



Borough of Queenscliffe
Queenscliff & Point Lonsdale, Victoria, Australia

annual report 2016-17

Statio Tutissima Nautis



Statio Tutissima Nautis

“The Safest Anchorage for Seafarers”

Just as it is a safe haven for mariners, the Borough has an enduring role to play in conserving our extraordinary natural beauty with ecological values of global significance, rich architectural heritage and military history fundamental to Australia’s defence.

During the period of this annual report, the final year of the 2013–2017 Council Plan was implemented, a new Council was elected, and work toward a new four year Council Plan and Vision was completed.

As we look back over a year of achievement and the transition from one elected Council and Council Plan to the next, we also look forward with confidence in continued sustainable governance that maintains Queenscliffe as a safe haven for a caring community, the many visitors it welcomes, and all that makes it a special place.

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About this annual report

The Borough of Queenscliffe Annual Report 2016–17 highlights Council's performance against the fourth year of the Council Plan 2013–2017 and the 2016–17 Budget.

The Council Plan 2013–2017 set out five strategic directions upon which Council's performance was measured:

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 performance, achievements and challenges for each of these strategic directions within the 2016–17 year, as well as an outline of Council services and operations. It also provides a comprehensive and externally audited Performance Statement and 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.

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

Cover image: Point Lonsdale Pier at dusk.

Photographer: Lachlan Manley

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Nina and Elise participate in the Children's Summit.



A young girl with blonde hair, wearing a yellow polo shirt with a name tag that says 'Elsie (1)' and a school logo that says 'POINT TO THE FUTURE', is sitting at a table. She is looking towards the camera. In front of her is a large piece of paper with a colorful drawing of a landscape. To her left, the arm and shoulder of an adult in a black t-shirt are visible. The background shows a room with wooden walls and a door.

Year in review

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Mayor's and CEO's report

It has been a proactive and fulfilling year, highlighted by the successful expansion of the Community Solar Initiative – Round Two, securing funding for new improvements across the Borough, together with the completion of major infrastructure projects including the Point Lonsdale Village Playground and installation of AFL-standard lighting at the Queenscliff Recreation Reserve.

Understanding the challenges facing our coastal community

The 2016 Census data provides Council with new insights into the changing faces within our community, and the needs and preferences of the emerging residents and visitors. The Borough's demographic profile, together with the 3225 postcode, highlight a continuing trend in relation to an aging residential population, an increasing proportion of non-residential properties and a growing residential population with a much younger age profile in the new developments of Point Lonsdale. These emerging changes present both opportunity and challenge to Council, local organisations, businesses and the broader community.

Encouraging engagement and community conversations

Council successfully completed a comprehensive community consultation program in the preparation of the new Council Plan for 2017–2021. This included a range of new engagement approaches and methodologies including a Children's Summit, Community Summit and Community Survey. This has undoubtedly influenced our efforts to reach out to the community to enhance engagement and council meeting practice, and increased the quality and volume of feedback and participation in the Borough.

Harnessing local knowledge and expertise

Council has heard the message loud and clear from the community that there is keen interest in increasing participation in project planning. This has seen Council continue its use of community reference groups, which are established when projects impact a high proportion of the community. Groups convened over the 2016–17 year include the Avenue of Honour reference group and the Point Lonsdale Lighthouse Reserve reference group. Initiatives such as these enable the community to have a direct connection to the implementation of projects.

Increasing visitation through investment and innovation

Council has commenced the development of the Borough of Queenscliffe Economic Development Strategy. This strategy will provide a future focus to achieve a more diverse and vibrant local economy, guide and inform Council's economic development directions and priorities and identify opportunities for businesses, investors and the broader community.

Funding secured for major projects

Council has dedicated significant effort to secure funding from other levels of government to implement projects at the Point Lonsdale Lighthouse Reserve and Destination Queenscliff. The projects will progress the landscape improvements at the Point Lonsdale Lighthouse Reserve and deliver modern facilities at the Queenscliff

Recreation Reserve and Tourist Park and Ocean View carpark, together with the activation of key areas around Fort Queenscliff. Without State and Commonwealth funds, achieving major projects would simply not be possible for Council to deliver independently.

Delivering a financially sustainable position

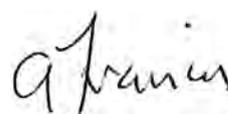
The 2016–17 full year position is an underlying surplus of \$233,000, which is an improvement of \$849,000 compared to the budgeted underlying deficit of (\$616,000) due to \$432,000 budget savings in 2016–17 (including \$125,000 additional savings achieved at the 2015–16 year-end), coupled with lower than expected levels of completed carry forward works in 2016–17 (funded from cash held in reserves on the Balance Sheet). 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 2016–17.

When comparing the Borough of Queenscliffe against the other 19 councils within the 'small shire councils' grouping, with respect to assessment of financial sustainability indicators, the Borough of Queenscliffe Council remains in a sound financial position and is considered low risk on four of the six financial sustainability indicators for the 2016–17 year.

Council has completed a number of major operating initiatives and capital projects over the four years of the previous 2013–2017 Council term, with success in securing significant government grant funding towards the cost of delivering a number of priority projects. Those projects which are in progress or yet to commence remain fully funded, with cash held in reserves on the Balance Sheet to match future expenditure as incurred.

Council continually reviews a range of key financial outcomes – budget, forecast and actual results – via quarterly finance reports throughout the year, and consideration of all relevant VAGO reports and other financial benchmarking exercises undertaken by officers, in order to ensure the Borough remains financially sustainable into the future.

In conclusion, the importance of good working relationships and project partnerships between the community, Council and other levels of government continues to support and enrich our work program. The new team of Councillors and Council officers are committed to the ongoing improvement of the Borough of Queenscliffe. Their level of focus, attention to emerging operating priorities and community service delivery is outstanding and, for that, we acknowledge their significant contributions.



Cr Tony Francis
Mayor



Lenny Jenner
Chief Executive Officer



Seagulls line up for fish and chips at the Queenscliff foreshore.

Highlights of 2016–17

- ❑ The Borough of Queenscliffe won a Gold Award (Australasian Reporting Awards) for the 2015–16 Annual Report.
- ❑ The Borough of Queenscliffe's overall performance index score of 66 is significantly higher than both the Small Rural group average (score of 59) and the State-wide average (score of 58).
- ❑ The Borough of Queenscliffe continued to foster and enhance partnerships with community groups, business, our municipal neighbours and other levels of government.
- ❑ Zero waiting list status maintained for access to Aged Care and Disability Services.
- ❑ Total grant funding received by Council in 2016–17 was \$1,058,458.
- ❑ Administration and allocation of the 2016–17 Community Grants program was completed in August 2016 with 14 grants totalling \$19,695.05 awarded to local community groups.
- ❑ The Queenscliffe Planning Scheme review resulted in Amendment C27 being approved by the Minister for Planning on 11 May 2017.
- ❑ State government funding was secured to develop an Economic Development Strategy.
- ❑ 640 tonnes of green waste were diverted from landfill and 8,271 kilograms of e-waste.
- ❑ Council continued to host a diverse range of civic events and supported local organisations, arts, cultural and sporting activities.
- ❑ Council continued to advocate on behalf of the community to integrate all residents of Point Lonsdale within postcode 3225 into the Borough of Queenscliffe.

Disappointments

- ❑ The Essential Services Commission (ESC) did not approve Council's application for a one-off higher rate cap of 4.5% in the 2017–18 rating year.
- ❑ Unable to identify a funding source for the replacement of LED street lights.
- ❑ Unable to commence and/or complete some priority projects due to increased pressures on available resources.
- ❑ Unable to secure funding to progress the Queenscliffe Community Hub.



Fast facts

- 2,853 permanent residents
- 2,802 rateable properties
- 17,120 peak population over summer
- 16 birth notifications
- \$1,058,458 of grants / subsidies funding received by Council
- 14 grants totalling \$19,695.05 were awarded to local Community Groups
- 9,357 hours of Aged Care Services provided
- Council maintained a 'zero waiting list' for all aged care services
- 92 Mandatory Food Safety audits conducted
- 40 percent of the population are active Queenscliff Library users
- 40,960 people assisted at the Queenscliffe Visitor Information Centre
- 42 kilometres of local road network maintained
- 1,497 indigenous plants, shrubs and trees planted
- 25 street trees planted (replacing 16 removed trees) under Council's new planting schedule
- 642,120kg of composted green waste delivered to local farms and vineyards
- Waste to landfill has decreased by 20% since July 2015
- 82 media releases issued
- 50 Mayor's columns published
- 4,416 items of incoming correspondence registered
- 8,865 adults and 2,368 children enjoyed 1,308,284 hours of holiday time at Council's caravan parks
- Volunteers contributed 5,281 hours of volunteer time to visitor servicing
- 38 percent of our local population are active volunteers (Source: ABS Data)
- 64 Heritage Walks were coordinated totalling 653 participants
- The Visitor Information Centre Facebook account increased page likes from 590 to 691
- The Visitor Information Centre Twitter account increased from 813 to 866

