council has \$575,000 carried forward in capital grant funding not yet expended, for the following projects:</p> <ul style="list-style-type: none"> <li>- \$350,000 Queenscliff Kindergarten redevelopment</li> <li>- \$100,000 Queenscliff Historic Railway Precinct buildings</li> <li>- \$35,000 Hesse Street revitalisation</li> <li>- \$32,000 Point Lonsdale revitalisation Stage 3</li> </ul> <p><b>Incomplete works - Operating</b></p> <p>Council has \$380,000 carried forward in incomplete operating works, for the following projects:</p> <ul style="list-style-type: none"> <li>- \$83,000 Caravan Parks improvement investment fund</li> <li>- \$74,000 Queenscliff Historic Railway Precinct infrastructure</li> <li>- \$48,000 review of the Queenscliff planning scheme</li> <li>- \$20,000 significant tree register</li> <li>- \$20,000 planning for heritage buildings</li> <li>- \$20,000 finance system implementation</li> <li>- \$20,000 avenue of honour</li> </ul> <p><b>Incomplete works - Capital</b></p> <p>Council has \$680,000 carried forward in incomplete capital works, for the following projects:</p> <ul style="list-style-type: none"> <li>- \$160,000 Queenscliff Historic Railway Precinct buildings</li> <li>- \$110,000 Queenscliff Recreation Reserve and Caravan Parks Masterplan</li> <li>- \$75,000 Queenscliff Kindergarten redevelopment</li> <li>- \$75,000 new finance system</li> <li>- \$50,000 Dog Beach carpark upgrade</li> <li>- \$40,000 Point Lonsdale footpath plan</li> <li>- \$40,000 open space strategy and masterplans</li> <li>- \$39,000 planning for sale of land</li> </ul>
3	<b>General reserve</b>	<p>Council resolved during 2013/14 to transfer the previous balance of \$50,000 from this reserve account to the Asset replacement reserve (unencumbered). The general reserve is no longer required and was made inactive during the year.</p>

# Certification of Standard Statements

In my opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.



Lynne Stevenson CPA  
**Principal Accounting Officer**  
Date : 24 September 2014  
Queenscliff

In our opinion, the accompanying standard statements have been prepared on accounting bases consistent with the financial statements and in accordance with the Local Government Act 1989 and the Local Government (Finance and Reporting) Regulations 2004.

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

We have been authorised by the Council on 24 September 2014 to certify the standard statements in their final form.



Councillor Helene Cameron  
**Councillor**  
Date : 24 September 2014  
Queenscliff



Councillor Susan Salter  
**Councillor**  
Date : 24 September 2014  
Queenscliff



Leonard Jenner  
**Chief Executive Officer**  
Date : 24 September 2014  
Queenscliff



*The coastal cliff face at Queenscliff.*

# Comprehensive Income Statement

For the Year Ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Income</b>			
Rates and charges	2	5,874	5,588
Statutory fees and fines	3	81	85
User fees	4	2,084	1,936
Grants - Operating (recurrent)	5	1,545	1,472
Grants - Operating (non-recurrent)	5	355	176
Grants - Capital (recurrent)	5	237	477
Grants - Capital (non-recurrent)	5	1,215	437
Contributions - cash - Operating	6	-	10
Contributions - cash - Capital	6	10	207
Interest received	7	157	168
Other income	8	41	179
Share of net profits of associates and joint ventures accounted for by the equity method	17	3	9
Asset recognition	23	45	-
<b>Total income</b>		<b>11,647</b>	<b>10,744</b>
<b>Expenses</b>			
Employee costs	9	(3,286)	(3,072)
Superannuation (additional call)	10	-	12
Materials and services	11	(5,017)	(4,719)
Bad and doubtful debts	12	(10)	(19)
Depreciation	13	(924)	(916)
Finance costs	14	(52)	(70)
Other expenses	15	(261)	(244)
Net profit/(loss) on disposal of property, infrastructure, plant and equipment	16	2	(27)
Impairment losses recognised in profit or loss	23	-	(24)
<b>Total expenses</b>		<b>(9,549)</b>	<b>(9,079)</b>
<b>Surplus for the year</b>		<b>2,098</b>	<b>1,666</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to surplus or deficit:</i>			
Net asset revaluation decrement	29(a)	(364)	-
<b>Total comprehensive result</b>		<b>1,734</b>	<b>1,666</b>

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

# Balance Sheet

As at 30 June 2014

	Note	2014 \$'000	2013 \$'000
<b>Assets</b>			
<i>Current assets</i>			
Cash and cash equivalents	18	1,936	1,978
Trade and other receivables	19	480	347
Financial assets	20	2,374	1,958
Inventories	21	4	8
Other assets	22	618	295
<b>Total current assets</b>		<b>5,412</b>	<b>4,586</b>
<i>Non-current assets</i>			
Trade and other receivables	19	-	3
Investment in regional library corporation	17	258	255
Property, infrastructure, plant and equipment	23	66,648	65,725
<b>Total non-current assets</b>		<b>66,906</b>	<b>65,983</b>
<b>Total assets</b>		<b>72,318</b>	<b>70,569</b>
<b>Liabilities</b>			
<i>Current liabilities</i>			
Trade and other payables	24	702	579
Trust funds and deposits	25	62	26
Provisions	26	699	639
Interest-bearing loans and borrowings	27	749	972
Other liabilities	28	51	41
<b>Total current liabilities</b>		<b>2,263</b>	<b>2,257</b>
<i>Non-current liabilities</i>			
Provisions	26	49	39
<b>Total non-current liabilities</b>		<b>49</b>	<b>39</b>
<b>Total liabilities</b>		<b>2,312</b>	<b>2,296</b>
<b>Net Assets</b>		<b>70,006</b>	<b>68,273</b>
<b>Equity</b>			
Accumulated surplus		32,386	30,973
Asset revaluation reserve	29	33,902	34,267
Other reserves - discretionary	29	3,717	3,033
<b>Total Equity</b>		<b>70,006</b>	<b>68,273</b>

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

# Statement of Changes in Equity

For the Year Ended 30 June 2014

2014	Note	Total \$'000	Accumulated Surplus \$'000	Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		68,272	30,972	34,267	3,033
Comprehensive result		1,734	2,098	(364)	-
Transfers to other reserves	29(b)	-	(2,421)	-	2,421
Transfers from other reserves	29(b)	-	1,737	-	(1,737)
<b>Balance at end of the financial year</b>		<b>70,006</b>	<b>32,386</b>	<b>33,903</b>	<b>3,717</b>

2013	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		66,606	29,686	34,267	2,653
Comprehensive result		1,666	1,666	-	-
Transfers to other reserves	29(b)	-	(2,067)	-	2,067
Transfers from other reserves	29(b)	-	1,687	-	(1,687)
<b>Balance at end of the financial year</b>		<b>68,272</b>	<b>30,972</b>	<b>34,267</b>	<b>3,033</b>

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

# Statement of Cash Flows

For the Year Ended 30 June 2014

	Note	2014 Inflows/ (Outflows) \$'000	2013 Inflows/ (Outflows) \$'000
<b>Cash flows from operating activities</b>			
Rates and charges		5,866	5,569
Statutory fees and fines		82	87
User fees		1,877	1,996
Grants		3,030	2,472
Contributions - cash		10	217
Interest		146	179
Other receipts		41	137
Net GST refund/payment		105	38
Employee costs		(3,189)	(3,014)
Payments to suppliers		(4,918)	(4,813)
Other payments		(686)	(779)
<b>Net cash provided by operating activities</b>	31	<b>2,364</b>	<b>2,089</b>
<b>Cash flows from investing activities</b>			
Payments for property, infrastructure, plant and equipment	45	(2,243)	(2,030)
Proceeds from sale of property, infrastructure, plant and equipment		68	29
Trust funds and deposits		36	(1)
Repayment of loans and advances		14	10
<b>Net cash provided used in investing activities</b>		<b>(2,124)</b>	<b>(1,992)</b>
<b>Cash flows from financing activities</b>			
Finance costs		(56)	(76)
Proceeds from borrowings		-	149
Repayment of borrowings		(224)	(469)
<b>Net cash used in financing activities</b>		<b>(280)</b>	<b>(395)</b>
Net decrease in cash and cash equivalents		(40)	(299)
Cash and cash equivalents at the beginning of the financial year		1,976	2,275
<b>Cash and cash equivalents at the end of the financial year</b>	18	<b>1,936</b>	<b>1,976</b>
Financing arrangements	33		
Restrictions on cash assets	34		

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

# Notes to the Financial Statements

## Introduction

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

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

**(b) The purpose of the Council is:**

- to provide for the peace, order and good government of its municipal district;
- to promote the social, economic and environmental viability and sustainability of the municipal district;
- to ensure that resources are used efficiently and effectively and services are provided in accordance with the Best Value Principles to best meet the needs of the local community;
- to improve the overall quality of life of people in the local community;
- to promote appropriate business and employment opportunities;
- to ensure that services and facilities provided by the Council are accessible and equitable;
- to ensure the equitable imposition of rates and charges; and
- to ensure transparency and accountability in Council decision making.

External Auditor - Auditor-General of Victoria

Internal Auditor - RSM Bird Cameron

Solicitors - Harwood Andrews

Bankers - Bendigo Bank, Hesse Street, Queenscliff

Website address - [www.queenscliffe.vic.gov.au](http://www.queenscliffe.vic.gov.au)

These financial statements are general purpose financial statements that consist of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and notes accompanying these financial statements. The general purpose financial statements comply with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, the Local Government Act 1989, and the Local Government (Finance and Reporting) Regulations 2004.

## Note 1 Significant accounting policies

### (a) Basis of accounting

These financial statements have been prepared on the accrual and going concern basis.

These financial statements have been prepared under the historical cost convention, except where specifically stated in notes 1(h), 1(j), 1(l), 1(t), 1(v) and 1(w).

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.

All entities controlled by Council that have material assets or liabilities, such as Special Committees of Management, have been included in these financial statements. All transactions between these entities and the Council have been eliminated in full.

### (b) Change in accounting policies

#### AASB 13 Fair Value Measurement

Council has applied AASB 13 for the first time in the current year. AASB 13 establishes a single source of guidance for fair value measurements. The fair value measurement requirements of AASB 13 apply to both financial instrument items and non-financial instrument items for which other A-IFRS require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of AASB 2 Share-based Payment, leasing transactions that are within the scope of AASB 17 Leases, and measurements that have some similarities to fair value but not fair value (e.g. net realisable value for the purposes of measuring inventories or value in use for impairment assessment purposes).

AASB 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique. Also, AASB 13 includes extensive disclosure requirements.

AASB 13 requires prospective application from 1 January 2013. In addition, specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. In accordance with these transitional provisions, Council has not made any new disclosures required by AASB 13 for the 2013 comparative period (see Note 23).

Other than the additional disclosures, the application of AASB 13 has not had any material impact on the amounts recognised in the financial statements.

#### AASB 119 Employee Benefits

In the current year, Council has applied AASB 119 Employee Benefits (as revised in 2011) and the related consequential amendments for the first time. AASB 119 changes the definition of short-term employee benefits. These were previously benefits that were due to be settled within twelve months after the end of the reporting period in which the employees render the related service, however, short-term employee benefits are now defined as benefits expected to be settled wholly before twelve months after the end of the reporting period in which the employees render the related service. As a result, accrued annual leave balances which were previously classified by Council as short-term benefits no longer meet this definition and are now classified as long-term benefits. This has resulted in a change of measurement for that portion of annual leave provision from an undiscounted to discounted basis.

# Notes to the Financial Statements

## Note 1 Significant accounting policies - continued

This change in classification has not materially altered Council's measurement of the annual leave provision.

The 2012/13 comparative figures for annual leave have not been restated as it cannot be reliably measured.

### (c) Revenue recognition

#### *Rates, grants and contributions*

Rates, grants and contributions (including developer contributions) are recognised as revenues when the Council obtains control over the assets comprising these receipts.

Control over assets acquired from rates is obtained at the commencement of the rating year as it is an enforceable debt linked to the rateable property or, where earlier, upon receipt of the rates.

A provision for doubtful debts on rates has not been established as unpaid rates represents a charge against the rateable property that will be recovered when the property is next sold.

Control over granted assets is normally obtained upon their receipt (or acquittal) or upon earlier notification that a grant has been secured, and are valued at their fair value at the date of transfer.

Income is recognised when the Council obtains control of the contribution or the right to receive the contribution, it is probable that the economic benefits comprising the contribution will flow to the Council and the amount of the contribution can be measured reliably.

Where grants or contributions recognised as revenues during the financial year were obtained on condition that they be expended in a particular manner or used over a particular period and those conditions were undischarged at balance date, the unused grant or contribution is disclosed in note 5. The note also discloses the amount of unused grant or contribution from prior years that was expended on Council's operations during the current year.

A liability is recognised in respect of revenue that is reciprocal in nature to the extent that the requisite service has not been provided at balance date.

#### *User fees and fines*

User 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.

A provision for doubtful debts is recognised when collection in full is no longer probable.

#### *Sale of property, infrastructure, plant and equipment*

The profit or loss on sale of an asset is determined when control of the asset has irrevocably passed to the buyer.

#### *Rental*

Rents are recognised as revenue when a payment is due or is received, whichever first occurs. Rental payments received in advance are recognised as a prepayment until they are due.

#### *Interest*

Interest is recognised as it is earned.

#### *Other Income*

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.

#### *Trade and other receivables*

Receivables are carried at amortised cost using the effective interest rate method.

A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

### (d) Inventories

Inventories held for sale are measured at the lower of cost and net realisable value.

### (e) Depreciation of property, infrastructure, plant and equipment

Buildings, 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.

Artworks are not depreciated.

Straight line depreciation is charged based on the residual useful life as determined each year.

Major depreciation periods used are listed below and are consistent with the prior year unless otherwise stated:

Property	Period 2014
Buildings	15 - 200 years
<b>Plant and Equipment</b>	
Plant, machinery and equipment	2 - 10 years
Fixtures, fittings and furniture	3 - 10 years
Computers and telecommunications	3 - 10 years
<b>Infrastructure</b>	
Roads	12 - 80 years
Footpaths and cycleways	20 - 50 years
Drainage	20 - 100 years
Recreation, leisure and community facilities	10 - 100 years
Parks, open space and streetscapes	5 - 25 years
Waste management	5 - 10 years
Other infrastructure	5 - 100 years

### (f) Repairs and maintenance

Routine maintenance, repair costs, and minor renewal costs are expensed as incurred. 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.