At a glance

STRATEGIC DIRECTION	ACHIEVEMENTS	DISAPPOINTMENTS	CHALLENGES	YEAR AHEAD
A healthy, involved and creative community	<ul style="list-style-type: none"> ❑ Maintained the zero waiting list status for access to Aged Care and Disability Services. ❑ Awarded 14 Community Grants totalling \$19,695.05 ❑ Hosted a diverse range of civic events and supported local organisations, arts, cultural and sporting activities. 	<ul style="list-style-type: none"> ❑ Unable to commence Queenscliff Hub project due to being unable to secure funding. 	<ul style="list-style-type: none"> ❑ Identifying a funding source for the Queenscliffe Park Project. Council has resolved to implement a smaller Stage 1 project in 2017–18. 	<ul style="list-style-type: none"> ❑ Complete the Queenscliff Recreation Reserve Master Plan. ❑ Progress construction of the Queenscliffe Sport and Recreation Precinct project. ❑ Complete Stage 1 of the Queenscliffe Park project.
A vibrant local Economy	<ul style="list-style-type: none"> ❑ Secured funding and commenced the development of the Economic Development Strategy. ❑ Supported local businesses by hosting the 2016 Victorian Small Business Festival, facilitating networking opportunities and the Small Business Victoria mentoring programs. ❑ In partnership with Tourism Greater Geelong and the Bellarine (TGGB) advertised Queenscliff and Point Lonsdale as a tourism destination in five major publications. ❑ Entered into partnership with Seaward Ferries to promote and extend the services of Visitor Information Centre. ❑ In partnership with TGGB, supported local businesses by providing training and development opportunities. 	<ul style="list-style-type: none"> ❑ Postponing the development of a major Winter Arts Festival to 2018. 	<ul style="list-style-type: none"> ❑ Continue to advocate for the implementation of the recommendations defined in the Fort Queenscliff Precinct Tourism Master Plan. 	<ul style="list-style-type: none"> ❑ Complete the development of an Economic Development Strategy.
A unique natural environment	<ul style="list-style-type: none"> ❑ Diverted 642 tonnes of green waste from landfill. ❑ Collected 8,271 kilograms of e-waste. ❑ In partnership with Surf Coast Shire, conducted a joint tender process for kerbside green waste collection resulting in reduced costs. ❑ Strengthened partnerships with environmental organisations and agencies to deliver weed reduction programs and vegetation management. ❑ Continued to implement Council's Carbon Neutral Action Plan. 	<ul style="list-style-type: none"> ❑ Unable to identify a funding source for the replacement of LED street lights. 	<ul style="list-style-type: none"> ❑ Uncertainty around potential regulation changes to the management of e-waste. 	<ul style="list-style-type: none"> ❑ Replacement of existing 80 watt Mercury Vapour streetlights in residential areas with LED light technology. ❑ Introduction of a Community Environment Alliance Grants Program to assist community groups to reduce their impact on the environment.

STRATEGIC DIRECTION	ACHIEVEMENTS	DISAPPOINTMENTS	CHALLENGES	YEAR AHEAD
A well-planned and attractive place to live and visit	<ul style="list-style-type: none"> ❑ Completed the Queenscliffe Planning Scheme review resulting in Amendment C27 being approved. ❑ Completed the upgrade to the shared path from the Narrows to the Point Lonsdale Primary School. ❑ Supported and enhanced the local arts and culture scene through a number of programs, activities and events. 	<ul style="list-style-type: none"> ❑ Due to increased pressure on available resources, Council was unable to undertake a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve. 	<ul style="list-style-type: none"> ❑ Effectively responding to the increased number of formal complaints regarding planning permit applications. ❑ Effectively managing resources to achieve project outcomes. 	<ul style="list-style-type: none"> ❑ Complete a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve. ❑ Progress civil works at the Queenscliff Recreation Reserve Sport Precinct. ❑ Complete caravan park master plans. ❑ Complete Queenscliff Sports Precinct upgrade project.
A proactive and accountable Council	<ul style="list-style-type: none"> ❑ Total grand funding received by Council in 2016–17 was \$1,058,458. ❑ Inducted new Councillors following the 2016 Council elections. ❑ 82 media releases issued and 50 Mayor's Columns published in local newspapers. ❑ Developed an IT Disaster Recovery Plan to incorporate into the Business Continuity Plan. ❑ Won a Gold Award for the 2015–16 Annual Report in the Australasian Reporting Awards for transparency and financial reporting. 	<ul style="list-style-type: none"> ❑ The Essential Services Commission (ESC) did not approve Council's application for a one-off higher rate cap of 4.5% in the 2017–18 rating year. 	<ul style="list-style-type: none"> ❑ Preparing a financially sustainable budget following the State introduction of a 2% cap on general rates. 	<ul style="list-style-type: none"> ❑ Review Council's Customer Service Charter to reflect new service standards as they are identified and implemented.

To realise the vision and achieve the strategic directions in the Council Plan, specific Business Plan Priority Actions were set for 2016–17. 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	10	9	1	0
A vibrant local economy	9	7	2	0
A unique natural environment	10	8	2	0
A well planned and attractive place to live and visit	6	5	0	1
A proactive and accountable Council	13	12	0	1
2016–2017 overall result	48	41	5	2

Progress on strategic directions: 2016–17

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

Completed

While these actions relating to the financial year were fully implemented, some are ongoing in nature and, given their importance to the Borough, have been included in the future year initiatives within the Council Plan 2017–2021.

In Progress

These actions were progressed but not completed. Any actions assessed as priorities for the future have been included in the Council Plan 2017–2021.

Yet to commence

These are actions that have not commenced. The major obstacles relate to competing priorities, given the funding opportunities available and the limited capacity to implement all priorities. Again, any action assessed as a priority for the future has been included in future year initiatives within the 2017–2021 Council Plan.

Our successes

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

AFL-standard lighting installed at Queenscliff Oval

New AFL-standard lights were installed at the Queenscliff Oval in June 2017, marking the first major milestone in the upgrade of the Queenscliff Sport and Recreation Precinct.

The new lights are more efficient and provide over three times the illumination that the old lights had the capacity to offer, ensuring safer, better training conditions for all users of the oval. Because of the increase in capacity, teams are able to train for longer and use the whole of the oval, enabling better management of the oval surface.

Funding for the upgrade of the Queenscliff Sport and Recreation Precinct is provided through the state government's Community Sports Infrastructure Fund. The Member for Bellarine, The Honourable Lisa Neville, MP, visited the Queenscliff Sport and Recreation Precinct in June with Borough of Queenscliffe Mayor, Councillor Tony Francis, President of the Queenscliff Community Sports Club, Damian Waight and President of the Queenscliff Football and Netball, Club Andrew Conlan to officially announce the completion of the new lights and demonstrate their increased capacity.

In her speech, Minister Neville expressed her support for the Queenscliff Sport and Recreation Precinct upgrade. "We're building safe and modern facilities that teams like the Queenscliff Coutras deserve and can be proud of," said Minister Neville.

Council is continuing to progress the upgrade of the Queenscliff Sport and Recreation Precinct and has released a request for tender for civil works in 2017-18 that includes:

- Demolition of existing buildings and infrastructure, including the cricket practice wicket;
- Earthworks and retaining wall;
- Construction of roadway, kerbing, footpath, car park and sporting facilities, including netball courts and cricket nets;
- Construction of underground utility services, including water, stormwater, sewer, electricals and communications;
- Installation of a playground; and
- Landscaping.



Life members: Bill Comerford, Keith Cohen, Alan Maloney pictured with Lisa Neville MP.

Our successes

Community Solar Initiative – Round Two

In November 2016, following continued demand from the community for a solar buying program, the Borough of Queenscliffe confirmed that round two of the Community Solar Initiative would proceed.

The Community Solar Initiative took the hard work out of choosing a solar provider for residents by identifying a tried and tested solar system and supplier who will provide value for money across the life of the system.

The initiative was funded with the support of the Borough of Queenscliffe and the Victorian Government and delivered by the Community Environment Alliance (CEA), a partnership of residents, schools, community groups and businesses working together to protect our environment and reduce carbon emissions.

The CEA's process for the appointment of a preferred solar supplier was based on five criteria: price, product quality, warranty, after-sales support and service, and experience and reliability.

Round One of the community solar initiative was completed in 2015, resulting in installation of 43 solar systems on homes, businesses and community buildings. Combined, these solar systems will generate a combined 200 megawatt hours of solar power every year, which is the equivalent of supplying electricity to 45 homes in Victoria for 12 months. The community's enthusiasm for Round One of the initiative enabled the program to proceed for a second round.

The installation of solar systems purchased through Round Two of the Community Solar Initiative was completed early in the 2017–18 year. In total, 83 solar systems have been installed across Round One and Round Two of the Community Solar Initiative.

Community consultation on new Council Plan

The Borough of Queenscliffe Council held a series of new community engagement initiatives early in 2017 to provide a range of options for the Queenscliffe community to have their say on the Council Plan 2017–2021.

These included a Community Summit, online and hard copy surveys and, for the first time, a Children's Summit for students from the Borough's three primary schools and kindergarten.

Council received more than 350 survey responses by the end of February 2017, supplemented with 'focus-group' style feedback gathered during the Community Summit. In addition, Council received 262 worksheet submissions from local primary school students, as well as valuable and creative ideas from the Children's Summit.

The level of involvement of our younger residents was particularly pleasing, and the significant feedback gathered across the entire consultation process made a major contribution to the preparation of the Council Plan 2017–2021.

Innovation and collaboration in green waste management

Innovative thinking and collaboration between the Borough of Queenscliffe and Surf Coast Shire Councils paved the way for a successful joint contract for green waste management from 2017 that will see approximately 3,500 tonnes of garden organic material processed and redistributed for use in landscaping and agriculture.

This is the first time the two Councils have entered a joint partnership for green waste management. The increased amount of green waste available for collection across the two municipalities attracted interest from a broader range of contractors, compared to previous tenders.