### (g) Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred, except where they are capitalised as part of a qualifying asset constructed by Council. Except where specific borrowings are obtained for the purpose of specific asset acquisition, the weighted average interest rate applicable to borrowings at balance date, excluding borrowings associated with superannuation, is used to determine the borrowing costs to be capitalised.

Borrowing costs include interest on bank overdrafts, interest on borrowings, and finance lease charges.

# Notes to the Financial Statements

## Note 1 Significant accounting policies - continued

### (h) Recognition and measurement of assets

#### 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.

The following classes of assets have been recognised in note 23. In accordance with Council's policy, the threshold limits detailed below have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year:

	Threshold Limit \$'000
<b>Property</b>	
<b>Land</b>	
land	5
land under roads	5
Buildings	10
<b>Plant and Equipment</b>	
Plant, machinery and equipment	0.5
Fixtures, fittings and furniture	0.5
Computers and telecommunications	0.5
<b>Infrastructure</b>	
Roads	10
Footpaths and cycleways	10
Drainage	5
Recreational, leisure and community facilities	5
Parks, open space and streetscapes	5
Waste management	5
Other infrastructure	5

#### Revaluation

Subsequent to the initial recognition of assets, road network infrastructure assets (roads including kerb and channel; footpaths and cycleways; drainage) 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.

- Level 1 (quoted price - no negotiation, price is listed)
- Level 2 (observable market inputs – observable evidence)
- Level 3 (unobservable market inputs – significant reliance on assumptions)

Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practicable highest and best use of the asset.

In addition, Council undertakes a formal revaluation of land, buildings and infrastructure assets on a regular basis ranging from two years for land and buildings to three years for infrastructure 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.

#### Land under roads

Council recognises land under roads it controls at fair value.

#### (i) Cash and cash equivalents

For the purposes of the Statement of Cash Flows, 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.

#### (j) Financial assets

Financial assets are valued at fair value, being market value, at balance date. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

#### (k) Investments

Investments, other than investments in associates, are measured at cost.

#### (l) Accounting for investments in associates

Council's investment in associates is accounted for by the equity method as the Council has the ability to influence rather than control the operations of the entities. The investment is initially recorded at the cost of acquisition and adjusted thereafter for post-acquisition changes in the Council's share of the net assets of the entities. The Council's share of the financial result of the entities is recognised in the Comprehensive Income Statement.

#### (m) Tender deposits

Amounts received as tender deposits and retention amounts controlled by Council are recognised as Trust funds until they are returned or forfeited (refer to note 25).

#### (n) Employee benefits

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

##### (i) Wages and salaries, and annual leave

Liabilities for wages and salaries, including non-monetary benefits, annual leave, rostered days off and time-in-lieu expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits in respect of employee services up to the reporting date, classified as current liabilities and measured at their nominal values.

Liabilities that are not expected to be wholly settled within 12 months of the reporting date are recognised in the provision for employee benefits as non-current liabilities, measured at 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.

# Notes to the Financial Statements

## Note 1 Significant accounting policies - continued

### (ii) Long service leave

Liability for long service leave (LSL) is recognised in the provision for employee benefits.

Current Liability - unconditional LSL representing 5 years is disclosed as a current liability even when the Council does not expect to settle the liability within 12 months because it will not have the unconditional right to defer settlement of the entitlement should an employee take leave within 12 months.

The components of this current liability are measured at:

- present value - component that is not expected to be settled within 12 months.
- nominal value - component that is expected to be settled within

Non-current liability - conditional LSL representing less than 5 years is disclosed as a non-current liability. There is an unconditional right to defer settlement of the entitlement until the employee has completed the requisite years of service.

This non-current LSL liability is measured at present value. Gain or loss following revaluation of the present value of non-current LSL liability due to changes in bond interest rates is recognised as an other economic flow.

### (iii) Termination benefits

Termination benefits are payable when employment is terminated before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Council recognises termination benefits when it is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after Balance Sheet date are discounted to present value.

### Employee benefits on-costs

Employee benefits on-costs (workcover, superannuation, annual leave and long service leave accrued while on LSL taken in service) are recognised separately from provision for employee benefits.

### Superannuation

The amount charged to the Comprehensive Income Statement in respect of superannuation represents contributions made or due by Council to the relevant superannuation plans in respect to the services of Council's staff (both past and present). Superannuation contributions are made to the plans based on the relevant rules of each plan and any relevant compulsory superannuation requirements that Council is required to comply with.

### (o) Leases

#### Operating leases

Lease payments for operating leases are required by the accounting standard to be recognised on a straight line basis, rather than expensed in the years in which they are incurred.

### (p) Allocation between current and non-current

In the determination of whether an asset or liability is current or non-current, consideration is given to the time when each asset or liability is expected to be settled. The asset or liability is classified as current if it is expected to be settled within the next twelve months, being the Council's operational cycle, or if the Council does not have an unconditional right to defer settlement of a liability for at least 12 months after the reporting date.

### (q) Agreements equally proportionately unperformed

The Council does not recognise assets and liabilities arising from agreements that are equally proportionately unperformed in the Balance Sheet. Such agreements are recognised on an 'as incurred' basis.

### (r) Website costs

Costs in relation to websites are charged as an expense in the period in which they are incurred.

### (s) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Balance Sheet are shown inclusive of GST.

Cash flows are presented in the Statement of Cash Flows on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

### (t) 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 to sell 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.

### (u) Rounding

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

### (v) Financial guarantees

Financial guarantee contracts are recognised as a liability at the time the guarantee is issued. The liability is initially measured at fair value, and if there is material increase in the likelihood that the guarantee may have to be exercised, at the higher of the amount determined in accordance with AASB 137 Provisions, Contingent Liabilities and Contingent Assets and the amount initially recognised less cumulative amortisation, where appropriate. In the determination of fair value, consideration is given to factors including the probability of default by the guaranteed party and the likely loss to Council in the event of default.

### (w) Contingent assets and contingent liabilities and commitments

Contingent assets and contingent liabilities are not recognised in the Balance Sheet, but are disclosed by way of a note (refer to note 38) and, if quantifiable, are measured at nominal value. Contingent assets and liabilities are presented inclusive of GST receivable or payable respectively.

Commitments are not recognised in the Balance Sheet. Commitments are disclosed at their nominal value by way of a note (refer to note 36) and are presented inclusive of the GST payable.

# Notes to the Financial Statements

## Note 1 Significant accounting policies - continued

### (x) Pending Accounting Standards

The following Australian Accounting Standards have been issued or amended and are applicable to the Council but are not yet effective. They have not been adopted in preparation of the financial statements at reporting date.

Pronouncement	Summary	Application date	Impact on Council
AASB 9 Financial instruments	<p>This standard is one of a series of amendments that are expected to eventually completely replace AASB 139.</p> <p>AASB 9 simplifies the classifications of financial assets into those to be carried at amortised cost and those to be carried at fair value - the 'available for sale' and 'held-to-maturity' categories no longer exist. AASB 9 also simplifies requirements for embedded derivatives and removes the tainting rules associated with held-to-maturity assets.</p> <p>The new categories of financial assets are:</p> <ul style="list-style-type: none"> <li>* Amortised cost - those assets with 'basic' loan features.</li> <li>* Fair value through other comprehensive income - this treatment is optional for equity instruments not held for trading (this choice is made at initial recognition and is irrevocable).</li> <li>* Fair value through profit and loss - everything that does not fall into the above two categories.</li> </ul> <p>The following changes also apply:</p> <ul style="list-style-type: none"> <li>* Investments in unquoted equity instruments must be measured at fair value. However, cost may be the appropriate measure of fair value where there is insufficient more recent information available to determine at fair value.</li> <li>* There is no longer any requirement to consider whether 'significant or prolonged' decline in the value of financial assets has occurred. The only impairment testing will be on those assets held at amortised cost, and all impairments will be eligible for reversal.</li> </ul> <p>Similarly, all movements in the fair value of a financial asset now go to the income statement, or, for equity instruments not held for trading, other comprehensive income. There is no longer any requirement to book decrements through the income statement, and increments through equity.</p>	1 July 2015	These amendments are not expected to impact Council directly.
AASB 11 Joint Arrangements	<p>This Standard deals with the concept of joint control, and sets out a new principles-based approach for determining the type of joint arrangement that exists and the corresponding accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement.</p>	1 July 2014	These amendments are not expected to impact significantly on Council.
AASB 12 Disclosure of Interests in Other Entities	<p>This Standard requires disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with, interests in other entities and the effects of those interests on the financial statements. This Standard replaces the disclosure requirements in AASB 127 Separate Financial Statements and AASB 131 Interests in Joint Ventures.</p> <p>The exposure draft ED 238 proposes to add some implementation guidance to AASB 12, explaining and illustrating the definition of a 'structured entity' from a not-for-profit perspective.</p>	1 July 2014	These amendments will require increased disclosures around the operations of the Geelong Regional Library Corporation which Council has an interest in.
AASB 127 Separate Financial Statements	<p>This revised Standard prescribes the accounting and disclosure requirements for investments in subsidiaries, joint ventures and associates when an entity prepares separate financial statements.</p>	1 July 2014	These amendments are not expected to impact significantly on Council.
AASB 128 Investments in Associates and Joint Ventures	<p>This revised Standard sets out the requirements for the application of the equity method when accounting for investments in associates and joint ventures.</p>	1 July 2014	These amendments are not expected to impact significantly on Council.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 2 Rates and charges</b>		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV is the value of the land and all its improvements.		
The valuation base used to calculate general rates for 2013/2014 was \$2,288 million (2012/2013: \$2,280 million). The 2013/2014 cents in the CIV dollar was 0.250418 (2012/2013: 0.237662).		
Residential	5,053	4,943
Tourist accommodation	405	-
Commercial	390	631
Garbage charge	14	13
Supplementary rates and rate adjustments	8	(3)
Special rates and charges	4	4
<b>Total rates and charges</b>	<b>5,874</b>	<b>5,588</b>

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2014 and the valuation will be first applied in the rating year commencing 1 July 2014.

The date of the previous general revaluation of land for rating purposes within the municipal district was 1 January 2012, and the valuation was first applied to the rating period commencing 1 July 2012.

<b>Note 3 Statutory fees and fines</b>		
Town planning fees	46	48
Infringements and costs	15	18
Permits	13	11
Land information certificates	4	4
PERIN court recoveries	3	4
<b>Total statutory fees and fines</b>	<b>81</b>	<b>85</b>

<b>Note 4 User fees and charges</b>		
(a) Caravan park fees	1,624	1,561
Boat ramp fees - ticket machines	89	87
Other rent - lease of Crown Land properties	69	63
Other rent - lease of Council properties	40	33
Aged services fees	99	89
Registration fees	49	47
Valuation fees/supplementary charges	44	-
Tourism	21	16
Recycling disposal income	16	13
Building services fees	15	15
Road occupancy charges	7	4
Other fees and charges	11	8
<b>Total user fees</b>	<b>2,084</b>	<b>1,936</b>

**(b) Ageing analysis of contractual receivables**

Please refer to Table in Note 39(e) entitled Ageing of Trade and Other Receivables for the ageing analysis of contractual receivables.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 5 Grants</b>		
Grants were received in respect of the following :		
<b>Summary of grants</b>		
Federally funded grants	413	154
State funded grants	2,829	2,301
Other grants	110	108
<b>Total</b>	<b>3,352</b>	<b>2,563</b>
<b>Operating (recurrent)</b>		
Federal - community aged care packages	78	80
State - Country Roads and Bridges Program	768	626
State - Home help/linkages	290	275
State - Victoria Grants Commission - general purpose	98	81
State - Victoria Grants Commission - general purpose (received in advance)	-	106
State - Victoria Grants Commission - local roads	26	18
State - Victoria Grants Commission - local roads (received in advance)	-	24
State - Fire Services Property Levy Implementation	54	36
State - Maternal and child health	48	47
State - Community services officer	32	21
State - School crossing supervisors	15	13
State - Beach cleaning	13	6
State - Senior citizens week and festival	10	10
State - Regional Victoria Living Expo	10	10
State - Heritage advisor	7	14
Other - Coastal tender	84	93
Other - Tobacco activity	12	12
<b>Total operating (recurrent )</b>	<b>1,545</b>	<b>1,472</b>
<b>Operating (non-recurrent)</b>		
Federal - Fort Queenscliff development plan	30	-
State - Queenscliff historic railway precinct	200	-
State - G21 Tennis Strategy	25	45
State - Localised planning statement	25	-
State - Community environment alliance	17	-
State - Regional public place recycling	15	-
State - Walk to school	10	-
State - Lighthouse Reserves maintenance	-	77
State - Sustainability Accord	-	25
State - Kindergarten planning	-	10
State - Vulnerable persons database	-	10
State - Other grants < \$10,000 each	19	7
Other - WISE return to work scheme	14	-
Other - Other grants < \$10,000 each	-	2
<b>Total operating (non-recurrent )</b>	<b>355</b>	<b>176</b>
<b>Capital (recurrent)</b>		
Federal - Roads to Recovery	1	74
State - Country Roads and Bridges Program	232	374
State - Home help/linkages	4	29
<b>Total capital (recurrent )</b>	<b>237</b>	<b>477</b>

		2014	2013
		\$'000	\$'000
<b>Note 5</b>	<b>Grants - continued</b>		
<b>Capital (non-recurrent)</b>			
	Federal - Regional Development Australia Fund - Point Lonsdale Foreshore Revitalisation Stage 2	295	-
	Federal - Energy efficient hot water systems	10	-
	State - Queenscliff Kindergarten	350	-
	State - Local Government Infrastructure Fund - Point Lonsdale Foreshore Revitalisation Stage 2	300	-
	State - Local Government Infrastructure Fund - Hesse Street Revitalisation Stage 1	-	175
	State - Local Government Infrastructure Fund - Point Lonsdale Foreshore Revitalisation Stage 1	-	75
	State - Queenscliff historic railway precinct	100	-
	State - Lighthouse Reserves development plan	50	-
	State - Queenscliff Sports Club Enhancement	50	-
	State - Community Works Program - Point Lonsdale Foreshore Revitalisation Stage 1	40	160
	State - Fellows Road school crossing and pedestrian path along Grimes Road	20	-
	State - Open Space Strategy	-	27
	<b>Total capital (non-recurrent )</b>	<b>1,215</b>	<b>437</b>
Conditions on grants			
Grants recognised as revenue during the year that were obtained on condition that they be expended in a specified manner that had not occurred at balance date were:			
<b>Operating grants</b>			
	Federal - Fort Queenscliff development plan	27	-
	State - Country Roads and Bridges Program	431	243
	State - Queenscliff historic railway precinct	200	-
	State - Localised planning statement	25	-
	State - Regional public place recycling	15	-
	State - G21 Tennis Strategy	7	25
	State - Community environment alliance	3	-
	State - Victoria Grants Commission - general purpose	-	106
	State - Victoria Grants Commission - local roads	-	24
	State - Lighthouse reserves Maintenance	-	76
	State - Vulnerable persons database	-	10
	State - Kindergarten planning	-	10
	Other - Coastal tender	52	93
	<b>Total operating grants</b>	<b>760</b>	<b>587</b>
<b>Capital grants</b>			
	State - Queenscliff Kindergarten	350	-
	State - Queenscliff historic railway precinct	100	-
	State - Lighthouse Reserves development plan	34	-
	State - Fellows Road school crossing and pedestrian path along Grimes Road	20	-
	State - Home help/linkages	4	-
	State - Country Roads and Bridges Program	-	246
	State - Community Works Program - Point Lonsdale Foreshore Revitalisation Stage 1	-	2
	<b>Total capital grants</b>	<b>508</b>	<b>248</b>
	<b>Total</b>	<b>1,268</b>	<b>835</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 5 Grants - continued</b>		
Grants which were recognised as revenue in prior years and were expended during the current year in the manner specified by the grantor were:		
<b>Operating grants</b>		
State - Country Roads and Bridges Program	243	-
State - Victoria Grants Commission - general purpose	106	118
State - Victoria Grants Commission - local roads	24	28
State - Lighthouse Reserves development plan	45	-
State - Ferry to the Pier	41	-
State - Kindergarten planning	24	4
State - G21 Tennis Strategy	18	-
State - Sustainability Accord	5	-
State - Lighthouse Reserves maintenance	2	-
State - Home and community care (minor capital)	-	8
Other - Coastal tender	32	19
<b>Total operating grants</b>	<b>540</b>	<b>177</b>
<b>Capital grants</b>		
State - Country Roads and Bridges Program	246	798
State - Community Works Program - Point Lonsdale Foreshore Revitalisation Stage 1	160	-
<b>Total capital grants</b>	<b>406</b>	<b>798</b>
<b>Total</b>	<b>946</b>	<b>975</b>
Net increase (decrease) in restricted assets resulting from grant revenues for the year:	<b>322</b>	<b>(140)</b>
<b>Note 6 Contributions - cash</b>		
<b>Summary of cash contributions</b>		
Operating contributions	-	10
Capital contributions	10	207
<b>Total</b>	<b>10</b>	<b>217</b>
<b>Operating</b>		
G21 Tennis Strategy	-	10
<b>Total operating</b>	<b>-</b>	<b>10</b>
<b>Capital</b>		
Buildings - Neighbourhood House upgrade	3	-
Buildings - Queenscliff Sports Club enhancement	-	201
Recreation, Leisure & Community Facilities - Point Lonsdale Foreshore Revitalisation Stage 1	4	6
Recreation, Leisure & Community Facilities - Birds Nest Swing Seat	3	-
<b>Total capital</b>	<b>10</b>	<b>207</b>
<b>Note 7 Interest received</b>		
Interest - investment of surplus cash	137	153
Interest - rates	20	14
Interest - heritage loans	-	1
<b>Total interest received</b>	<b>157</b>	<b>168</b>
<b>Note 8 Other income</b>		
Reimbursements - workcover	35	61
Reimbursements - insurance claims	-	76
Reimbursements - other	6	1
Heritage fund	-	41
<b>Total other income</b>	<b>41</b>	<b>179</b>



		2014	2013
		\$'000	\$'000
<b>Note 9</b>	<b>Employee costs</b>		
	Wages and salaries	2,593	2,405
	Superannuation	256	227
	Annual leave and long service leave	183	166
	Overtime	99	92
	Workcover premium	65	49
	Workcover payments	39	75
	Fringe benefits tax	52	58
	<b>Total employee costs</b>	<b>3,286</b>	<b>3,072</b>

<b>Note 10</b>	<b>Superannuation (additional call)</b>		
	Superannuation - additional contribution	-	(12)
	<b>Total superannuation (additional call)</b>	<b>-</b>	<b>(12)</b>

During the 2011/12 financial year, Council was required to make an additional contribution to Vision Super to meet our obligations to members of the defined benefit plan. Payment of this liability early in the 2012/13 financial year resulted in a discount being received.

<b>Note 11</b>	<b>Materials and services</b>		
	<b>Contract payments</b>		
	Road maintenance and works	745	728
	Waste disposal	372	373
	Labour (Information technology, engineering, health, building, planning, heritage, caravan parks)	271	319
	Public conveniences	89	85
	Maternal and child health	66	59
	Home maintenance	48	48
	Cleaning services	44	55
	Rate valuations	36	34
	<b>Total contract payments</b>	<b>1,671</b>	<b>1,701</b>
	<b>Recurrent expenditure</b>		
	Materials and services	425	394
	Building, works, plant and equipment maintenance	288	273
	Utilities	284	269
	Contribution to Geelong Regional Library Corporation	243	228
	Foreshore and open space maintenance	229	192
	Insurance	171	158
	Landfill disposal levy	128	152
	Grants and donations paid to local organisations	106	111
	Information technology software and maintenance agreements	95	130
	Membership of organisations	68	69
	Fuel and travel expenses	59	52
	Powerline and sundry tree clearance	51	6
	Telephone and internet charges	45	45
	Recruitment costs	34	52
	Sustainability / carbon neutral program	27	29
	Motor vehicle expenses	22	22
	Legal expenses	21	40
	Security	17	32
	Fire Services Property Levy (Council properties) including administration costs	12	-
	Tree removal and replacement program	1	7
	<b>Total recurrent expenditure</b>	<b>2,326</b>	<b>2,261</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

		2014	2013
		\$'000	\$'000
<b>Note 11</b>	<b>Materials and services - continued</b>		
	<i>Grant-funded expenditure</i>		
	Country Roads & Bridges Program	548	384
	Ferry to the Pier	128	-
	G21 Tennis Strategy	44	29
	Kindergarten Planning	33	4
	Coastal Tender	32	19
	Community environment alliance	13	-
	Queenscliff historic railway precinct	13	-
	Small business day	10	-
	Point Lonsdale foreshore revitalisation	10	-
	Regional Victoria Living Expo	9	5
	Walk to school	8	-
	Sustainability Accord	7	20
	<b>Total grant-funded expenditure</b>	<b>855</b>	<b>461</b>
	<i>Non-recurrent expenditure</i>		
	Materials and services	46	38
	Queenscliff burn site	31	-
	Review of the planning scheme	27	4
	Building condition survey	19	-
	Additional roadside green waste services	17	-
	Celebrating 150 Years of the Borough	12	85
	Finance system implementation	9	-
	Fort Queenscliff development plan	3	-
	Electoral review and election costs	1	55
	Electrical points of supply at Caravan Parks	-	53
	Councillor conduct panel	-	25
	Review of caravan park operations	-	19
	Road condition survey	-	16
	<b>Total non-recurrent expenditure</b>	<b>165</b>	<b>295</b>
	<b>Total materials and services</b>	<b>5,017</b>	<b>4,719</b>
<b>Note 12</b>	<b>Bad and doubtful debts</b>		
	Caravan park debtors	8	14
	Parking fine debtors	1	5
	Other infringement debtors	1	-
	<b>Total bad and doubtful debts</b>	<b>10</b>	<b>19</b>



		2014	2013
		\$'000	\$'000
<b>Note 13</b>	<b>Depreciation</b>		
	<i><b>Buildings</b></i>		
	Buildings	309	268
	<i><b>Plant and Equipment</b></i>		
	Plant, machinery and equipment	77	65
	Fixtures, fittings and furniture	28	27
	Computers and telecommunications	43	43
	<i><b>Infrastructure</b></i>		
	Roads	266	329
	Footpaths and cycleways	38	42
	Drainage	56	49
	Recreational, leisure and community facilities	85	93
	Parks, open space and streetscapes	17	-
	Other infrastructure	5	-
	<b>Total depreciation</b>	<b>924</b>	<b>916</b>
<b>Note 14</b>	<b>Finance costs</b>		
	Interest - Borrowings	52	70
	<b>Total finance costs</b>	<b>52</b>	<b>70</b>
<b>Note 15</b>	<b>Other expenses</b>		
	Councillors' allowances	130	123
	Auditors' remuneration	58	49
	Operating lease rentals	41	56
	Other	32	16
	<b>Total other expenses</b>	<b>261</b>	<b>244</b>
<b>Note 16</b>	<b>Net gain/(loss) on disposal of property, infrastructure, plant and equipment</b>		
	Proceeds of sale	69	1
	Written down value of assets disposed	(67)	(28)
	<b>Total</b>	<b>2</b>	<b>(27)</b>
<b>Note 17</b>	<b>Investment in regional library corporation</b>		
	Investments in associates accounted for by the equity method are:		
	- Geelong Regional Library Corporation	258	255
	<b>Total</b>	<b>258</b>	<b>255</b>
	<b>Geelong Regional Library Corporation</b>		
	<i><b>Background</b></i>		
	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 unaudited financial statements for the year ended 30 June 2014. Council's share of the net assets 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.		
	<i><b>Council's share of accumulated surplus</b></i>		
	Council's share of accumulated surplus at start of year	255	246
	Reported surplus for year	3	9
	<b>Council's share of accumulated surplus at end of year</b>	<b>258</b>	<b>255</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 18 Cash and cash equivalents</b>		
Cash on hand	2	2
Purchasing card	-	1
Cash at bank	1,142	570
Money market at call account	42	977
Short term deposits	750	428
<b>Total cash and cash equivalents</b>	<b>1,936</b>	<b>1,978</b>

Council's cash and cash equivalents (note 18) and financial assets (note 20) are subject to a number of internal and external restrictions that limit amounts available for discretionary or future use. These include:

- Reserve funds allocated for specific future purposes (Note 29)	3,717	3,033
- Trust funds and deposits (Note 25)	62	26
<b>Restricted Funds</b>	<b>3,779</b>	<b>3,059</b>
<b>Total unrestricted cash and cash equivalents</b>	<b>531</b>	<b>878</b>

<b>Note 19 Trade and other receivables</b>		
<i>Current</i>		
Rates debtors	209	177
Pensioner rebate	23	23
Caravan park debtors	17	17
Provision for doubtful debts - caravan park income	(4)	(9)
Parking infringement debtors	8	7
Provision for doubtful debts - parking infringements	(3)	(2)
Government grants	92	-
Other rent - lease of Council properties	67	10
Long Service Leave provision transferred from other public authorities	16	-
Net GST receivable	16	21
Loans and advances to community organisations	-	11
Application for planning scheme amendment	-	52
Other	40	40
<b>Total</b>	<b>480</b>	<b>347</b>
<i>Non-current</i>		
Loans and advances to community organisations	-	3
<b>Total</b>	<b>-</b>	<b>3</b>
<b>Total trade and other receivables</b>	<b>480</b>	<b>350</b>

<b>Note 20 Financial assets</b>		
Short term deposits	2,374	1,958
<b>Total financial assets</b>	<b>2,374</b>	<b>1,958</b>

<b>Note 21 Inventories</b>		
Inventories held for sale	4	8
<b>Total inventories</b>	<b>4</b>	<b>8</b>

<b>Note 22 Other assets</b>		
<i>Current</i>		
Prepayments	74	181
Accrued income	544	114
<b>Total</b>	<b>618</b>	<b>295</b>

		2014	2013
		\$'000	\$'000
<b>Note 23</b>	<b>Property, infrastructure, plant and equipment</b>		
	<i>Summary</i>		
	at cost	5,666	6,491
	Less accumulated depreciation	1,236	1,156
		<b>4,431</b>	<b>5,335</b>
	at fair value as at 1 July 2010	-	17,826
	at fair value as at 30 June 2012	3,673	60,391
	at fair value as at 1 July 2013	18,059	-
	at fair value as at 30 June 2014	58,232	-
	Less accumulated depreciation	17,748	17,827
		<b>62,217</b>	<b>60,390</b>
	<b>Total</b>	<b>66,648</b>	<b>65,725</b>
	<b>Property</b>		
	<i>Land</i>		
	at fair value as at 30 June 2012	-	21,233
	at fair value as at 30 June 2014	20,456	-
		<b>20,456</b>	<b>21,233</b>
	<i>Land under roads</i>		
	at fair value as at 30 June 2012	-	14,348
	at fair value as at 30 June 2014	13,457	-
		<b>13,457</b>	<b>14,348</b>
	<b>Total Land</b>	<b>33,913</b>	<b>35,581</b>
	<i>Buildings</i>		
	at cost	-	259
	Less accumulated depreciation	-	5
		-	<b>254</b>
	at fair value as at 30 June 2012	-	21,139
	at fair value as at 30 June 2014	24,319	-
	Less accumulated depreciation	10,008	9,266
		<b>14,311</b>	<b>11,873</b>
	<b>Total Buildings</b>	<b>14,311</b>	<b>12,127</b>
	<b>Total Property</b>	<b>48,224</b>	<b>47,708</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

## Note 23 Property, infrastructure, plant and equipment - continued

Valuation of land (including land under roads) and buildings was conducted by a qualified independent valuer from Opteon.

The valuation of land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions. Where land use is restricted through existing planning provisions the valuation is reduced to reflect this limitation. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

Land under roads is valued at fair value using site values adjusted for englobo (undeveloped and/or unserved) characteristics, access rights and private interests of other parties and entitlements of infrastructure assets and services. This adjustment is an unobservable input in the valuation. The adjustment has no impact on the comprehensive income statement.

The valuation of buildings was undertaken by Opteon on 30 June 2014, with the fit-out component undertaken by CT Management on 1 January 2014, in line with Rawlinsons Australia Construction Handbook as a guide for building costs. The valuation of buildings, excluding fitout, is at fair value, being current replacement cost or market value based highest and best use.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Land	-	20,456	-
Land under roads	-	-	13,457
Buildings	-	2,434	11,877
<b>Total</b>	<b>-</b>	<b>22,890</b>	<b>25,334</b>

No transfers between levels occurred during the year, with respect to land and land under roads assets.

Some buildings were transferred from Level 3 to Level 2 as part of the revaluation process. This shift from replacement cost to market value has resulted in a reduction of \$33,900 (1.29%) from the previous valuation for these particular buildings.