The contract ensures secure processing of green waste by Corio Waste Management at their facility in regional Victoria for the next three years, with an option to extend the contract.

Corio Waste Management's processing facility incorporates in-vessel composting technology, producing a superior standard product at a cost reduction of approximately two dollars per ton compared to the cost associated with previous waste management services in the Borough of Queenscliffe.

Audits show organic material makes up between 20 to 40 per cent of waste deposited to landfill, significantly contributing large amounts of methane, a strong greenhouse gas, to the environment as the waste breaks down. Corio Waste Management's practice of processing and redistributing green waste avoids this production of methane.

The green waste management partnership between the Borough of Queenscliffe and Surf Coast Shire Councils is a significant step in environmental leadership for both communities.

Point Lonsdale Village Playground

Completion of the revamped Point Lonsdale Village Playground in time for the 2016 summer season marked the end of the third and final stage of improvements to the Point Lonsdale foreshore. The upgrade to the Village Playground was the last key element of the Point Lonsdale Foreshore Master Plan begun some five years ago. An annual safety audit of the playground was conducted as part of the works contract handover in early December 2016 and the updated facilities met all current standards.

Refurbished timber beams sourced from the Point Lonsdale Pier feature in the village park's new facilities, including bespoke seats and tables, the clifftop post and rail fence, barbeque shelter, toilet screening posts and stepping posts in the playground. The final result is a great mix of old and new that retains the coastal character of the playground and gives a sympathetic nod to Point Lonsdale's history with a deliberate connection to the heritage of the foreshore.

This foreshore development is one of the biggest improvements to public facilities in Point Lonsdale in 30 years. The public consultation process helped Council to deliver an impressive local foreshore area for families and future generations to enjoy for many years to come. The total overall investment in the project came to \$3.2 million.

E-waste drop off day goes from strength to strength

The ongoing success of Council's e-waste drop-off day was demonstrated again in 2017. At this year's event in May, the Borough community dropped off 8,271kg of e-waste for recycling. This is an increase of 851kg, or 11.5%, on last year's event.

Along with computer equipment, items received at the drop-off day included:

- 5,449kg of televisions and household appliances such as vacuums, lamps and toasters
- 438kg of hard drives, laptops and keyboards
- 592kg of printers
- 1,427kg of flat screens
- 365kg of electrical cords and keyboards

Council has collected a total of 46,671kg of e-waste since its first drop-off event in 2012, which equates to a reduction of 46,671kg in toxic materials, including lead, mercury, cadmium, hexavalent chromium and brominated fire retardants, going to landfill and polluting the environment.

Feedback from residents on Council's e-waste drop-off day was overwhelmingly positive again this year.

E-waste collected at Council's drop-off day is recycled by ToxFree. ToxFree's technologies and processes ensure that maximum e-waste recycling and recovery processing takes place in Australia. Televisions and computers are recycled through the National Television and Computer Recycling Scheme.

The metals, glass and plastics used in the manufacture of electronic goods are mined from the earth's natural resources. The reuse of materials recovered from unwanted electronic goods reduces the environmental impact of manufacturing new products, as well as reducing the amount of water and energy used in the manufacturing process.

Community Planting Day 2016

In acknowledgement of National Tree Day, the eighth consecutive Community Planting Day was held in the Borough of Queenscliffe on Sunday 31 July 2016.

Fifty volunteers worked together to plant 300 indigenous trees, shrubs and groundcovers and remove three cubic meters of the invasive weed, Polygala, along the dunes in 'The Narrows' on a sunny winter's day.

The site is part of the Coastal Moonah Woodland corridor in the Narrows and is listed as threatened under the Victorian Flora and Fauna Guarantee Act. The Borough of Queenscliffe is committed to the ongoing conservation of this significant location.

The event was coordinated by Bellarine Catchment Network and supported by Queenscliff Community Nursery, Swan Bay Environment Association and the Borough of Queenscliffe.



Mum Lynden and baby Elowen Costin are all smiles at Community Planting Day.

Financial overview

Council has continued to meet the challenge of balancing the operational needs of the community with the ongoing requirements to fund the renewal and upgrade of Council assets in the Borough during 2016–17. Grant funding opportunities continue to assist Council in delivering improved capital works investment that remains focused on asset renewal, whilst at the same time managing resources within the State government’s rate cap.

Financial investment from state and federal governments has enabled Council to complete or make significant progress against a range of priorities in 2016–17. This is most evident in the majority of the following capital works and project initiatives:

- Completion of the final Stage 3 of the Point Lonsdale Foreshore Revitalisation project (Village Park upgrade)
- Continuation of Stage 2 of the Queenscliff Sports and Recreation Precinct (a three year project)
- Continuation of coastal tender works at Ocean Road and ‘The Narrows’ (a five year funded program).

Successful funding allocations achieved in 2016–17 for future capital works projects in the Borough of Queenscliffe include:

- Federal government funding secured for Stage 1 of the Destination Queenscliff project.

In addition to the above government grant funded projects, Council allocated rate funds in 2016–17 to the following capital projects:

- Construction of the Queenscliff Front Beach Boardwalk
- Extension of rail trail path upgrade from ‘The Narrows’ to Point Lonsdale Primary School
- Continued implementation of the new finance system (recently completed in July 2017).

In brief

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

- An underlying surplus of \$233,000, which is an improvement of \$849,000 compared to the budgeted underlying deficit of (\$616,000) due to \$432,000 budget savings in 2016–17 (including \$125,000 additional savings achieved at the 2015–16 year-end), coupled with lower than expected levels of completed carry forward works in 2016–17 (funded from cash held in reserves on the Balance Sheet)
- \$10,265,000 in revenue with 67% coming from rates and charges
- \$1,387,000 capital works delivered, including \$932,000 in renewal/upgrade of existing assets
- \$10,014,000 expenditure with 40% attributable to employee costs and 46% due to materials and services
- \$125,783,000 in fixed assets, comprising community facilities (property including Crown and freehold land, buildings, plant and equipment) and infrastructure
- \$4,765,000 in holdings of cash – \$909,000 more than last year which reflects a range of operating and capital projects carried forward for planned completion over multiple years

- \$105,000 in loans and borrowings – \$209,000 less than last year in accordance with scheduled loan repayments and noting no new borrowings were undertaken in 2016–17.

The Borough of Queenscliffe is included within the ‘small shire councils’ grouping of 19 councils across the state, with respect to VAGO’s annual assessment of financial sustainability indicators. Applying the six indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe Council remains in a sound financial position and is considered low risk on four of the six financial sustainability indicators for the 2016–17 year.

It is important to note that, while the capital replacement and renewal gap indicators suggests a medium risk assessment, this outcome is a one year view only and does not factor in cash flows for capital works received in prior financial years that are held in reserves and carried forward to fund these planned works over multiple years.

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

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

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

Underlying operating result

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

In each of the six years to 2013-14, Council maintained an underlying surplus greater than Budget. The deficit result in both the 2014-15 and 2015-16 years is due to the delivery of carry forward capital projects in relation to capital investment for which Council has successfully attracted significant external grant funding in previous financial years.

Council's underlying result for 2016-17 is a surplus of \$233,000. This is an improvement of \$849,000 on the budgeted underlying deficit of (\$616,000) and is due to \$432,000 budget savings in 2016-17 (including \$125,000 additional savings achieved at the 2015-16 year-end), coupled with lower than expected levels of completed carry forward works in 2016-17. Cash from government grant funding is set aside in previous years and held in reserves on the Balance Sheet to fund completion of works.

Underlying operating result, 2008-09 to 2016-17 (\$'000)

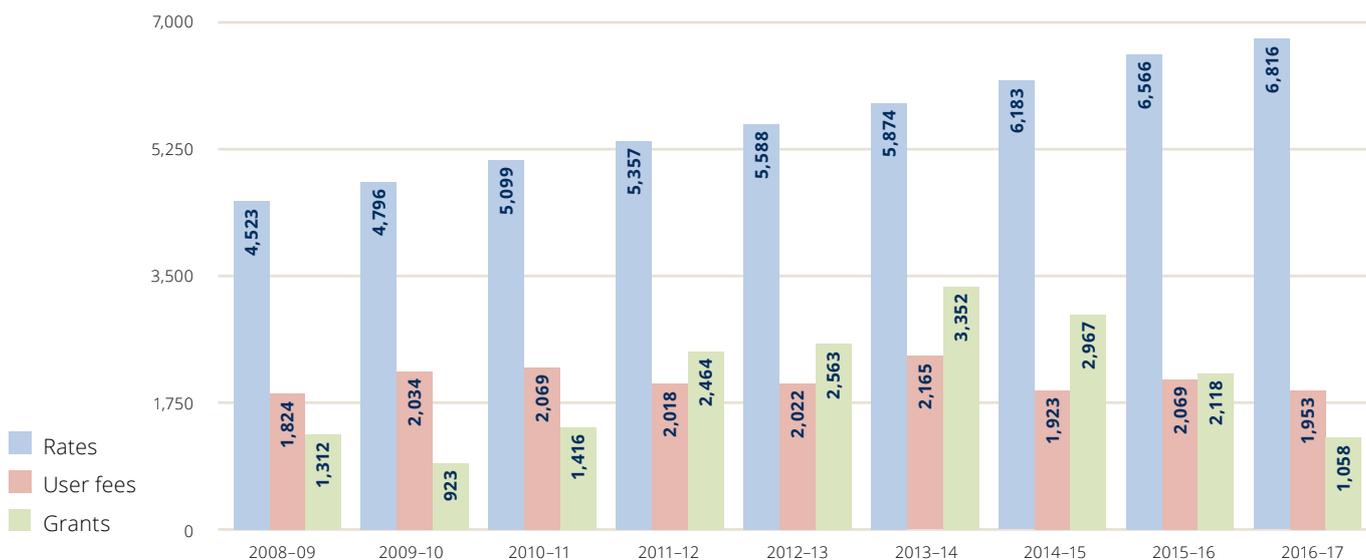


Revenue streams

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

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

Rates, user fees and grant income, 2008-09 to 2016-17 (\$'000)



Financial overview

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 2016-17 a total of \$1,387,000 was spent on capital works across the Borough. This includes a total of \$932,000 on renewals/upgrades and \$455,000 on new assets.