	2014 \$'000	2013 \$'000
<b>Plant and Equipment</b>		
<i>Plant, machinery and equipment</i>		
at cost	424	440
Less accumulated depreciation	139	151
	<b>284</b>	<b>289</b>
<i>Fixtures, fittings and furniture</i>		
at cost	301	292
Less accumulated depreciation	154	126
	<b>147</b>	<b>167</b>
<i>Computers and telecommunications</i>		
at cost	277	260
Less accumulated depreciation	192	160
	<b>85</b>	<b>100</b>
<b>Total Plant and Equipment</b>	<b>517</b>	<b>556</b>

		2014	2013
		\$'000	\$'000
<b>Note 23</b>	<b>Property, infrastructure, plant and equipment</b>		
	<b>Infrastructure</b>		
	<b>Roads</b>		
	at cost	63	1,276
	Less accumulated depreciation	1	86
		<b>62</b>	<b>1,190</b>
	at fair value as at 1 July 2010	-	16,338
	at fair value as at 1 July 2013	16,580	-
	Less accumulated depreciation	5,330	6,120
		<b>11,250</b>	<b>10,218</b>
		<b>11,312</b>	<b>11,407</b>
	<b>Footpaths and cycleways</b>		
	at cost	17	104
	Less accumulated depreciation	-	5
		<b>17</b>	<b>99</b>
	at fair value as at 1 July 2010	-	1,488
	at fair value as at 1 July 2013	1,479	-
	Less accumulated depreciation	561	628
		<b>919</b>	<b>860</b>
		<b>936</b>	<b>959</b>
	<b>Drainage</b>		
	at cost	300	292
	Less accumulated depreciation	34	13
		<b>266</b>	<b>279</b>
	at fair value as at 30 June 2012	3,673	3,672
	Less accumulated depreciation	1,850	1,814
		<b>1,823</b>	<b>1,858</b>
		<b>2,089</b>	<b>2,137</b>
	<b>Recreational, leisure and community facilities</b>		
	at cost	2,039	1,883
	Less accumulated depreciation	596	511
		<b>1,443</b>	<b>1,372</b>
	<b>Parks, open space and streetscapes</b>		
	at cost	1,172	53
	Less accumulated amortisation	23	7
		<b>1,149</b>	<b>46</b>
	<b>Waste management</b>		
	at cost	37	37
	Less accumulated amortisation	37	37
		-	-
	<b>Other infrastructure</b>		
	at cost	216	216
	Less accumulated amortisation	60	55
		<b>156</b>	<b>161</b>
	<b>Total Infrastructure</b>	<b>17,085</b>	<b>16,082</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 23</b>	<b>Property, infrastructure, plant and equipment - continued</b>	

Valuation of road network infrastructure assets (roads including kerb and channel, footpaths and cycleways) was conducted by Council's engineer, Mr. Stuart Hansen, during 2013/14 using the condition assessment work of Mr Peter Moloney, Dip C.E.C.E.MIE Aust conducted in December 2012. The valuation is at fair value based on the cost approach which utilises the current replacement cost, adjusted for the condition of the asset. The current replacement cost has been based on a combination of recently tendered work, benchmarking of costs against other councils and Rawlinson's Aust. Construction Handbook. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2011/2012. The next scheduled revaluation of road network infrastructure and drainage infrastructure assets will occur in the 2016/17 financial year.

Details of the Council's road network and drainage infrastructure, and the fair value hierarchy as at 30 June 2014 are as follows:

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Roads	-	-	11,250
Footpaths and cycleways	-	-	919
Drainage	-	-	1,823
<b>Total</b>	<b>-</b>	<b>-</b>	<b>13,992</b>
No transfers between levels occurred during the year.			
<b>Works in progress</b>			
Property at cost		77	1,101
Infrastructure at cost		622	135
Plant and equipment at cost		123	144
<b>Total Works in progress</b>		<b>822</b>	<b>1,380</b>
<b>Total property, infrastructure, plant and equipment</b>		<b>66,648</b>	<b>65,726</b>

## Reconciliation of Level 3 fair value

2014	Land Under Roads \$'000	Specialised Buildings \$'000	Infrastructure \$'000
Opening Balance	14,348	9,179	12,935
Depreciation	-	(255)	(339)
Revaluation	(891)	1,503	65
Acquisitions (disposals)	-	184	37
Transfers from At Cost to At Valuation	-	208	1,293
Transfers from Work in Progress	-	1,058	-
<b>Closing Balance</b>	<b>13,457</b>	<b>11,877</b>	<b>13,992</b>

## Description of significant unobservable inputs into Level 3 valuations

Description and fair value as at 30 June 2014	Valuation Technique	Unobservable Inputs	Range of Inputs and Sensitivity
Land Under Roads (\$13,457,000)	Market based approach (site values adjusted for englobo, access rights and private interests of other parties and entitlements of infrastructure assets and services)	Extent and impact of restriction of use	A change of +/- 10% in the extent of restriction would result in an adjustment to fair value by +/- \$1,345,700.
Specialised Buildings (\$11,877,000)	Depreciated replacement cost approach	Direct cost per square metre Useful life of specialised buildings	A change of +/- 10% in the direct cost per square metre and/or useful life of the asset would result in an adjustment to fair value by +/- \$1,187,700.
Infrastructure (\$13,992,000)	Depreciated replacement cost approach	Cost per unit Useful life of infrastructure	A change of +/- 10% in the cost per unit and/or useful life of the asset would result in an adjustment to fair value by +/- \$1,399,200.



	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements) (note 29)	Depreciation and amortisation (note 13)	Written down value of disposals	Asset write-offs recognised in profit or loss (a)	Gifted assets recognised in profit or loss	Transfers	Balance at end of financial year
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Note 23 Property, infrastructure, plant and equipment - continued</b>									
<b>Property</b>									
land	21,233	-	(777)	-	-	-	-	-	20,456
land under roads	14,348	-	(891)	-	-	-	-	-	13,457
<b>Total land</b>	<b>35,581</b>	<b>-</b>	<b>(1,668)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>33,913</b>
buildings	12,127	198	1,238	(309)	-	-	-	1,058	14,311
<b>Total buildings</b>	<b>12,127</b>	<b>198</b>	<b>1,238</b>	<b>(309)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,058</b>	<b>14,311</b>
<b>Total property</b>	<b>47,708</b>	<b>198</b>	<b>(429)</b>	<b>(309)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,058</b>	<b>48,224</b>
<b>Plant and Equipment</b>									
plant, machinery and equipment	289	140	-	(77)	(67)	-	-	-	285
fixtures, fittings and furniture	167	9	-	(28)	-	-	-	-	147
computers and telecommunications	100	28	-	(43)	-	-	-	-	85
<b>Total plant and equipment</b>	<b>556</b>	<b>177</b>	<b>-</b>	<b>(148)</b>	<b>(67)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>517</b>
<b>Infrastructure</b>									
roads	11,407	66	59	(266)	-	(1)	45	1	11,312
footpaths and cycleways	959	17	6	(38)	-	(7)	-	-	936
drainage	2,137	8	-	(56)	-	-	-	-	2,089
recreational, leisure and community facilities	1,372	54	-	(85)	-	-	-	102	1,443
parks, open space and streetscapes	46	1,120	-	(17)	-	-	-	-	1,149
waste management	-	-	-	-	-	-	-	-	-
other infrastructure	161	-	-	(5)	-	-	-	-	156
<b>Total infrastructure</b>	<b>16,082</b>	<b>1,265</b>	<b>65</b>	<b>(467)</b>	<b>-</b>	<b>(8)</b>	<b>45</b>	<b>103</b>	<b>17,085</b>
<b>Works in progress</b>									
property	1,101	34	-	-	-	-	-	(1,058)	77
infrastructure	135	488	-	-	-	-	-	(1)	622
other	144	81	-	-	-	-	-	(102)	123
<b>Total works in progress</b>	<b>1,380</b>	<b>603</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,161)</b>	<b>822</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>65,725</b>	<b>2,243</b>	<b>(364)</b>	<b>(925)</b>	<b>(67)</b>	<b>(8)</b>	<b>45</b>	<b>-</b>	<b>66,648</b>

#### (a) Impairment losses

Impairment losses are recognised in the comprehensive income statement under other expenses.

Reversals of impairment losses are recognised in the comprehensive income statement under other revenue.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

2013	Balance at beginning of financial year	Acquisition of assets	Revaluation increments (decrements)	Depreciation and amortisation	Written down value of disposals	Asset write-offs recognised in profit or loss	Gifted assets recognised in profit or loss	Transfers	Balance at end of financial year
	\$'000	\$'000	(note 29)	(note 13)	\$'000	(note 29)	(a)	\$'000	\$'000
<b>Note 23 Property, infrastructure, plant and equipment - continued</b>									
<b>Property</b>									
land	21,233	-	-	-	-	-	-	-	21,233
land under roads	14,348	-	-	-	-	-	-	-	14,348
<b>Total land</b>	<b>35,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>35,581</b>
buildings	12,135	185	-	(268)	-	-	-	76	12,127
<b>Total buildings</b>	<b>12,135</b>	<b>185</b>	<b>-</b>	<b>(268)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>12,127</b>
<b>Total property</b>	<b>47,716</b>	<b>185</b>	<b>-</b>	<b>(268)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>76</b>	<b>47,708</b>
<b>Plant and Equipment</b>									
plant, machinery and equipment	235	95	-	(56)	(28)	-	-	42	289
fixtures, fittings and furniture	176	5	-	(27)	-	-	(8)	21	167
computers and telecommunications	115	28	-	(43)	-	-	-	-	100
<b>Total plant and equipment</b>	<b>526</b>	<b>128</b>	<b>-</b>	<b>(126)</b>	<b>(28)</b>	<b>-</b>	<b>(8)</b>	<b>63</b>	<b>556</b>
<b>Infrastructure</b>									
roads	10,796	194	-	(329)	-	-	-	746	11,407
footpaths and cycleways	963	38	-	(42)	-	-	-	-	959
drainage	1,894	-	-	(49)	-	-	-	292	2,137
recreational, leisure and community facilities	1,429	35	-	(91)	-	-	-	-	1,372
parks, open space and streetscapes	4	48	-	(7)	-	-	-	1	46
waste management	-	-	-	-	-	-	-	-	-
other infrastructure	154	11	-	(4)	-	-	-	-	161
<b>Total infrastructure</b>	<b>15,240</b>	<b>326</b>	<b>-</b>	<b>(522)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,039</b>	<b>16,082</b>
<b>Works in progress</b>									
property	884	293	-	-	-	-	-	(76)	1,101
infrastructure	288	900	-	-	-	-	(15)	(1,038)	135
other	38	171	-	-	-	-	(1)	(64)	144
<b>Total works in progress</b>	<b>1,210</b>	<b>1,364</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(16)</b>	<b>(1,178)</b>	<b>1,380</b>
<b>Total property, infrastructure, plant and equipment</b>	<b>64,691</b>	<b>2,002</b>	<b>-</b>	<b>(916)</b>	<b>(28)</b>	<b>-</b>	<b>(24)</b>	<b>-</b>	<b>65,725</b>



		2014 \$'000	2013 \$'000
<b>Note 24</b>	<b>Trade and other payables</b>		
	Trade payables	476	307
	Accrued expenses	102	179
	Accrued wages and salaries	124	93
	<b>Total trade and other payables</b>	<b>702</b>	<b>579</b>

<b>Note 25</b>	<b>Trust funds and deposits</b>		
	Community nursery	11	12
	Retention amounts	43	4
	Other refundable deposits	8	10
	<b>Total trust funds and deposits</b>	<b>62</b>	<b>26</b>

		Superannuation - Defined Benefit Fund call \$ '000	Annual leave \$ '000	Long service leave \$ '000	Accrued days off \$ '000	Total \$ '000
<b>2014</b>						
<b>Note 26</b>	<b>Provisions</b>					
	Balance at beginning of the financial year	-	256	409	13	678
	Additional provisions	-	58	125	7	190
	Amounts used	-	(58)	(54)	(8)	(120)
	<b>Balance at the end of the financial year</b>	<b>-</b>	<b>256</b>	<b>480</b>	<b>12</b>	<b>748</b>

<b>2013</b>						
	Balance at beginning of the financial year	218	234	394	-	847
	Additional provisions	-	79	88	13	179
	Amounts used	(218)	(56)	(73)	-	(348)
	<b>Balance at the end of the financial year</b>	<b>-</b>	<b>256</b>	<b>409</b>	<b>13</b>	<b>678</b>

		2014 \$'000	2013 \$'000
	<b>Employee provisions</b>		
	<i>Current provisions expected to be settled within 12 months</i>		
	Annual leave	129	256
	Long service leave	11	-
	Accrued days off	12	13
		<b>152</b>	<b>270</b>
	<i>Current provisions expected to be settled after 12 months</i>		
	Annual leave	127	-
	Long service leave	420	370
		<b>547</b>	<b>370</b>
	<b>Total current provisions</b>	<b>699</b>	<b>639</b>
	<i>Non-current</i>		
	Long service leave	49	39
		<b>49</b>	<b>39</b>
	<b>Aggregate carrying amount of employee provisions:</b>		
	Current	699	639
	Non-current	49	39
	<b>Total employee provisions</b>	<b>748</b>	<b>678</b>

The following assumptions were adopted in measuring the present value of employee provisions:

Weighted average increase in employee costs	4.438%	4.500%
Weighted average discount rates	3.06%	3.18%
Weighted average settlement period	15	15

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014 \$'000	2013 \$'000
<b>Note 27 Interest-bearing loans and borrowings</b>		
<i>Current</i>		
Bank overdraft	-	-
Borrowings - secured	749	972
<b>Total</b>	<b>749</b>	<b>972</b>
The maturity profile for Council's borrowings is:		
Not later than one year	208	218
Later than one year and not later than five years	492	683
Later than five years	49	71
<b>Total</b>	<b>749</b>	<b>972</b>
<b>Note 28 Other liabilities</b>		
Income received in advance	51	41
<b>Total other liabilities</b>	<b>51</b>	<b>41</b>

(a) Asset revaluation surplus	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
2014	\$'000	\$'000	\$'000
<b>Note 29 Reserves</b>			
<b>Property</b>			
Land			
land	19,567	(777)	18,790
land under roads	1,240	(891)	349
Buildings	8,793	1,238	10,031
	<b>29,600</b>	<b>(429)</b>	<b>29,170</b>
<b>Infrastructure</b>			
Roads	4,025	59	4,084
Footpaths and cycleways	389	6	395
Drainage	253	-	253
	<b>4,667</b>	<b>65</b>	<b>4,732</b>
<b>Total asset revaluation surplus</b>	<b>34,267</b>	<b>(364)</b>	<b>33,902</b>

**2013**

<b>Property</b>			
Land			
land	19,567	-	19,567
land under roads	1,240	-	1,240
Buildings	8,793	-	8,793
	<b>29,600</b>	<b>-</b>	<b>29,600</b>
<b>Infrastructure</b>			
Roads	4,025	-	4,025
Footpaths and cycleways	389	-	389
Drainage	253	-	253
	<b>4,667</b>	<b>-</b>	<b>4,667</b>
<b>Total asset revaluation surplus</b>	<b>34,267</b>	<b>-</b>	<b>34,267</b>

The asset revaluation reserve is used to record the movements in asset valuations upon the periodic revaluation of Council's assets. It records material differences between the current market value of an asset and the amount at which it has previously been carried in the Balance Sheet. The net revaluation increment/(decrement) for each asset class is indicated in the above table.

(b) Other reserves		Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
2014			\$'000	\$'000	\$'000
<b>Note 29</b>	<b>Reserves - continued</b>				
	Asset Replacement Reserve - Allocated	417	430	(435)	412
	Asset Replacement Reserve - Unencumbered	371	343	(250)	464
	General Reserve	50	-	(50)	-
	<b>Funds carried forward to future years</b>				
	Grant funding not yet expended - Operating	972	595	(360)	1,207
	Grant funding not yet expended - Capital	406	575	(406)	575
	Incomplete works - Operating	384	194	(199)	379
	Incomplete works - Capital	433	284	(37)	680
	<b>Total Other reserves</b>	<b>3,033</b>	<b>2,421</b>	<b>(1,737)</b>	<b>3,717</b>

2013					
	Asset Replacement Reserve - Allocated	193	539	(315)	417
	Asset Replacement Reserve - Unencumbered	293	78	-	371
	General Reserve	-	50	-	50
	<b>Funds carried forward to future years</b>				
	Grant funding not yet expended - Operating	443	706	(177)	972
	Grant funding not yet expended - Capital	928	160	(682)	406
	Incomplete works - Operating	194	278	(88)	384
	Incomplete works - Capital	602	256	(425)	433
	<b>Total Other reserves</b>	<b>2,653</b>	<b>2,067</b>	<b>(1,687)</b>	<b>3,033</b>

**Asset Replacement Reserve (allocated)** - represents funds set aside for specific building and infrastructure renewal projects.

**Asset Replacement Reserve (unencumbered)** - represents funds set aside for future building and infrastructure renewal needs, not yet allocated to specific projects.

**General Reserve** - previously used to hold funds set aside for future grant matching funds requirements, particularly with regards to coastal risk management and coastal environment grant funding opportunities. This account was closed during the 2013/14 financial year.

**Funds carried forward to future years** (capital and operating, grant funded and Council own source funds) represent those projects which are not complete at year end and funding is reserved from current year operations to be carried forward into the following year. Some of the capital projects are recorded as Works in Progress in Note 23, whilst details of each project for which grants were received in the financial year and which remain unexpended at balance date are included at Note 5.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

		2014	2013
		\$'000	\$'000
<b>Note 30</b>	<b>Adjustments directly to equity</b>		
	Net adjustment arising from recognition and derecognition of building assets	-	(1,266)
		-	<b>(1,266)</b>

A review of the building revaluations provided by CT Management and Opteon was conducted during 2013/14. As a result of this review, the fair value of some building asset components have been restated. These are included above as the net adjustment arising from recognition and derecognition of building assets.

The accumulated surplus at 1 July 2012 has been adjusted to reflect the above adjustments directly to equity.

These adjustments have not had a material impact on the opening balances in the financial report and as such a third balance sheet has not been included.

<b>Note 31 Reconciliation of cash flows from operating activities to surplus (deficit)</b>			
	Surplus for the year	2,098	1,667
	Depreciation	924	916
	(Profit)/loss on disposal of property, infrastructure, plant and equipment	(2)	27
	Asset recognition reported in profit or loss	(45)	-
	Impairment losses reported in profit or loss	-	(24)
	Finance costs	52	70
	Heritage restoration fund	-	(41)
	<b>Change in assets and liabilities:</b>		
	(Increase)/decrease in trade and other receivables	(130)	98
	(Increase)/decrease in financial assets	(416)	(518)
	(Increase)/decrease in inventories	4	(2)
	(Increase)/decrease in prepayments	107	(109)
	(Increase)/decrease in accrued income	(430)	(30)
	(Increase)/decrease in regional library equity	(3)	(9)
	Increase/(decrease) in trade and other payables	169	(117)
	Increase/(decrease) in accrued expenses	(77)	26
	Increase/(decrease) in accrued wages	31	8
	Increase/(decrease) in income received in advance	10	40
	Increase/(decrease) in provisions	70	37
	<b>Net cash provided by/(used in) operating activities</b>	<b>2,364</b>	<b>2,038</b>

		2014	2013
		\$'000	\$'000
<b>Note 32</b>	<b>Reconciliation of cash and cash equivalents</b>		
	Cash and cash equivalents (see note 18)	1,936	1,978
	Less bank overdraft	-	-
	<b>Total reconciliation of cash and cash equivalents</b>	<b>1,936</b>	<b>1,978</b>
<b>Note 33</b>	<b>Financing arrangements</b>		
	Bank overdraft	5	5
	Used facilities	-	-
	<b>Unused facilities</b>	<b>5</b>	<b>5</b>
<b>Note 34</b>	<b>Restricted assets</b>		
	Council has cash and cash equivalents (note 18) that are subject to restrictions. As at the reporting date, Council had legislative restrictions in relation to trust accounts and reserve funds.		
	Trust funds and deposits (note 25)	62	26
	Reserve funds (note 29)	3,717	3,033
	<b>Total restricted assets</b>	<b>3,779</b>	<b>3,059</b>

### Note 35 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. The defined benefit section provides lump sum benefits based on years of service and final average salary. The defined contribution section receives fixed contributions from Council and Council's legal or construction obligation is limited to these contributions.

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

#### Accumulation

The Fund's accumulation category, 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 2014, this was 9.25% required under Superannuation Guarantee legislation). No further liability accrues to the employer as the superannuation benefits accruing to employees are represented by their share of the net assets of the Fund.

Effective from 1 July 2014, the Superannuation Guarantee contribution rate will increase to 9.50%, and will progressively increase to 12% by 2022.

#### Defined Benefit

The Fund's Defined Benefit category is a multi-employer sponsored plan. As the Fund's assets and liabilities are pooled and are not allocated to each employer, the Actuary is unable to allocate benefit liabilities, assets and costs between employers. As provided under paragraph 32(b) of AAS 119, the Council does not use defined benefit accounting for these defined benefit obligations.

Council makes employer contributions to the defined benefit category of the Fund at rates determined by the Trustee on the advice of the Fund's actuary.

On the basis of the results of the most recent full actuarial investigation conducted by the Fund's actuary as at 31 December 2011, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. The rate is currently 9.25% of members' salaries (9.00% in 2012/13).

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 (the funded resignation or retirement benefit is calculated as the VBI multiplied by the benefit).

Council is also required to make additional contributions to cover the contribution tax payable on the contributions referred to above.

Employees are also required to make member contributions to the Fund. As such, assets accumulate in the Fund to meet member benefits, as defined in the Trust Deed, as they accrue.

#### Unfunded Superannuation Liability - Funding calls

The Fund is required to comply with the superannuation prudential standards. Under the superannuation prudential standard SPS160, the Fund is required to target full funding of its vested benefits.

There may be circumstances where:

- a fund is in an unsatisfactory financial position at an actuarial investigation (i.e. its vested benefit index (VBI) is less than 100% at the date of the actuarial investigation); or
- a fund's VBI is below the shortfall limit at any time other than at the date of the actuarial investigations.

If either of the above occur, the Fund has a shortfall for the purposes of SPS160 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. There may be circumstances where the Australian Prudential Regulation Authority (APRA) may approve a period longer than three years.

The Fund monitors its VBI on a quarterly basis and the Fund has set its shortfall limit at 97%. Since 30 June 2013, the VBI has been in excess of 100%. The 31 March estimated VBI was 104.6%. As this is greater than 100%, the fund is considered to be fully funded with no action required by employers at this stage.

#### Superannuation contributions

Contributions by Council for the financial year ended 30 June 2014 are detailed below:

Scheme	Type of scheme	Rate	2014	2013
			\$'000	\$'000
Vision Super	Defined benefits	9.25%	15	11
Vision Super	Accumulation plans	9.25%	175	171
Superannuation Choice Funds	Accumulation plans	9.25%	70	44

There were \$Nil contributions outstanding as at 30 June 2014 (2012/13: \$1,000).

The expected contributions to be paid to the defined benefit category of Vision Super for the year ending 30 June 2015 is \$25,000.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

## Note 36 Commitments

The Council has entered into the following commitments

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2014	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Roads, parks and reserves maintenance	849	870	-	-	1,719
Home maintenance services	13	13	-	-	26
Lawn mowing & minor garden home maintenance	46	46	-	-	92
Internal audit	22	-	-	-	22
Information systems & technology	15	-	-	-	15
Review of the Queenscliff Planning Scheme	40	-	-	-	40
Powerline & sundry tree clearance	25	-	-	-	25
Provision of valuation services	6	53	-	-	59
Construction of roundabout Hesse Street	914	-	-	-	914
Fort Queenscliff Precinct Tourism Plan	115	-	-	-	115
Development Plan of Murray Road	46	-	-	-	46
Planning for the future of the Queenscliff and Point Lonsdale Lighthouse Reserves	39	-	-	-	39
<b>Total</b>	<b>2,130</b>	<b>982</b>	<b>-</b>	<b>-</b>	<b>3,112</b>

	Not later than 1 year	Later than 1 year and not later than 2 years	Later than 2 years and not later than 5 years	Later than 5 years	Total
2013	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Operating</b>					
Roads, parks and reserves maintenance	828	849	870	-	2,547
Garbage collection	382	-	-	-	382
Home maintenance services	13	13	13	-	39
Lawn mowing & minor garden home maintenance	45	46	46	-	137
Internal audit	22	22	-	-	44
Information systems & technology	30	15	-	-	45
Review of the Queenscliff Planning Scheme	44	-	-	-	44
Powerline & sundry tree clearance	46	25	-	-	71
	<b>1,409</b>	<b>970</b>	<b>929</b>	<b>-</b>	<b>3,309</b>
<b>Capital</b>					
Buildings	15	-	-	-	15
	<b>15</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15</b>
<b>Total</b>	<b>1,424</b>	<b>970</b>	<b>929</b>	<b>-</b>	<b>3,324</b>

		2014	2013
		\$'000	\$'000
<b>Note 37</b>	<b>Operating leases</b>		
	<b><i>Operating lease commitments</i></b>		
	At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of land, equipment and motor vehicles for use within Council's activities (these obligations are not recognised as liabilities):		
	Not later than one year	36	35
	Later than one year and not later than five years	39	61
		<b>75</b>	<b>96</b>

#### **Note 38 Contingent liabilities**

Council is presently involved in confidential legal matters, which are being conducted through Council's solicitors.

As these matters are yet to be finalised, and the financial outcomes are unable to be reliably estimated, no allowance for these contingencies has been made in the financial statements.

#### **Superannuation**

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme to ensure that the liabilities of the fund are covered by the assets of the fund. As a result of the volatility in financial markets, a likelihood of making such contributions in future periods exists. At this point in time, it is not known if additional contributions will be required, their timing or potential amount.

#### **Guarantees for loans to other entities**

Council has no obligation as guarantor for loans to other entities.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

## Note 39 Financial Instruments

### (a) Accounting Policy, terms and conditions

Recognised financial instruments	Note	Accounting Policy	Terms and Conditions
<b>Financial assets</b>			
<b>Cash and cash equivalents</b>	18	Cash on hand and at bank and money market call account are valued at face value.	On call deposits returned a floating interest rate of between 1.75% (2.00% in 2012/2013) and 2.08% (2.75% in 2012/2013). The interest rate on the balance held in Council's general bank account at balance date was 1.85% (2.1% in 2012/2013).
		Interest is recognised as it accrues.	\$792,467 short term investments < 3 months (2012/13: \$1,405,347)
		Investments and bills are valued at cost.	Nil managed funds for 2013/2014 (Nil for 2012/2013)
		Investments are held to maximise interest returns of surplus cash.	
		Interest revenues are recognised as they accrue.	
		Managed funds are measured at market value.	
<b>Trade and other receivables</b>	19	Receivables are carried at amortised cost using the effective interest method. A provision for doubtful debts is recognised when there is objective evidence that an impairment loss has occurred. Collectability of overdue accounts is assessed on an ongoing basis.	General debtors are unsecured. Credit terms are based on 30 days.
<b>Financial assets</b>	20	Investments and bills are valued at cost.	Funds returned fixed interest rate of between 2.95% (3.75% in 2012/2013), and 4.45% (5.80% in 2012/2013) net of fees.
		Investments are held to maximise interest returns of surplus cash.	Nil managed funds for 2013/2014 (Nil for 2012/2013)
		Interest revenues are recognised as they accrue.	
		Managed funds are measured at market value.	
<b>Financial Liabilities</b>			
<b>Trade and other payables</b>	24	Liabilities are recognised for amounts to be paid in the future for goods and services provided to Council as at balance date whether or not invoices have been received.	General Creditors are unsecured, not subject to interest charges and are normally settled within 30 days of invoice receipt.
<b>Interest-bearing loans and borrowings</b>	27	Loans are carried at their principal amounts, which represent the present value of future cash flows associated with servicing the debt. Interest is accrued over the period it becomes due and recognised as part of payables.	Borrowings are secured by way of mortgages over the general rates of the Council. The weighted average interest rate on borrowings is 6.24% (6.23% in 2012/2013).
<b>Bank overdraft</b>	33	Overdrafts are recognised at the principal amount. Interest is charged as an expense as it accrues.	The overdraft is subject to annual review. It is secured by a mortgage over Council's general rates and is repayable on demand. Nil overdraft for 2013/14 (Nil for 2012/13). The interest rate as at balance date was 7.90% (8.15% in 2012/2013).