Council recognises the importance of asset renewal, so it actively programs this expenditure into its annual Budget. Council's ratio of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets is 0.82 for the 2016-17 year, noting some capital works projects are carried forward for planned completion over multiple years.

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

Although Queenscliffe is assessed as medium risk with its ratio outcome of 0.82 in 2016-17, the renewal gap ratio is a long-term indicator and is averaged over a number of years. With an average ratio outcome of 1.45 achieved over the last nine years, Council continues to focus on its Asset Management Plan to ensure existing infrastructure, property, plant and equipment is renewed as required.

Renewal Gap, 2008-09 to 2016-17
(Expenditure on Asset Renewal and Upgrade as a percentage of depreciation)

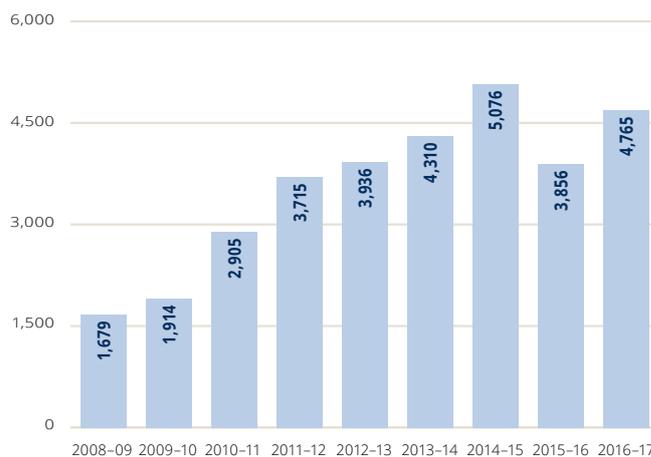


Council has been highly successful in attracting significant external funding to support renewal investment. Expenditure was again invested in assets during 2016-17, with significant projects (Queenscliff Sports and Recreation Precinct and Destination Queenscliff) planned over multiple years.

Cash holdings

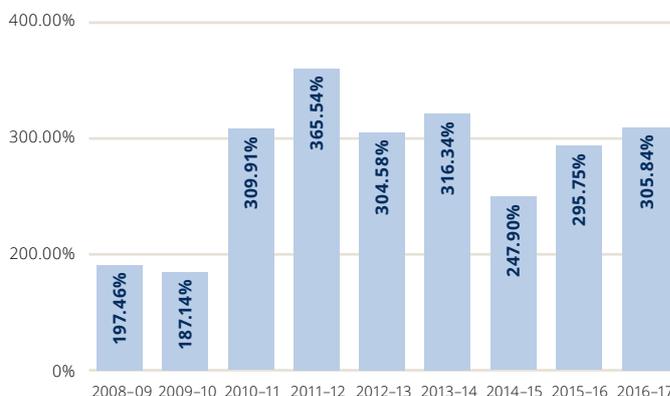
In total, holdings of cash and cash equivalents and financial assets have increased to \$4,765,000 during 2016-17. Included in total cash holdings is \$3,145,000 in reserve funds, \$2,610,000 of which is carried forward from previous years and earmarked for specific projects, \$449,000 set aside for Council to respond to future capital works opportunities, \$46,000 surplus funds for waste services set aside to meet future waste costs and \$40,000 to provide for future superannuation liability calls.

Cash holdings (\$'000), 2008-09 to 2016-17



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

Working capital (%), 2008-09 to 2014-15



Council's liquidity is once again assessed as low risk for the 2016-17 year. Forecasts included in the Budget for future years are based on the assumption that all planned capital projects will be fully completed each year, which is not usually the case due to timing differences in external funding and project delivery. Thus, the actual resulting liquidity position will always be better than forecast.

Future planning

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

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

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

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



Phillip Carruthers
General Manager, Organisational Performance
& Community Services



Allison Chaloner, CPA
Manager, Financial Services



Searching for seashells at 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 2016–17 Council directly supported more than 25 local events and activities.

Civic events

Australia Day Awards and Community Celebration
Community Grants Reception
Volunteer Celebration

Arts and cultural events

Seniors Week celebrations
Queenscliffe Literary Festival
Lighthouse Film Festival
St Kilda Regional Film Festival
Queenscliff Music Festival
Queenscliff Street Rodders
Anzac Day services
Refugee Week and Welcome Zone Anniversary
Youth Art Exhibition

Sporting activities

Rip View Swim Classic
Rip to River Run
Nippers Carnival
Blue Water Swim Challenge
Point Lonsdale Board Riders
Walk to School
RACV Great Victorian Bike Ride

Community organisation events

Rotary Club of Queenscliffe – Queenscliffe Bricks
Lighting of the Christmas Tree
Queenscliff Maritime Museum's Maritime Weekend
International Lighthouse Weekend
Point Lonsdale Board Riders Sounds of Summer
Sand Sculpture Contest
Queenscliff Bowling Tennis & Croquet Club Easter Eggstravaganza for the Royal Children's Hospital
Good Friday Appeal

The Queenscliff Street Rodders cruise down Hesse Street.







Campwyuna

Y M C A QUEENSLIFFE



We build strong PEOPLE
strong FAMILIES
strong COMMUNITIES

YMCA

WHY WALK TO SCHOOL?
IT'S FUN AND INTERESTING
KEEPS YOU HEALTHY
SOCIAL
STAY ACTIVE
IMPROVES FITNESS
PROMOTES INDEPENDENCE AND FREEDOM



Queenscliff primary students walk to school.





Your Council

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Borough of Queenscliffe profile

Our Vision

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

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 pilot's 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.

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.



Waves lapping underneath the Queenscliff Harbour

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' translates as 'the safest anchorage 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 2017 and Census 2016:

- There are 2,853 permanent residents, living in 2,802 dwellings, with an average household size of 2.00.
- The 55.9% of private dwellings unoccupied during the 2016 census is indicative of the large temporary population as many property owners only holiday or live part-time in the Borough.
- 58% of the permanent resident population live in Point Lonsdale.
- 50.5% of the population is aged over 60.
- The three largest ancestries are English, Australian, and Irish.
- 1,051 people (35%) have a tertiary qualification (2011 ABS Census)
- 1,153 people are employed. There is a high proportion of retirees and semi-retirees. (2011 ABS Census)
- 77.9% of homes in the Borough of Queenscliffe have an internet connection.

The Borough's population fluctuates due to tourism and increases to 17,120 people over the summer period. (Source: National tourism data)

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 2016.

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

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

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 Environment Alliance.

Economy

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

- Public administration and safety (\$155,000,000)
- Tourism (\$41,000,000)
- Construction (\$38,600,000).

The Borough has a strong history of maritime and defence activities. Whilst tourism is a key economic activity in the Borough, the seasonal nature of tourism is challenging for many businesses and the local economy more generally through the non-peak tourism periods. Some 55.9% of private dwellings, for example, were unoccupied during the 2016 Census, indicative of the large temporary population.

Your councillors

Council elections are held every four years. The last full election of Council was held on 22 October 2016. The following Councillors were elected for the 2016–2020 term:

Cr Helene Cameron, Cr Ross Ebbels, Cr Tony Francis, Cr Boyce Pizzey, Cr Susan Salter

Following the resignation of Cr Helene Cameron prior to taking office, Cr Bob Merriman was elected after a countback of votes was conducted.



L-R: Cr Ross Ebbels, Cr Tony Francis (Mayor), Cr Boyce Pizzey OAM, Cr Susan Salter (Deputy Mayor), Cr Bob Merriman

Cr Tony Francis (Mayor)

Cr Tony Francis was elected to Council in October 2016 and appointed Mayor in November 2016. Cr Francis has been a resident or ratepayer in the Borough of Queenscliffe since 1993. Cr Francis is married with three children and has served as a police officer for 27 years, serving more than half of these years in the Geelong area. Cr Francis has been involved with many local sporting clubs and coached the Queenscliff Cricket Club Under-18s to a grand final in 2010. Cr Francis established the Local Business Chamber of Commerce and served as President from 2014 to 2016.

Portfolio: Sustainability and Local Environment

Delegation to Council committees and reference groups:

- Municipal Association of Victoria (MAV)
- Association of Bayside Municipalities
- Barwon South West Local Government Waste Forum
- Tourism and Economic Development Advisory Committee
- CEO Performance Review Committee

Cr Susan Salter (Deputy Mayor)

Cr Susan Salter was elected to Council in October 2012 and re-elected for a second term in October 2016. 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 retired maths teacher, having taught at Bellarine Secondary College, Drysdale Campus, and is known to many community members thorough her various 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 historical and native, and has extensive experience in creating public gardens and managing public open spaces.