## Note 39 Financial Instruments - continued

### (b) Interest Rate Risk

The exposure to interest rate risk and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
2014	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and cash equivalents	1,934	-	-	-	2	1,936
Trade and other receivables	-	-	-	-	480	480
Financial assets	-	2,374	-	-	-	2,374
Accrued income	2	23	-	-	519	544
<b>Total financial assets</b>	<b>1,936</b>	<b>2,397</b>	<b>-</b>	<b>-</b>	<b>1,001</b>	<b>5,334</b>
Weighted average interest rate	1.85%	3.44%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	702	702
Trust funds and deposits	-	-	-	-	62	62
Income received in advance	-	-	-	-	51	51
Interest-bearing loans and borrowings	749	-	-	-	-	749
<b>Total financial liabilities</b>	<b>749</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>815</b>	<b>1,563</b>
Weighted average interest rate	6.24%					
<b>Net financial assets (liabilities)</b>	<b>1,187</b>	<b>2,397</b>	<b>-</b>	<b>-</b>	<b>186</b>	<b>3,770</b>

	Floating interest rate	Fixed interest maturing in:			Non-interest bearing	Total
		1 year or less	Over 1 to 5 years	More than 5 years		
2013	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets</b>						
Cash and cash equivalents	1,976	-	-	-	2	1,978
Trade and other receivables	-	11	3	-	336	350
Financial assets	-	1,958	-	-	-	1,958
Accrued income	2	11	-	-	101	114
<b>Total financial assets</b>	<b>1,978</b>	<b>1,980</b>	<b>3</b>	<b>-</b>	<b>439</b>	<b>4,401</b>
Weighted average interest rate	2.03%	4.11%				
<b>Financial liabilities</b>						
Trade and other payables	-	-	-	-	579	579
Trust funds and deposits	-	-	-	-	26	26
Income received in advance	-	-	-	-	41	41
Interest-bearing loans and borrowings	972	-	-	-	-	972
<b>Total financial liabilities</b>	<b>972</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>645</b>	<b>1,617</b>
Weighted average interest rate	6.23%					
<b>Net financial assets (liabilities)</b>	<b>1,006</b>	<b>1,980</b>	<b>3</b>	<b>-</b>	<b>(206)</b>	<b>2,784</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

## Note 39 Financial Instruments (cont.)

### (c) Net Fair Values

The aggregate net fair values of financial assets and financial liabilities, both recognised and unrecognised, at balance date are as follows:

Financial Instruments	Total carrying amount as per Balance Sheet		Aggregate net fair value	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
<b>Financial assets</b>				
Cash and cash equivalents	1,936	1,978	1,936	1,978
Trade and other receivables	480	350	480	350
Financial assets	2,374	1,958	2,374	1,958
Accrued income	544	114	544	114
<b>Total financial assets</b>	<b>5,334</b>	<b>4,401</b>	<b>5,334</b>	<b>4,401</b>
<b>Financial liabilities</b>				
Trade and other payables	702	579	702	579
Trust funds and deposits	62	26	62	26
Income received in advance	51	41	51	41
Interest-bearing loans and borrowings	749	972	749	972
<b>Total financial liabilities</b>	<b>1,563</b>	<b>1,617</b>	<b>1,563</b>	<b>1,617</b>
<b>Net financial assets</b>	<b>3,770</b>	<b>2,784</b>	<b>3,770</b>	<b>2,784</b>

### (d) Credit Risk

The maximum exposure to credit risk at balance date in relation to each class of recognised financial asset is represented by the carrying amount of those assets as indicated in the Balance Sheet.

### (e) Risks and mitigation

The risks associated with our main financial instruments and our policies for minimising these risks are detailed below.

#### Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposures to market risk are primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk. Components of market risk to which we are exposed are discussed below.

#### 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. Interest rate risk arises from interest bearing financial assets and liabilities that we use. Non derivative interest bearing assets are predominantly short term liquid assets. Our interest rate liability risk arises primarily from long term loans and borrowings which are currently at variable rates and this exposes Council to upward movements in interest rates. These rates are monitored and fluctuations assessed to determine if and when a change to the current strategy of variable rates is required.

Our loan borrowings are sourced from major Australian banks by a tender process. Finance leases are sourced from major Australian financial institutions. Overdrafts are arranged with major Australian banks. We manage interest rate risk on our net debt portfolio by:

- ensuring access to diverse sources of funding;
- reducing risks of refinancing by managing in accordance with target maturity profiles; and
- setting prudential limits on interest repayments as a percentage of rate revenue.

We manage the interest rate exposure on our debt portfolio by appropriate budgeting strategies and obtaining approval for borrowings from the Department of Planning and Community Development each year.

Investment of surplus funds is made with approved financial institutions under the Local Government Act 1989. We manage interest rate risk by adopting an investment policy that ensures:

- conformity with State and Federal regulations and standards,
- capital protection,
- appropriate liquidity,
- diversification by credit rating, financial institution and investment product
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

Maturity will be staggered to provide for interest rate variations and to minimise interest rate risk.

#### Credit risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause us to make a financial loss. We have exposure to credit risk on some financial assets included in our Balance Sheet. To help manage this risk:

- we have a practice for establishing credit limits for the entities we deal with;
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in our investment policy.

### Note 39 Financial Instruments (cont.)

Trade and other receivables consist of a large number of customers, spread across the consumer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is the Victorian Government. Apart from the Victorian Government we do not have any significant credit risk exposure to a single customer or groups of customers. Ongoing credit evaluation is performed on the financial condition of our customers and, where appropriate, an allowance for doubtful debts is raised.

We may also be subject to credit risk for transactions which are not included in the Balance Sheet, such as when we provide a guarantee for another party. Details of our contingent liabilities are disclosed in note 38.

Movement in Provisions for Doubtful Debts	2014 \$'000	2013 \$'000
Balance at the beginning of the year	11	9
New Provisions recognised during the year	6	11
Amounts already provided for and written off as uncollectible	(3)	(8)
Amounts provided for but recovered during the year	(6)	
Balance at end of year	8	11

#### Ageing of Trade and Other Receivables

At balance date other debtors representing financial assets were past due but not impaired. These amounts relate to a number of independent customers for whom there is no recent history of default. The ageing of the Council's Trade and Other Receivables was:

	2014 \$'000	2013 \$'000
Current (not yet due)	210	90
Past due by up to 30 days	64	76
Past due between 31 and 180 days	61	72
Past due between 181 and 365 days	47	33
Past due by more than 1 year	98	79
Total Trade & Other Receivables	480	350

#### Ageing of individually impaired Trade and Other Receivables

The individually impaired debtors relate to general and sundry debtor and have been impaired as a result of their doubtful collection. At 30 June 2014 there were no debtors in this category.

#### Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements:

- we will not have sufficient funds to settle a transaction on the date;
- we will be forced to sell financial assets at a value which is less than what they are worth; or
- we may be unable to settle or recover a financial assets at all.

To help reduce these risks we:

- have a liquidity practice of establishing minimum working capital requirements when developing cash flow budgets;
- 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 Councils exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The table below lists the contractual maturities for Financial Liabilities.

These amounts represent undiscounted gross payments including both principal and interest amounts.

	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
<b>2014</b>							
Trade and other payables	702	-	-	-	-	702	702
Trust funds and deposits	62	-	-	-	-	62	62
Income received in advance	51	-	-	-	-	-	51
Interest-bearing loans and borrowings	102	105	221	272	49	851	749
<b>Total financial liabilities</b>	<b>917</b>	<b>105</b>	<b>221</b>	<b>272</b>	<b>49</b>	<b>1,615</b>	<b>1,563</b>

	6 mths or less \$'000	6-12 months \$'000	1-2 years \$'000	2-5 years \$'000	>5 years \$'000	Contracted Cash Flow \$'000	Carrying Amount \$'000
<b>2013</b>							
Trade and other payables	579	-	-	-	-	579	579
Trust funds and deposits	10	16	-	-	-	26	26
Income received in advance	41	-	-	-	-	-	41
Interest-bearing loans and borrowings	150	126	251	528	80	1,134	972
<b>Total financial liabilities</b>	<b>779</b>	<b>141</b>	<b>251</b>	<b>528</b>	<b>80</b>	<b>1,738</b>	<b>1,617</b>

# Notes to the Financial Statements

For the Year Ended 30 June 2014

## Note 39 Financial Instruments (cont.)

### (f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, the Council believes the following movements are 'reasonably possible' over the next 12 months (Base rates are sourced from Reserve Bank of Australia):

- A parallel shift of + 1% and -2% in market interest rates (AUD) from year-end rates of 2.50%.

The table below discloses the impact on net operating result and equity for each category of financial instruments held by the Council at year-end, if the above movements were to occur.

Carrying amount subject to interest	Carrying amount	Interest rate risk			
		-2 %		+1 %	
		-200 basis points	+100 basis points	Profit	Equity
2014	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	1,936	(39)	(39)	19	19
Trade and other receivables	-	-	-	-	-
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	749	15	15	(7)	(7)

Carrying amount subject to interest	Carrying amount	Interest rate risk			
		-2 %		+1 %	
		-200 basis points	+100 basis points	Profit	Equity
2013	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Financial assets:</b>					
Cash and cash equivalents	1,978	(40)	(40)	20	20
Trade and other receivables	13	-	-	-	-
<b>Financial liabilities:</b>					
Interest-bearing loans and borrowings	972	19	19	(10)	(10)

### (g) Fair Value Hierarchy

There were no fair value adjustments to financial assets through the comprehensive income statement in 2013/14 (2012/13 : Nil).

	2014	2013
	\$'000	\$'000
<b>Note 40 Auditors' remuneration</b>		
Audit fee to conduct external audit - Victorian Auditor-General	25	24
Internal audit fees - RSM Bird Cameron	24	20
Audit committee fees	5	5
Audit fee to conduct Roads to Recovery grant acquittal - Crowe Horwath	4	-
	<b>58</b>	<b>49</b>

### Note 41 Events occurring after balance date

No matters have occurred since reporting date that require disclosure in the financial report.

## Note 42 Related party transactions

### (i) Responsible Persons

Names of persons holding the position of a Responsible Person at the Council at any time during the year are:

<b>Councillors</b>	Councillor Helene Cameron (Councillor & Mayor 01/07/13 to current)
	Councillor Bob Merriman (Councillor 01/07/13 to current)
	Councillor Sue Wasterval (Councillor 01/07/13 to current)
	Councillor Susan Salter (Councillor 01/07/13 to current)
	Councillor Graham Christie (Councillor 01/07/13 to 27/11/13, 21/03/14 to 30/04/14, 08/05/14 to 28/05/14)

**Chief Executive Officer** Leonard Jenner (Chief Executive Officer 01/07/13 to current)

### (ii) Remuneration of Responsible Persons

The numbers of Responsible Officers, whose total remuneration from Council and any related entities fall within the following bands:

	2014 No.	2013 No.
\$1 - \$9,999	-	3
\$10,000 - \$19,999	4	3
\$20,000 - \$29,999	-	1
\$30,000 - \$39,999	-	1
\$50,000 - \$59,999	1	-
\$200,000 - \$209,999	-	1
\$220,000 - \$229,999	1	-
	<b>6</b>	<b>9</b>

	\$'000	\$'000
Total Remuneration for the reporting year for Responsible Persons included above amounted to:	351	320

(iii) No retirement benefits have been made by the Council to a Responsible Person (2012/13, nil).

(iv) No loans have been made, guaranteed or secured by the Council to a Responsible Person during the reporting year (2012/13, nil).

### (v) Other Transactions

No transactions other than remuneration payments or the reimbursement of approved expenses were entered into by Council with Responsible Persons, or Related Parties of such Responsible Persons during the reporting year (2012/13, nil).

### (vi) Senior Officers Remuneration

A Senior Officer other than a Responsible Person, is an officer of Council who:

- (a) has management responsibilities and reports directly to the Chief Executive Officer; or
- (b) whose total annual remuneration exceeds \$133,000 (2012/13: \$130,000).

The number of Senior Officers, other than the Responsible Persons, are shown below in their relevant income bands:

	2014 No.	2013 No.
Income Range:		
\$120,000 - \$129,999	1	-
\$130,000 - \$139,999	-	1
\$140,000 - \$149,999	1	-
	<b>2</b>	<b>1</b>
Total Remuneration for the reporting year for Senior Officers included above, amounted to:	268	138

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	Governance and External Relations		Finance, Risk and Audit		Tourism and Community Development		Community Services	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Note 43 Income, Expenses And Assets By Function/Activities</b>								
<b>Income</b>								
Grants	98	187	68	36	123	91	779	443
Other	7	47	5,939	5,658	218	201	133	149
<b>Total</b>	<b>105</b>	<b>234</b>	<b>6,006</b>	<b>5,694</b>	<b>341</b>	<b>292</b>	<b>912</b>	<b>592</b>
<b>Expenses</b>								
	(1,712)	(1,741)	(1,756)	(1,697)	(821)	(819)	(733)	(678)
<b>Surplus (Deficit) For The Year</b>	<b>(1,607)</b>	<b>(1,507)</b>	<b>4,250</b>	<b>3,997</b>	<b>(480)</b>	<b>(527)</b>	<b>179</b>	<b>(86)</b>
<b>Assets Attributed To Functions/Activities*</b>	<b>5,107</b>	<b>5,274</b>	<b>22</b>	<b>28</b>	<b>8,335</b>	<b>7,616</b>	<b>694</b>	<b>770</b>

	Building		Coastal and Environment		Environmental Health		Infrastructure Services	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Income</b>								
Grants	7	14	173	433	18	12	2,004	1,298
Other	15	15	1,788	1,718	30	31	68	265
<b>Total</b>	<b>22</b>	<b>29</b>	<b>1,961</b>	<b>2,151</b>	<b>48</b>	<b>43</b>	<b>2,072</b>	<b>1,563</b>
<b>Expenses</b>								
	(78)	(83)	(1,305)	(1,175)	(82)	(83)	(2,484)	(2,266)
<b>Surplus (Deficit) For The Year</b>	<b>(56)</b>	<b>(54)</b>	<b>656</b>	<b>976</b>	<b>(34)</b>	<b>(40)</b>	<b>(412)</b>	<b>(703)</b>
<b>Assets Attributed To Functions/Activities*</b>	<b>-</b>	<b>-</b>	<b>8,528</b>	<b>7,109</b>	<b>-</b>	<b>-</b>	<b>43,936</b>	<b>44,901</b>

	Local Law Enforcement		Town Planning		Sustainability and Environment		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
<b>Income</b>								
Grants	15	13	25	10	42	25	3,352	2,562
Other	49	50	47	48	-	-	8,295	8,182
<b>Total</b>	<b>64</b>	<b>63</b>	<b>72</b>	<b>58</b>	<b>42</b>	<b>25</b>	<b>11,647</b>	<b>10,744</b>
<b>Expenses</b>								
	(196)	(204)	(252)	(229)	(132)	(104)	(9,549)	(9,079)
<b>Surplus (Deficit) For The Year</b>	<b>(132)</b>	<b>(141)</b>	<b>(180)</b>	<b>(171)</b>	<b>(91)</b>	<b>(79)</b>	<b>2,098</b>	<b>1,665</b>
<b>Assets Attributed To Functions/Activities*</b>	<b>25</b>	<b>24</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>66,648</b>	<b>65,725</b>

\*Assets have been attributed to functions/activities based on the control and/or custodianship of specific assets.



## Note 43 Income, Expenses And Assets By Function/Activities - continued

The activities relating to the municipality's key operational areas reported on in the Comprehensive Income Statement are as follows:

### **Governance And External Relations**

Operation and maintenance of the administration offices and the corporate costs of managing the municipality along with administration and management of external relationships including public relations, membership of municipal association, etc. Operation and maintenance of the council meeting areas and costs associated with mayoral and councillor allowances are also included under the governance function.

### **Finance, Risk And Audit**

Rate revenue, principal and interest payments on loans, bank and rate collection charges, audit fees and insurance premiums are included within this function. Also included are employee costs in relation to finance, rates and risk management, as well as contract payments made in relation to information technology.

### **Tourism And Community Development**

Consists of: library; arts, recreation and culture (including festivals and events and community grants for recreation, arts and youth); visitor information centre; tourism promotion; community and other human services (including senior citizens, community development grants, special events).

### **Community Services**

Consists of: preschool centre; maternal and child health; aged and disabled services.

### **Building**

Consists of: building control; heritage.

### **Coastal And Environment**

Consists of: caravan parks and boat ramp; foreshore management and environmental protection.

### **Environmental Health**

Consists of: registrations (including food, accommodation, hairdressers); inspections (including food premises); mosquito control.

### **Infrastructure Services**

Consists of: engineering; road maintenance and works (including roads, kerb and channel, footpaths and cycleways, drainage, parks and gardens, street cleaning); foreshore (beach cleaning); powerline and tree clearance; street lighting; building maintenance program; waste disposal; public conveniences; building and infrastructure assets (including land under roads, sports complex, playground, bus shelters).

### **Local Law Enforcement**

Consists of: local law enforcement (including parking, camping, alcohol consumption in public places); animal control; fire prevention and emergency management; school crossing supervision.

### **Town Planning**

Consists of: strategic planning; town planning (including permits, land information certificates); development approvals and appeals; point lonsdale structure plan; review of planning scheme.

### **Sustainability And Environment**

Initiatives including: climate change strategy; Council sustainability strategy; reducing emissions in the borough.

# Notes to the Financial Statements

For the Year Ended 30 June 2014

	2014	2014	2013	2013	2012	2012
	\$'000	(%)	\$'000	(%)	\$'000	(%)

## Note 44 Financial ratios (Performance indicators)

(a) **Debt servicing ratio** (to identify the capacity of Council to service its outstanding debt)

Debt servicing costs	52	=	0.45%	70	=	0.66%	92	=	0.92%
Total revenue	11,647			10,744			10,060		

Debt servicing costs refer to the payment of interest on loan borrowings, finance lease, and bank overdraft. The ratio expresses the amount of interest paid as a percentage of Council's total revenue.

(b) **Debt commitment ratio** (to identify Council's debt redemption strategy)

Debt servicing & redemption costs	275	=	4.69%	333	=	5.95%	294	=	5.50%
Rate revenue	5,874			5,588			5,357		

The strategy involves the payment of loan principal and interest, finance lease principal and interest. The ratio expresses the percentage of rate revenue utilised to pay interest and redeem debt principal.

(c) **Revenue ratio** (to identify Council's dependence on non-rate income)

Rate revenue	5,874	=	50.44%	5,588	=	52.01%	5,357	=	53.25%
Total revenue	11,647			10,744			10,060		

The level of Council's reliance on rate revenue is determined by assessing rate revenue as a proportion of the total revenue of Council.

(d) **Debt exposure ratio** (to identify Council's exposure to debt)

Total indebtedness	2,250	=	4.24%	2,270	=	4.39%	2,593	=	5.06%
Total realisable assets	53,068			51,728			51,263		

For the purposes of the calculation of financial ratios, realisable assets are those assets which can be sold and which are not subject to any restriction on realisation or use.

Any liability represented by a restricted asset (note 34) is excluded from total indebtedness.

The following assets are excluded from total assets when calculating Council's realisable assets:

land and buildings on Crown land; restricted assets; heritage assets; total infrastructure assets; and Council's investment in associate.

This ratio enables assessment of Council's solvency and exposure to debt. Total indebtedness refers to the total liabilities of Council.

Total liabilities are compared to total realisable assets which are all Council assets not subject to any restriction and are able to be realised. The ratio expresses the percentage of total liabilities for each dollar of realisable assets.

(e) **Working capital ratio** (to assess Council's ability to meet current commitments)

Current assets	5,412	=	239.17%	4,587	=	203.01%	4,310	=	179.83%
Current liabilities	2,263			2,259			2,397		

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

(f) **Adjusted working capital ratio** (to assess Council's ability to meet current commitments)

Current assets	5,412	=	316.34%	4,587	=	304.58%	4,310	=	365.54%
Current liabilities	1,711			1,505			1,179		

The ratio expresses the level of current assets the Council has available to meet its current liabilities.

Current liabilities have been reduced to reflect the long service leave that is shown as a current liability because Council does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date, but is not likely to fall due within 12 months after the end of the period.

Current liabilities have also been reduced to reflect bank loans, which are shown as a current liability because the terms and conditions of each bank loan contains a review clause giving the bank the ability to demand payment should they elect to do so, but which do not fall due and are not likely to be fully re-paid within 12 months after the end of the period.

	Note	2014	2013
<b>Note 45 Capital expenditure</b>			
<b>Capital expenditure areas</b>		<b>\$'000</b>	<b>\$'000</b>
<i>Property</i>			
Land improvements		26	-
Buildings		205	467
<b>Total property</b>		<b>231</b>	<b>467</b>
<i>Plant and Equipment</i>			
Plant, machinery and equipment		140	197
Fixtures, fittings and furniture		9	23
Computers and telecommunications		28	28
<b>Total plant and equipment</b>		<b>177</b>	<b>248</b>
<i>Infrastructure</i>			
Roads		476	786
Footpaths and cycleways		17	38
Drainage		8	308
Recreational, leisure and community facilities		54	155
Parks, open space and streetscapes		1,280	-
Other infrastructure		-	-
<b>Total infrastructure</b>		<b>1,835</b>	<b>1,287</b>
<b>Total capital works</b>		<b>2,242</b>	<b>2,002</b>
Represented by:			
Renewal	(a)	834	1,695
Upgrade	(b)	72	100
Expansion	(c)	-	-
New		1,336	207
<b>Total capital works</b>		<b>2,242</b>	<b>2,002</b>
<b>Property, infrastructure, plant and equipment movement</b>			
The movement between the previous year and the current year in property, infrastructure, plant and equipment as shown in the Balance Sheet links to the net of the following items:			
Total capital works	23	2,243	2,002
Asset revaluation movement	29(a)	(364)	-
Depreciation/amortisation	13	(924)	(916)
Asset write-offs recognised in profit or loss	23	(8)	(24)
Assets recognised in profit or loss	23	45	-
Written down value of assets sold	23	(67)	(28)
<b>Net movement in property, infrastructure, plant and equipment</b>	<b>23</b>	<b>923</b>	<b>1,034</b>

#### (a) Renewal

Expenditure on an existing asset which returns the service potential or the life of the asset up to that which it had originally. It is periodically required expenditure, relatively large (material) in value compared with the value of the components or sub-components of the asset being renewed. As it reinstates existing service potential, it has no impact on revenue, but may reduce future operating and maintenance expenditure if completed at the optimum time.

#### (b) Upgrade

Expenditure which enhances an existing asset to provide a higher level of service or expenditure that will increase the life of the asset beyond that which it had originally. Upgrade expenditure is discretionary and often does not result in additional revenue unless direct user charges apply. It will increase operating and maintenance expenditure in the future because of the increase in the council's asset base.

#### (c) Expansion

Expenditure which extends an existing asset, at the same standard as is currently enjoyed by residents, to a new group of users. It is discretionary expenditure which increases future operating and maintenance costs, because it increases council's asset base, but may be associated with additional revenue from the new user group.

# Certification of Financial Statements

In my opinion the accompanying financial statements have been prepared in accordance with the Local Government Act 1989, the Local Government (Finance and Reporting) Regulations 2004, Australian Accounting Standards and other mandatory professional reporting requirements.



Lynne Stevenson CPA  
**Principal Accounting Officer**  
Date : 24 September 2014  
Queenscliff

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2014 and the financial position of the Council as at that date.

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

We have been authorised by the Council on 24 September 2014 to certify the financial statements in their final form.



Councillor Helene Cameron  
**Councillor**  
Date : 24 September 2014  
Queenscliff



Councillor Susan Salter  
**Councillor**  
Date : 24 September 2014  
Queenscliff



Leonard Jenner  
**Chief Executive Officer**  
Date : 24 September 2014  
Queenscliff



*Remnant fencing reflects early conservation practices in the Borough.*

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Borough of Queenscliffe

#### *The Financial Report and Standard Statements*

The accompanying financial report for the year ended 30 June 2014 of the Borough of Queenscliffe which comprises comprehensive income statement, balance sheet, statement of changes in equity, statement of cash flows, notes comprising a summary of the significant accounting policies and other explanatory information, and the certification of the financial report has been audited.

The accompanying standard statements for the year ended 30 June 2014 of Borough of Queenscliffe which comprises standard income statement, standard balance sheet, standard cash flow statement, standard capital works statement, standard statement of investment reserves, the related notes and the certification of the standard statements has been audited.

#### *The Councillors' Responsibility for the Financial Report and Standard Statements*

The Councillors of the Borough of Queenscliffe are responsible for the preparation and the fair presentation of:

- the financial report in accordance with Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- the standard statements in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

The Councillors are responsible for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the financial report and standard statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Audit Act 1994* and the *Local Government Act 1989*, my responsibility is to express an opinion on the financial report and standard statements based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial report and standard statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report and standard statements. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the financial report and standard statements, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the financial report and standard statements 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 entity's internal control.

An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Councillors, as well as evaluating the overall presentation of the financial report and standard statements.

## Independent Auditor's Report (continued)

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

### *Opinion*

In my opinion:

- (a) the financial report presents fairly, in all material respects, the financial position of the Borough of Queenscliffe as at 30 June 2014 and of its financial performance and its cash flows for the year then ended in accordance with applicable Australian Accounting Standards, and the financial reporting requirements of the *Local Government Act 1989*
- (b) the standard statements present fairly, in all material respects, in accordance with the basis of preparation as described in note 1 to the statements and the requirements of the *Local Government Act 1989*.

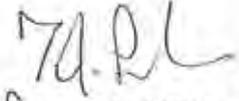
### *Basis of Accounting for Standard Statements*

Without modifying my opinion, I draw attention to note 1 to the standard statements, which describes the basis of accounting. The standard statements are prepared to meet the requirements of the *Local Government Act 1989*. As a result, the standard statements may not be suitable for another purpose.

### *Matters Relating to the Electronic Publication of the Audited Financial Report and Standard Statements*

This auditor's report relates to the financial report and standard statements of the Borough of Queenscliffe for the year ended 30 June 2014 included both in the Borough of Queenscliffe's annual report and on the website. The Councillors of the Borough of Queenscliffe are responsible for the integrity of the Borough of Queenscliffe's website. I have not been engaged to report on the integrity of the Borough of Queenscliffe's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these statements. If users of the financial report and standard statements are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial report and standard statements to confirm the information contained in the website version of the financial report and standard statements.

MELBOURNE  
29 September 2014

  
John Doyle  
Auditor-General

# Performance Statement

## What is the Performance Statement?

The Performance Statement reports on the performance of Council for the financial year against the key strategic activities that were adopted as part of the annual Budget process.

The Performance Statement links the key strategic activities to Council Plan's strategic objectives, our performance measures, our actual performance and whether we achieved our target or not.

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 147 for the Certification of the Performance Statement and page 148-149 for the VAGO Independent Auditor's Report.

This statement reviews Council's annual budget key strategic activities performance targets against Council's actual performance for the year

**STRATEGIC OBJECTIVE: A healthy, involved and creative community**

Key Strategic Activities	Performance Measure	Performance Target	Actual Performance	Target Achieved	Note
<b>Production of the Borough of Queenscliffe Municipal Health &amp; Wellbeing Plan</b>	Municipal Health & Wellbeing Plan produced, endorsed by Council and submitted to Minister for Health	Municipal Health & Wellbeing Plan submitted to Minister for Health by 27 October 2013	24 September 2013	Yes	
<b>Joint use agreement and shared facility management arrangements between Queenscliff Senior Citizens and Queenscliff Sea Scouts</b>	Signed Memorandum of Understanding detailing joint use and shared management arrangements for upgraded community facility.	Signed Memorandum of Understanding completed by 30 September 2013	Target not achieved	No	1

**STRATEGIC OBJECTIVE: A vibrant local economy**

Key Strategic Activities	Performance Measure	Performance Target	Actual Performance	Target Achieved	Note
<b>Production of the G21 region Public Transport Plan</b>	G21 Public Transport Plan produced and endorsed by Council	G21 Public Transport Plan completed by 31 January 2014	Target not achieved	No	2
<b>Increase in Council website visits</b>	Borough of Queenscliffe Council Quarterly Reports on website visits	Increasing number of site visits in comparison to same quarter in the previous year	73% increase	Yes	

**STRATEGIC OBJECTIVE: A unique natural environment**

Key Strategic Activities	Performance Measure	Performance Target	Actual Performance	Target Achieved	Note
<b>Facilitate community participation in the implementation of the Community Carbon Neutral Action Plan</b>	Community organisations (including residents, schools, businesses and community groups) participating in the Community Carbon Neutral campaign	Greater than 10 community organisations signed up to and participating in the Community Carbon Neutral Campaign by 30 June 2014	16	Yes	
<b>Tree planting in local neighbourhood streets</b>	Tree planting activity involving community and Council in local neighbourhoods	Tree planting program completed in two streets in the Borough by 31 May 2014	Target not achieved	No	3