Portfolio: Governance and Finance

Delegation to Council committees and reference groups:

- G21 Region Alliance Board
- G21 Education and Training Pillar
- BoQ Audit Committee
- Community Grants Advisory Group (Chair)
- Australia Day Awards Reference Group
- Governance and Finance Portfolio Reference Group
- Memorials and Plaques Reference Group
- Deputy Delegate to the Geelong Regional Library Corporation Board

Cr Ross Ebbels

Cr Ebbels is married with two daughters who attended Queenscliff Kindergarten and Queenscliff Primary School (QPS). He served on the QPS Council including two years as Council President. As a business owner in the Borough it was important for Cr Ebbels to be part of the community. He and his wife, as owners of Athelstane House and McKenzie Ebbels Food Store, were always involved in the community. Cr Ebbels was a board member and inaugural Chairman of The Queenscliff Music Festival Inc., and represented the Bellarine Peninsula for 14 years on The Geelong Otway Tourism Board including six years as Chairman.

Portfolio: Local Economy

Delegation to Council committees and reference groups:

- Geelong Regional Library Corporation Board
- Tourism Greater Geelong and The Bellarine
- Tourism and Economic Development Advisory Committee
- Community Grants Advisory Group

Cr Boyce Pizzezy

Cr Boyce Pizzezy was elected to Council in October 2016. Cr Pizzezy along with his wife Rhonda and family have enjoyed their property in Queenscliff since the early 1980s. Cr Pizzezy served as Director Historic Buildings Council Victoria (now Heritage Victoria) from 1976 to 1986 and as Deputy Director of the Museum of Victoria from 1986 to 1998. As the founding Director of Scienceworks, he was responsible for its conceptualisation, master planning, site development, collections, delivery and management. As a

Deputy Director of Museum Victoria, Cr Pizzezy was involved in planning the new Melbourne Museum. Since 1998, Cr Pizzezy has consulted to private and public clients on all aspects of management planning of cultural and tourism resources, focusing on the integration of marketing, social and financial strategies. Cr Pizzezy has also served on a number of public and private boards of management including the National Trust of Australia (Vic), Victoria's Sesqui-centenary and the History Council; and as a heritage specialist sessional member of the Victorian Civil and Administrative Tribunal. Cr Pizzezy has recently retired as a sessional member of Planning Panels Victoria and remains on the Creative Victoria Grants Advisory Panel. Cr Pizzezy has been a member of the Queenscliffe Restoration Fund Committee and the Council's Heritage Portfolio Advisory Committee. In 2014 he was awarded an Order of Australia Medal for his contribution to the Arts through development of cultural institutions and conservation of heritage.

Portfolio: Planning, Heritage, Arts and Culture

Delegation to Council committees and reference groups:

- G21 Arts and Culture Pillar
- G21 Economic Development Pillar
- G21 Planning Pillar
- Heritage Reference Group
- Deputy Delegate to Municipal Association of Victoria (MAV)

Cr Bob Merriman

Cr Bob Merriman was first elected to Council in November 2008, was re-elected for a second term in October 2012 and was again re-elected following a countback in November 2016. 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. Cr Merriman is a former chairman of Cricket Australia, Councillor of Latrobe University and Trustee of the Bradman Foundation and Cats Foundation.

Portfolio: Community Wellbeing and Amenity

Delegation to Council committees and reference groups:

- Borough of Queenscliffe Audit Committee
- Geelong Queenscliffe Coastal Adaptation Planning Project
- G21 Sport and Recreation Pillar
- Sea Level Rise Reference Group

Previous Council

Prior to the 2016 elections, the following Councillors held office during 2016–17:

- Cr Helene Cameron (Mayor)
- Cr Bob Merriman
- Cr Susan Salter
- Cr Sue Wasterval
- Cr Peter Russell



RS

24m
23
\$22.00

Nostalgic Queenscliff collectables.





Our people

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Our People

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 four teams as outlined in the table on the next page.

The small team at the Borough of Queenscliffe comprises 63 people; however, the full-time equivalent is only 40.71 positions.

This includes:

- 21 full-time, 29 part-time and 12 casual staff
- 15 male and 48 female staff
- 10 community care workers
- 7 school crossing supervisors
- 2 local laws officers

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 care 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, General Manager of Corporate and Community Services and the Executive Officer responsible for Community Engagement and Customer Services.



Chief Executive Officer – Lenny Jenner

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

Lenny's qualifications include a Master of Arts (Social Policy), Bachelor of Education and Bachelor of Arts (Recreation). As Chief Executive Officer, Lenny has overall

responsibility for ensuring that Council is fully informed on all operational matters, he oversees the governance structures and processes adopted by Council and manages the full staff team. Under the Local Government Act 1989 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.

Phil is responsible for overseeing the operations of the foreshore and caravan parks, strategic land use and statutory planning, engineering, local laws, building surveying, environmental health services and the 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 recently concluded her role with Council. As General Manager Corporate and Community Services, Lynne held responsibilities 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.

Executive Officer Community Engagement and Customer Service – Jessica Chappell

Jessica Chappell commenced in April 2014. Jessica's qualifications include a Masters in Business Administration (Marketing) and an IAP2 Australasian Certificate in Engagement. Jessica is responsible for overseeing customer service, community engagement and corporate communications, strategic advocacy, marketing and publications. This includes council's digital assets such as websites, social media, videography and photography.

Staff profile

The Borough of Queenscliffe staff team comprises 63 people; however, the full-time equivalent is only 40.71 positions.

Type of Employment	Female	Male	TOTAL
Full Time	11	11	22
Part Time	28	1	29
Casual	9	3	12
Total	48	15	63
Full Time Equivalent	28.64	12.07	40.71

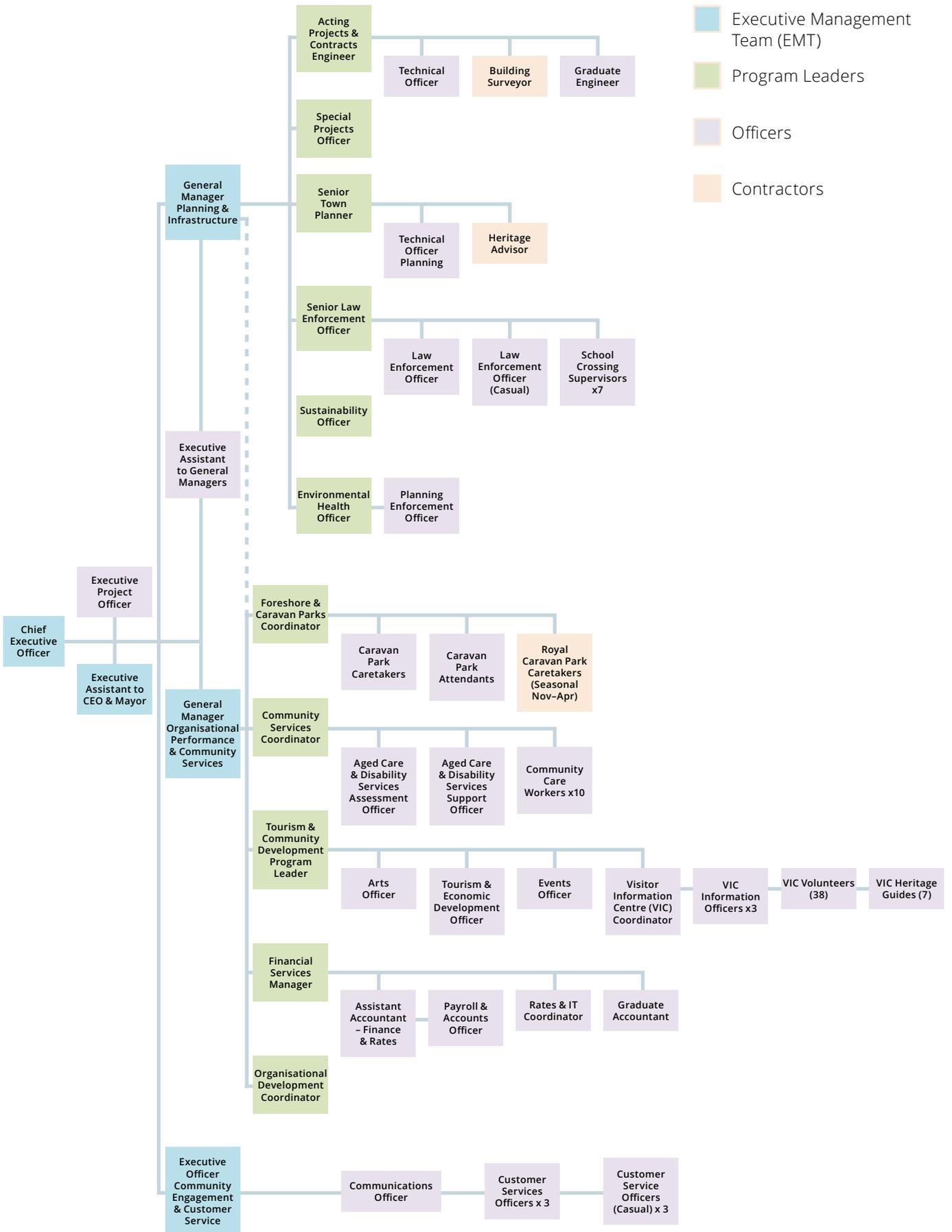
The trend over the past six years shows low levels of staffing fluctuation indicating a stable operating environment and low levels of staff turnover.