**STRATEGIC OBJECTIVE: A well-planned and attractive place to live and visit**

Key Strategic Activities	Performance Measure	Performance Target	Actual Performance	Target Achieved	Note
<b>Council passes a resolution to prepare Queenscliffe Planning Scheme Amendment to incorporate recommendations from Planning Scheme Review</b>	Statutory amendment process commenced	Planning Scheme Amendment exhibited, community submissions considered and Planning Panel Hearing, if required, completed by 30 June 2014.	Target not achieved	No	4
<b>Heritage Strategy completed</b>	Heritage Strategy endorsed by Council	Council endorsement of Heritage Strategy by 30 April 2014	Target not achieved	No	5

# Performance Statement

STRATEGIC OBJECTIVE: A proactive and accountable Council					
Key Strategic Activities	Performance Measure	Performance Target	Actual Performance	Target Achieved	Note
Community Information and Engagement Policy	Community Information and Engagement Policy endorsed by Council	Council endorsement of Community Information and Engagement Policy by 30 September 2013	Target not achieved	No	6
Councillor Code of Conduct	Councillor Code of Conduct signed by all Councillors and endorsed by Council	Councillor Code of Conduct endorsed by Council before 27 October 2013	18 September 2013	Yes	
Council leases	Percentage of leases up to date	90% of leases up to date by 30 June 2014	90%	Yes	

## Notes to the Performance Statement:

- Given the high level of community infrastructure development projects in 2013/14, the decision was taken to schedule this activity early in the 2014/15 financial year.
- The G21 Board resolved to reschedule the timeframes for production of the final G21 public transport strategy plan. This resulted in the final plan being endorsed by Council at its 25 June 2014 Ordinary Meeting.
- Council completed the planning and consultation for the tree planting in May and June 2014 and will undertake the tree planting program in July 2014.
- The draft planning scheme review report has been finalised by the consultant. This report was delayed to ensure the latest State government changes in the State planning provisions and residential zones were incorporated into the report. Draft report is subject to a non-statutory community consultation with submissions closing on 24 July 2014. Formal exhibition of the planning scheme amendment is anticipated at the commencement of the 2015 calendar year.
- Due to competing priorities and limited heritage resources, development of the Heritage Strategy has been drafted but not yet considered by Council. The draft Heritage Strategy will be presented to Council for consideration by December 2014.
- The draft Community Engagement Policy and report was prepared for consideration in July 2014 with an extension to the community consultation period in response to community feedback. Council anticipates the Community Engagement Policy to be considered at its September 2014 Council Meeting.

# Certification of the Performance Report

In our opinion, the accompanying performance statement of the Borough of Queenscliffe in respect of the 2013/2014 financial year is presented fairly in accordance with the Local Government Act 1989. The statement outlines the Key Strategic Activities set out in Council's Budget and describes the extent to which these activities were achieved in the year.

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

On 24th September 2014 we were authorised by the Council to certify this performance statement in its final form on behalf of Council.



Councillor Helene Cameron

**Councillor**

Date : 24 September 2014

Queenscliff



Councillor Susan Salter

**Councillor**

Date : 24 September 2014

Queenscliff



Leonard Jenner

**Chief Executive Officer**

Date : 24 September 2014

Queenscliff

## INDEPENDENT AUDITOR'S REPORT

### To the Councillors, Borough of Queenscliffe

#### *The Performance Statement*

The accompanying performance statement for the year ended 30 June 2014 of the Borough of Queenscliffe which comprises the statement, the related notes and the certification of performance statement has been audited.

#### *The Councillors' Responsibility for the Performance Statement*

The Councillors of the Borough of Queenscliffe are responsible for the preparation and fair presentation of the performance statement in accordance with the *Local Government Act 1989* and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of the performance statement that is free from material misstatement, whether due to fraud or error.

#### *Auditor's Responsibility*

As required by the *Local Government Act 1989*, my responsibility is to express an opinion on the performance statement based on the audit, which has been conducted in accordance with Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the performance statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the performance statement. The audit procedures selected depend on judgement, including the assessment of the risks of material misstatement of the performance statement, whether due to fraud or error. In making those risk assessments, consideration is given to the internal control relevant to the entity's preparation and fair presentation of the performance statement 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 entity's internal control. An audit also includes evaluating the overall presentation of the performance statement.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### *Independence*

The Auditor-General's independence is established by the *Constitution Act 1975*. The Auditor-General is not subject to direction by any person about the way in which his powers and responsibilities are to be exercised. In conducting the audit, the Auditor-General, his staff and delegates complied with all applicable independence requirements of the Australian accounting profession.

## **Independent Auditor's Report (continued)**

### *Auditor's Opinion*

In my opinion, the performance statement of the Borough of Queenscliffe in respect of the 30 June 2014 financial year presents fairly, in all material respects, in accordance with the *Local Government Act 1989*.

### *Matters Relating to the Electronic Publication of the Audited Performance Statement*

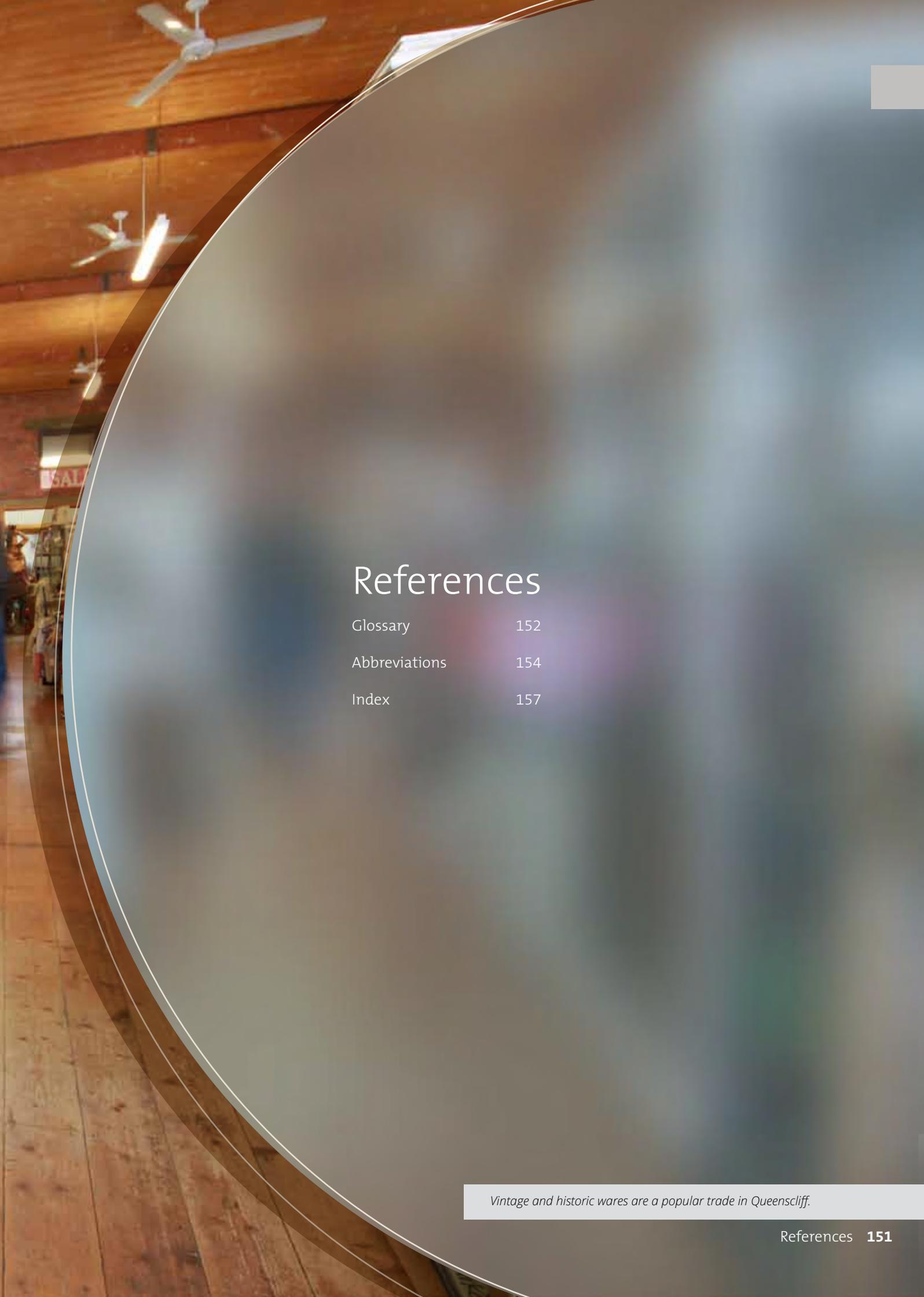
This auditor's report relates to the performance statement of the Borough of Queenscliffe for the year ended 30 June 2014 included both in the Borough of Queenscliffe's annual report and on the website. The Councillors of the Borough of Queenscliffe are responsible for the integrity of the Borough of Queenscliffe's website. I have not been engaged to report on the integrity of the Borough of Queenscliffe's website. The auditor's report refers only to the subject matter described above. It does not provide an opinion on any other information which may have been hyperlinked to/from this statement. If users of the performance statement are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited performance statement to confirm the information contained in the website version of the performance statement.

MELBOURNE  
29 September 2014

  
John Doyle  
Auditor-General



**NO PARKING**  
WITHIN  
**30 FEET**  
OF THIS  
**CORNER.**



# References

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*Vintage and historic wares are a popular trade in Queenscliff.*

# Glossary of terms

Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts expenditure	Bad debts written off and the movement in the bad debt provision for infringement debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity.
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.
Contributions income	Contributions received by Council are received 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 where 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 where Council expects to fulfill its obligation within the next twelve months unless the Council does not have an unconditional right to defer settlement of the liability for at least twelve months after reporting date.
Depreciation expenditure	An expense which recognises the value of a fixed asset as it is used up over time.
Employee costs	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.
Expense	An outgoing payment made by Council.
Finance costs	Interest paid on borrowings.
Financial assets	Investments held for periods of three to twelve months.
Fixed assets	See Property, infrastructure, plant and equipment.
G21 Regional Alliance	G21 is the 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, Golden Plains, Greater Geelong, Queenscliffe and Surf Coast.
Grants – recurrent income	Grant income received on a regular basis (i.e. quarterly, annually) and granted to Council by another entity for specific or general purposes.
Grants – non-recurrent income	Grant income received to fund specific projects that are not ongoing. The income is only available for the duration of the project.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity from the prior year.
Interest and investment income	Includes interest earned on all cash and investment balances, interest earned on rates and unrealised gains on managed fund investments.
Interest bearing loans and borrowings	Council's borrowings.
Inventories	A complete listing of merchandise or stock on hand, work in progress, finished goods on hand, etc.
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.
Movement in equity for the period	The net movement in the net surplus (deficit) and asset revaluation increments (decrements). This is also equal to the change in net assets.
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 assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net profit (loss) on disposal of property, infrastructure, plant and equipment	The net of 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 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 twelve months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses, community grants and contributions, training and professional development expenditure, contract settlement expenditure and expenditure incurred in relation to special rate schemes.
Other income	Income received from investment property rental, other rental income, net assets recognised in new entity, waste management, craft markets, local laws and animal management, National Competition Policy dividend, product sales, right-of-way sales, town halls, transport and other sources.
Infringement Court	Refers to Penalty Enforcement by Registration of Infringement Notice. A system established under Schedule 7 of the Magistrates Court Act 1989 (Vic) to deal with unpaid fines.
Prepaid income	Income received by Council in advance of services being performed.
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, bridges, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long-service leave, annual leave 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, asset replacement and general reserve.
Rates and charges income	Income received from ratepayers in relation to general rates, garbage fees and special rate schemes.
Reserves	Includes the asset revaluation, asset replacement and general reserve. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'. Other reserves represent funds set aside by Council for future projects and asset renewal and projects carried forward which are not complete.
Revenue	Revenue is the amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Statutory fees and fines income	Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Trade and other payables	Monies owed by Council to other entities/individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User fees and charges	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges, ticket machine fees, and caravan and camping fees.

# Abbreviations

<b>AASB</b>	Australian Accounting Standards Board
<b>ABM</b>	Association of Bayside Municipalities
<b>ABS</b>	Australian Bureau of Statistics
<b>ASU</b>	Australian Services Union
<b>AUD</b>	Australian dollars
<b>BCN</b>	Bellarine Catchment Network
<b>BOQ</b>	Borough of Queenscliffe
<b>CA</b>	Chartered Accountants
<b>BRWMG</b>	Barwon Regional Waste Management Group
<b>CCMA</b>	Corangamite Catchment Management Authority
<b>CEEP</b>	Community Energy Efficiency Program
<b>CEO</b>	Chief Executive Officer
<b>CFL</b>	Compact fluorescent lamps
<b>CI</b>	Continuous improvement
<b>CIV</b>	Capital Improved Value
<b>CNAP</b>	Carbon Neutral Action Plan
<b>CPA</b>	Certified Practising Accountant
<b>Cr</b>	Councillor
<b>CVA</b>	Conservation Volunteers Australia
<b>DEPI</b>	Department of Environment and Primary Industries
<b>DPCD</b>	Department of Planning and Community Development
<b>DSE</b>	Department of Sustainability and Environment
<b>EEO</b>	Equal employment opportunity
<b>EMT</b>	Executive Management Team
<b>E-waste</b>	Electronic waste
<b>FBT</b>	Fringe benefits tax
<b>FinPro</b>	Finance Professionals in Local Government
<b>GIS</b>	Geographic Information System
<b>GOT</b>	Geelong Otway Tourism
<b>GST</b>	Goods and services tax
<b>HACC</b>	Home and Community Care
<b>IASB</b>	International Accounting Standards Board
<b>LASF</b>	Local Authorities Superannuation Fund
<b>LGA</b>	Local Government Associations
<b>LGPro</b>	Local Government Professionals
<b>MAV</b>	Municipal Association of Victoria
<b>NA</b>	Not applicable
<b>OHS</b>	Occupational Health and Safety
<b>QLBTA</b>	Queenscliff Lonsdale Business & Tourism Association
<b>RSL</b>	Returned and Services League of Australia
<b>SES</b>	State Emergency Service
<b>VAGO</b>	Victorian Auditor-General's Office
<b>VCAT</b>	Victorian Civil and Administrative Tribunal
<b>VIC</b>	Visitor Information Centre
<b>VLGA</b>	Victorian Local Government Association



*Salt Bush café barista Prue Laws is part of the Borough's burgeoning café culture.*



*Borough of Queenscliffe Mayor Helene Cameron led Australia Day celebrations with Australia Day Ambassador, Tonia Todman.*

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**Michael Chambers Photography**

*Travelling through the iconic tree-lined Narrows alongside Swan Bay.  
Back Cover: Point Lonsdale foreshore at sunrise.*