Type of Employment	2011/12		2012/13		2013/14		2014/15		2015/16		2016/17	
	Female	Male										
Full Time	8	10	10	8	10	8	10	9	11	10	11	11
Part Time	26	2	22	2	32	4	33	4	26	3	28	1
Casual	10	5	10	3	7	1	5	1	9	2	9	3
Total	44	17	42	13	49	13	48	14	46	15	48	15
Full Time Equivalent	38.40		34.34		36.48		38.04		39.93		40.71	

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



Organisation chart



Staff management and culture

Enterprise Bargaining Agreement

Council received formal confirmation that the Borough of Queenscliffe Enterprise Bargaining Agreement No. 9 (EBA) was approved by the Fair Work Commissioner and became operational on Friday, 9 December 2016. In 2016, an Enterprise Bargaining Committee comprising management representatives, nominated workplace union delegate, union representative and staff representatives, was established to negotiate a new Enterprise Agreement for Council staff. 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 terms and conditions in the former Victorian Local Authorities Award 2001, which are detailed in the agreement. Council received formal confirmation that the Borough of Queenscliffe Enterprise Bargaining Agreement No. 9 (EBA) was approved by the Fair Work Commissioner and became operational on Friday, 9 December 2016.

Staff changes and recruitment

For a small Council, the turnover in staff in 2016-17 was moderate. The following positions were recruited in the 2016-17 financial year:

Executive Assistant to General Managers	Replacement due to resignation
Communications Officer	Maternity leave cover
Customer Service Officer	Casual staffing requirements
Planning Compliance Officer	New position as provided in the 2016/17 Budget
Caravan Park Attendant	Maternity leave cover
Caravan Park Attendants (2 positions)	Replacement of casual staffing with a permanent part-time position
Community Care Workers (2 positions)	Replacement due to resignation

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

Equal employment opportunity

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

The objective of Council's Equal Employment Opportunity Program is to ensure there is no discrimination relating to the characteristics listed under the Equal Opportunity Act 2010, such as race, colour, sex, marital status, parenthood, physical or mental impairment, age, religious or political affiliation, gender identity and sexual orientation. 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. 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. Council also offers study assistance for staff where benefits are likely to accrue to both the organisation and employees through participation of employees in further education.

Training and development

In 2016-17 a number of employees undertook training and professional development courses and attended conferences of benefit and relevance to their roles at the Borough of Queenscliffe. An indication of the types of training undertaken is as follows:

- Induction to Local Government
- First Aid
- Financial reporting
- Report writing
- Information Technology
- Risk management
- Human resources
- Legislation amendments
- Fraud prevention
- Professional conferences related to staff roles
- 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 discusses matters relating to OH&S. Ongoing OH&S training is a key element in our continuous improvement approach to health and safety performance.

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

Management is responsible for:

- the provision and maintenance of safe workplaces;
- the development, promotion and implementation of health and safety policies and procedures;

- training of employees to enable them to conduct their assigned tasks safely; and
- the provision of resources to meet health and safety commitments.

All employees are 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; and
- consult on organisational OH&S matters.

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.

Employee Wellbeing – Global Corporate Challenge

In May 2017 two teams, each consisting of seven employees of the Borough of Queenscliffe, entered the Global Challenge®, the world's largest and most exciting workplace health and wellness program.

The Global Challenge kicked off with a 100 day virtual journey around the globe. Employees tracked their daily activity and worked towards a daily target of 10,000 steps, with their step entries unlocking new locations along the way.

Each participating employee received a 'Pulse' pedometer – a simple, flexible activity tracker exclusive to the Global Challenge. The Pulse worked with the web and synced with the Global Challenge app.

Before starting out on their journey, employees discovered a new awareness of their health with the Global Challenge's tailored online health assessment.

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 and short work-out sessions in the Town Hall during lunch breaks, and the fun of team competitiveness has boosted staff morale considerably.

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; and
- using degradable, environmentally friendly dog poo bags.

Staff flu vaccinations

Staff Flu vaccinations were administered to 22 staff members under the Council's vaccination program. Some staff also took up the option of having the Tetanus/Whooping Cough Boostrix.

Contribution to charity

During 2016–17 staff participated in several fundraising activities to raise money for local and national charities. This included: Australia's Biggest Morning Tea, Daffodil Day, 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 (38%) than the state average (19.2%) (source: VicHealth Indicators Survey 2015).

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 45,000 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 2017.

Volunteer celebration

In conjunction with National Volunteers Week in May 2017, 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.

Community Summit celebration

The Community Summit celebration for the development of the Council Plan was held on 15 June 2017. We organised this celebration to show our appreciation for the community contribution to the development of our new Council Plan for the next four years. More than 350 community members contributed to the production of an exciting and innovative Council Plan for 2017 to 2021.



The QMS Volunteers win Community Event of the Year.

Awards and recognition

Annual Reporting Awards

The Borough of Queenscliffe received a gold medal at the Australasian Annual Report Awards in June 2017. The Borough of Queenscliffe won a Gold Award for the 2015–16 Annual Report. This is the third year in a row that Council has achieved gold medal status.

To receive a Gold Award a Report must:

- Achieve overall excellence in annual reporting.
- Provide high-quality coverage of all aspects of the ARA Criteria.
- Provide full disclosures of key aspects of the core business.
- Address current legislative and regulatory requirements.
- Be a model for other like organisations to follow.

This is a great outcome for the Borough Councillors, staff and community and demonstrates Council's commitment to enhancing its approach to annual reporting.

Queen's Birthday Honours List

Jocelyn Grant, immediate past President of the Queenscliffe Historical Museum Inc, was awarded a Medal of the Order of Australia in the Queen's Birthday 2017 Honours List.

Jocelyn's well-deserved OAM recognises her service to the Queenscliff community in many volunteer roles at the Queenscliffe Historical Museum Inc, as a Museums Australia Accreditation Officer, on the Deakin University Museum Linkage Project and on the Queenscliffe Borough council for the arts.



Young water polo star scores chance to shine

Local Queenscliff resident and water polo prodigy Alexandra Scorgie has a chance to shine among a group of 94 aspiring young athletes who started training with the Barwon Sports Academy. Alexandra received a much-needed helping hand through a \$250 bursary from the Borough of Queenscliffe in 2017.

Alexandra, 16, is already known for her explosive scoring power, catching the eye of talent scouts at the National Club Championships in Hobart in 2015. She is now a National Identified Athlete on the Australian Winning Edge (AWE) list. In 2016, Alexandra was the highest goal scorer and most valuable player in the Under-16 Victorian State Championships.

This year Alexandra became one of the youngest female players for Water Polo Australia Barbarians – a Victorian team consisting of club players in the National Water Polo League.

Council has sponsored Barwon Sports Academy athletes such as Alexandra since the Academy's inception and was pleased to support Individual Scholarships in such a worthwhile program.



Dune flora in Queenscliff.



2017 Annual Reporting Awards Ceremony.





Our performance

A healthy, involved and creative community	40
A vibrant local economy	47
A unique natural environment	50
A well-planned and attractive place to live and visit	54
A proactive and accountable Council	60

A healthy, involved and creative community

PRIMARY FOCUS AREAS	2016-17 SUCCESSES
<ul style="list-style-type: none"> • Promote community health and wellbeing • Facilitate access to a range of sport and recreation activities • Protect, enhance and promote public health • Support local clubs and community organisations • Encourage and recognise volunteers • Facilitate access to child and family services and life-long learning opportunities • Invest in activities and events that respond to the needs of young people • Support older residents and people with disabilities to access services and live independently • Promote shared use of community facilities • Promote community safety 	<ul style="list-style-type: none"> • Council maintained the zero waiting list status for access to Aged Care Services. • Administration and allocation of the 2016-17 Community Grants program was completed in August 2016 with 14 grants totalling \$19,695.05 awarded to local community groups. • 100% of local food businesses were inspected and comply with regulations. • Over 40 nuisance complaints were addressed. • Installation of new AFL standard lighting at the Queenscliff Recreation Reserve

2016-17 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 to plan and implement community recreation, sport, and civic activities and events	Completed
Implement the Borough of Queenscliffe Municipal Health and 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
Implement strategies to integrate all of the 3225 postcode community into the Borough of Queenscliffe	In progress
Continue Council's commitment to the national 'Refugee Welcome Zone' program	Completed
Support and encourage planning for the future use of the Fishermans' Cooperation building	Completed
Maintain a network of communication with the local community and emergency service organisations regarding safety issues in the Borough of Queenscliffe	Completed

The following statement provides information in relation to the services funded in the 2016-17 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Aged and Disability Services	This service provides a range of aged care services including home care, personal care and respite care, home maintenance and senior citizens centre.	146
		163
		(17)
Community Development	Council's role in Community Development is to assist the different Borough Communities to join together to enhance social health and wellbeing of all the communities within the Borough. In particular, the Community Development program area is responsible for leading the development and implementation of policies and projects that support social inclusion, access and equity within the Borough.	179
		126
		53
Events	Council works with local community organisations and clubs to plan and implement events that contribute to the health and wellbeing and build on the social fabric of the Borough community. Council's role in events can cover: leading, facilitating, supporting or permit administration, depending on the nature of the event and the level of community responsibility for the specific event.	82
		49
		33
Maternal and Child Health	Maternal and child health services are externally provided by Bellarine Health Care and funded by Council grant income.	20
		8
		12
Environmental Health	This service protects the community's health and well-being by coordinating food safety support programs, Tobacco Act activities and smoke free dining venues. The service also works to rectify any public health concerns relating to unreasonable noise emissions, housing standards and pest controls.	74
		34
		40
TOTAL	Actual	501
	Budget	381
	Variance	120

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

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Aged and Disability Services Home and Community Care (HACC)				
Timeliness <i>Time taken to commence the HACC service</i> [Number of days between the referral of a new client and the commencement of HACC service / Number of new clients who have received a HACC service]	10.39	8.06	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service standard <i>Compliance with Community Care Common Standards</i> [Number of Community Care Common Standards expected outcomes met / Number of expected outcomes under the Community Care Common Standards] x100	94.44%	94.44%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Service cost <i>Cost of domestic care service</i> [Cost of the domestic care service / Hours of domestic care service provided]	\$47.38	\$45.75	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost <i>Cost of personal care service</i> [Cost of the personal care service / Hours of personal care service provided]	\$49.27	\$61.46	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Service cost <i>Cost of respite care service</i> [Cost of the respite care service / Hours of respite care service provided]	\$55.01	\$60.78	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	44.86%	52.99%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	35.71%	21.21%	Reporting Ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs
Maternal and Child Health (MCH)				
Satisfaction <i>Participation in first MCH home visit</i> [Number of first MCH home visits / Number of birth notifications received] x100	114.29%	106.67%	125.00%	20 first MCH home visits, comprising of 16 birth notifications received in 2016/17 and 4 enrolments from outside the municipality that also accessed this service in the Borough.
Service standard <i>Infant enrolments in the MCH service</i> [Number of infants enrolled in the MCH service (from birth notifications received) / Number of birth notifications received] x100	100.00%	93.33%	100.00%	Of the 16 birth notifications received in 2016/17, all 16 were enrolled in the maternal and child health service.
Service cost <i>Cost of the MCH service</i> [Cost of the MCH service / Hours worked by MCH nurses]	\$145.25	\$153.69	\$112.64	Reduction in service costs and an increase in the number of hours worked by the maternal and child health nurse in 2016/17.
Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75.37%	74.85%	92.40%	79 infants attending the maternal and child health service at least once per year, of the 86 infants enrolled in this service.

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
<p>Participation Participation in the MCH service by Aboriginal children</p> <p>[Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100</p>	0.00%	0.00%	0.00%	NIL Aboriginal children enrolled / attending the MCH service.
<p>Environmental Health Food Safety</p> <p>Timeliness Time taken to action food complaints</p> <p>[Number of days between receipt and first response action for all food complaints / Number of food complaints]</p>	2.00	2.00	1.25	Changes to the staffing structure in 2016/17 provide more flexible working arrangements to respond to food complaints on a daily basis, as required, without increasing part-time resources.
<p>Service standard Food safety assessments</p> <p>[Number of registered class 1 food premises and class 2 food premises that receive an annual food safety assessment in accordance with the Food Act 1984 / Number of registered class 1 food premises and class 2 food premises that require an annual food safety assessment in accordance with the Food Act 1984] x100</p>	100.00%	100.00%	100.00%	
<p>Service cost Cost of food safety service</p> <p>[Direct cost of the food safety service / Number of food premises registered or notified in accordance with the Food Act 1984]</p>	\$699.63	\$646.75	\$667.31	Cost reflects compliance rates and standard of food safety service delivery, including additional food sampling costs in 2016/17. After collecting a registration fee of \$349 (Class 1 & 2), the average net cost to Council is \$328.
<p>Health and safety Critical and major non-compliance outcome notifications</p> <p>[Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance outcome notifications and major non-compliance notifications about a food premises] x100</p>	100.00%	100.00%	100.00%	

Australia Day Awards

The annual Australia Day Awards were held in conjunction with community Australia Day celebrations on 26 January 2017. Award recipients in 2017 were as follows:

Citizen of the Year: Fay Agterhuis and Marylou Gilbert (joint winners)

Fay Agterhuis has given outstanding service to the local primary school. She has committed time, effort and energy in the local community during the last 16 years. Her voluntary service in addition to her full time role as the local primary school Principal, are exemplary and provide a positive role model for other community residents. Her contributions are positive and delivered in a considerate and energetic way.

Fay more than demonstrates the significant role she plays in the community. Her multi-faceted roles of volunteer, organizer, chair, leader and mentor are indeed inspirational. Fay is a good listener and supportive of other people's opinions.

Despite the earliness or lateness of the day, Fay always manages to inspire with a positive attitude and friendly approach.

Fay has been actively involved with the following community organisations:

- Point Lonsdale Christmas Tree since 1999 and Chairperson since 2014
- Point Lonsdale Civic Association since 1999 and Chairperson since 2013
- Sand Dune Revegetation Group
- Queenscliff Reconciliation Mob
- Botanic Gardens Project Reference Group for 16 years
- Point Lonsdale Lighthouse Reserve Project Reference Group as PLCA representative.

Fay has been an active participant of the following activities:

- Organisation of the Point Lonsdale Primary School monthly market
- Volunteer at the Queenscliff Music Festival
- Assisted with Meals on Wheels
- Promote her students to assist at ARCARE every Friday since its opening
- Assisted with Rotary's 'Queenscliff Bricks' Lego event since 2010
- Helped with the annual Australia Day Awards Event
- Assisted at the annual ANZAC Day services each year
- Helped with the Vietnam Veterans day since 1999
- Participated in the 'Trees are Valuable' during the school holidays in 2015
- Assisted with the Point Lonsdale Surf Club Nipper Program
- Assisted with Drug Awareness Day in 2014-2015.

In the past decade Marylou Gilbert has dedicated herself to furthering the Borough of Queenscliff's cultural activities and her vision, networking and organizational skills have enabled many residents, both young and old, to participate in film and literary events that would otherwise be unavailable to them due to both cost and distance.

Marylou has identified a need in the community for cultural events, particularly in the winter months but also throughout the year. She has worked tirelessly to initiate and implement events of a national and international standing, bringing highly acclaimed Australia authors and international films to the Borough to allow local access. Marylou's efforts have greatly enhanced the literary and cultural experiences available to all Borough of Queenscliff residents and in turn are continuing to strengthen connections with neighbouring communities and promote the Borough throughout Victoria and beyond.

Marylou has had, and acted on, a vision for the Borough of Queenscliff which has promoted literature, its creation and enjoyment, to all ages. Marylou has generously used her publishing and literary contacts to bring depth to these activities.

An effective networker, Marylou is also inquisitive, inclusive and interested in challenging people through literature, film and discussion.

Marylou's achievements have included:

- Co-founding the annual not for profit Bellarine Lighthouse Film weekend in Queenscliff entering its 6th year.
- Co founding the annual month long not for profit Queenscliff Literary Festival, entering its third year, of which she is current President.
- The inclusion of a Schools Day during the Literary Festival has allowed children to access and interact with authors and illustrators that their city counterparts have readily available.
- Initiating the annual Regional Tour of the St Kilda Short Film Festival to Queenscliff.
- Engaging a broad range of the community, including sporting clubs, community organisations and businesses in cultural activities.
- Bringing the attention of the Borough of Queenscliff as a cultural destination to a wider audience.
- Inviting local residents to speak at the Literary Festival's finale each year to give the community opportunity to share their love of literature.
- Acting in a voluntary capacity in all her community engagements.

Young Citizen of the Year: Aaron Ford and Oliver Hodge (joint winners)

Aaron Ford and Oliver Hodge are members of the Queenscliff Neighbourhood House, HOUSE Gallery Committee and are both studying Architecture at University.

Both Aaron and Oliver were both instrumental in organizing the inaugural Head Start Youth Art Exhibition 100% for youth by youth which was held in September 2016.

Aaron and Oliver invited young emerging artists from the Bellarine Peninsula between the ages of 14–20 years to submit an ‘expression of interest’ to exhibit works that explored the concept of “home” encouraging artistic interpretation of both the physical and the abstract.

Their work included:

- Attending numerous planning meetings to organize and plan the exhibition including a detailed timeline of important dates.
- Designing the Head Start Youth Art logo and poster.
- Making personal contact with schools on the Bellarine Peninsula and Geelong where local students attended to promote the exhibition.
- Making personal contact and liaising with Art teachers at these schools.
- Using social media including Facebook, Instagram and email to attract expressions of interest.
- Convening an Information night where prospective contributors were given further information about the exhibition and how to submit their work.
- Administrative duties such as collating data about each application.
- Reporting to the HOUSE Gallery committee on a regular basis to keep them up to date with the progress of preparations for the exhibition.
- Curating the exhibition; photographing each piece of work and creating an exhibition catalogue.
- Organising and liaising with printers to have this catalogue ready for the Exhibition Opening.
- Organising the Exhibition Launch including entertainment by young people and catering.

Community Group of the Year: Point Lonsdale Surf Life Saving Club’s 2015 Nippers in School Program

The Point Lonsdale Surf Life Saving Club was the first Club in Victoria to conduct a Nipper Program, in December 1967 with 50 participants.

In 1973, Point Lonsdale’s Bruce Tayler was the first in Victoria to formally involve female participation in Surf Life Saving through the nippers program which was long overdue.

The program has grown from 50 participants in 1967 to 450 in the 2015–2016 season. In November and December 2015, the Club conducted a pilot “Nippers in Schools” program which was so successful that it will be repeated in the 2016-2017 season, February 2017.

The program engaged more than 80 students from grades 3-6 through a series of activities and those who completed the minimum number of sessions received a certification of completion from Surf Life Saving Australia.

The Nippers in Schools program was extremely successful due to the outstanding contribution of the diverse range of local volunteers and supporters from Point Lonsdale, Queenscliff and Ocean Grove who

all actively participated and engaged in the program.

Instructors, chief instructors, water safety and administration support volunteers were on duty at all times to provide a safe and well run program for all the children.

Local and Melbourne businesses generously donated significant funds to the program. The parents and schools were extremely supportive of the program and appreciative of the volunteers who delivered the sessions, many of the parents getting involved themselves training the next generation of beach goers in water safety and basic first aid.

The students had a wonderful time, participating in board paddling, surfing, swimming, running, wading and of course lifesaving theory as well as a lot of fun beach activities.

Community Environment Project of the Year: St Aloysius Primary School Environment Team – Kids Teaching Kids Local Conference – Caring for our Bays

St Aloysius Primary School is Queenscliff’s only Catholic Primary School serving about 138 students and 80 families from all over the Bellarine Peninsula.

St Aloysius school’s Kids teaching Kids local conference – Caring for our Bays encouraged over 100 students from five local and regional primary schools to share their knowledge and learn from each other about how to live sustainably and protect our natural habitats for the future.

At the heart of the Kids teaching Kids program is a belief that peer education is one of the most effective ways to encourage students to take responsibility for their learning and actions.

The Kids Teaching Kids Local Conference – Caring for our Bays was held outdoors in the King Street Reserve, utilising and highlighting our local environment as a learning space.

It was organised by the Student Environmental leadership team and it united community groups and local business towards supporting primary aged students to present engaging environmental workshops, guide beach activities and create environmental art works together.

St Aloysius year 5 and 6 students designed a variety of environmental workshops to teach their peers about important local environmental issues.

Some of the workshops included Fish of Swan Bay, Birds in Swan Bay, Biocube project, Bees and King Tides. These included hands on activities, guided walks, games and quizzes. The workshops were designed and resourced by the students as a result of their classroom learning and engagement in Citizen Science projects over the course of term 2, 2016.

Participant feedback from the day indicates a high degree of enjoyment and engagement from students and teachers.

Through their participation in the event, students not only developed new environmental learning but they also developed presentation skills, team work and a passion for environmental stewardship. Some of the leading students went on to represent St Aloysius and present a main stage video presentation at the Melbourne Water Kids Teaching Kids Conference.

Community Event of the Year: The Queenscliff Music Festival

The Queenscliff Music Festival (QMF) was founded in 1997 by a small band of locals keen to see Queenscliff as a live music destination. The result is a major annual event that has engaged the local community and contributed to the social and economic strength of Queenscliff. The 2016 festival was the 20th with all weekend tickets sold well prior to the festival.

Committed local volunteers and local partnerships underpin the QMF. The success of the weekend relies on the hundreds of volunteers (500+) and the local partnerships. Over the year in addition to the 8 member voluntary Board there are a number of local volunteers (15) who assist with the pre festival organization.

In summary the QMF:

- Has staged a successful sold out event in 2016 celebrating the 20 years of this local event.
- The event has achieved the set purpose of providing a high quality festival and making a positive contribution to the local community.
- The QMF contributes to the economic and social capital of the Borough both through the direct provision of funds into the community and the indirect economic contribution through increased tourism; additionally the Festival has built community reserves over \$500,000.
- There is a high level of community participation in the event whether this is local volunteers, business operators, service and community groups or local people attending.
- The QMF is only possible because of the 500+ volunteers, the primary organisers of this event.

Achievements

Supporting local events

During 2016–17 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
- **Arts and cultural events**
Seniors Week celebrations | Sea of Words Festival / Queenscliffe Literary Festival | Lighthouse Film Festival | St Kilda Regional Film Festival | Queenscliff Music Festival | Queenscliff Street Rodders | Anzac Day services | Refugee Week and Welcome Zone Anniversary | Youth Art Exhibition
- **Sporting activities**
Rip View Swim Classic | Rip to River Run | Nippers Carnival | Blue Water Swim Challenge | Point Lonsdale Board Riders | Walk to School | RACV Great Victorian Bike Ride
- **Community organisation events**
Rotary Club of Queenscliffe – Queenscliffe Bricks | Lighting of the Christmas Tree | Queenscliff Maritime Museum's Maritime Weekend | International Lighthouse Weekend | Point Lonsdale Board Riders Sounds of Summer | Sand Sculpture Contest

Community Grants

Administration and allocation of the 2016-17 Community Grants program was completed in August 2016 with 14 grants totalling \$19,695.05 awarded to local Community Groups. The projects included support of community events, better equipment for events and enhanced facilities for local community groups.

Aged Care & Disability Services

Council has maintained a 'zero waiting list' to June for all aged care services within the Borough. In the 2016–17 financial year, the Aged Care Service has provided 9,357 hours of service.

Clients have accessed 441 hours for assessment, re-assessment and care coordination. 48 new clients were assessed for service, 7 clients departed (deceased) the service and 10 clients transferred into permanent care.

Environmental health activities

Key activities undertaken in 2016–17 as part of Council's environmental health service included the following:

- Council conducted a total of 99 food safety assessments (mandatory food safety audits).
- Additionally, as required under the Food Act 1984, 18 food samples were submitted for analysis.
- Council also conducted 12 assessments of accommodation and beauty treatment services.
- 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.
- 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 2016 to March 2017.
- A staff flu vaccination program was delivered.

Disappointments

Proposed Queenscliff / Hesse St Hub

Council has applied for Federal and State Government funding for the Hub. The outcome of these submissions is yet to be announced.

Challenges

Proposed Queenscliffe Park

A suitable funding program has not been identified. Council has resolved to implement a smaller stage one project in 2017–18. Council's endorsed 2017–18 budget includes an allocation to prepare a plan for an extended family friendly park.

Year ahead

- Complete the Queenscliff Recreation Reserve Caravan Park master plan.
- Progress construction of the Queenscliffe Sport and Recreation Precinct Project.
- Complete Stage One of the Queenscliffe Park project.

A vibrant local economy

PRIMARY FOCUS AREAS

- Manage and operate an accredited and vibrant Visitor Information Centre service
- Increase tourism visitation to the Borough
- Support local businesses and new business investment
- Work with local, regional and state tourism organisations to promote Queenscliffe as a holiday, events and festivals destination
- Advocate for improved public transport
- Increase access and occupancy of Council managed holiday accommodation

2016-17 SUCCESSES

Council secured \$40,000 from Regional Development Victoria for the development of an Economic Development Strategy. As part of the community engagement process an Industry Forum was held in May with approximately 80 local business operators attending. A Discussion Paper and Survey was released to the community for feedback on ideas and opportunities that will make up the final Economic Development Strategy, expected to be released December 2017.

Through our partnership with Tourism Greater Geelong and the Bellarine (TGGB), Queenscliff and Point Lonsdale were featured in the following publications:

- Better Homes and Gardens – August 2016 – national magazine – ‘5 Winter Escapes – the whole family will love’ – Bellarine rated number one
- Linsey Rendell, journalist for online publication Broadsheet visited Queenscliff in August 2016 for a specific article on the town and the things to do, see, eat and stay. This article was organised in conjunction with the Wander Victoria regional marketing campaign through Visit Victoria.
- Club Marine Magazine – December/January issue – Culinary Cruising feature showcasing Queenscliff, estimated \$20k in publicity exposure
- Australia and New Zealand Magazine, February 2017 issue – Beautiful Bellarine
- CEO Magazine – March 2017 edition, Tour of Taste, Bellarine Region

Council entered into a partnership with Searoad Ferry to promote the services of the Visitor Information Centre and the Queenscliff Heritage Walk. The partnership also sees the Visitor Information Centre become a ticket agent outlet.

Over 100 businesses participated in the annual calendar of Business training and development in partnership with TGGB. Sessions included:

- Facebook Marketing masterclass
- Social media 101
- International market update
- You're on Team Tourism

Councils Tourism and Economic Development Advisory Committee met 6 times in 2016-17 to provide advice and feedback to Council on strategic matters and projects such as:

- Economic Development Strategy
- Tourism Directional Signage plan
- The development of a Winter Arts Festival

2016–17 COUNCIL PLAN INITIATIVES
COUNCIL'S PERFORMANCE

Actively engage volunteers in the delivery of Visitor Information Centre services	Completed
Improve the level of Council, community, business and visitor information available through Council's digital 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
Continue to seek advice on tourism and economic development priorities through Council's formal Advisory Committee and other stakeholders	Completed
Advocate to all levels of Government to implement the Fort Queenscliff Tourism Master Plan	Completed
Produce a Tourism and Economic Development Strategy for the Borough of Queenscliffe	In progress
Work with local businesses and community organisations to implement the Queenscliffe Winter Light Festival proposal	In progress

The following statement provides information in relation to the services funded in the 2016–17 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Caravan parks and boat ramp	This service provides approximately 400 camping sites and associated facilities, which provide the revenue to fund the bulk of Council's foreshore activities. The boat ramp service provides a two lane sheltered access to the region's fishing grounds.	(784)
		(812)
		28
Visitor information centre	This service provides a state accredited tourist information service year round. Professional and friendly advice from paid and volunteer staff ensures that visitors have a positive experience in the seaside townships of Queenscliff and Point Lonsdale.	195
		170
		25
Tourism promotion	This service is integrated with the activities of Tourism Greater Geelong and the Bellarine. Marketing and promoting the Borough and its attractions is key to increasing the number of day trippers and visitors who choose to stay in the Borough.	206
		122
		84
TOTAL	Actual	(383)
	Budget	(520)
	Variance	137

Achievements

Economic Development Strategy

Council secured \$40,000 from Regional Development Victoria for the development of an Economic Development Strategy. The Economic Development Strategy will:

- set a future focus to achieve a more diverse and vibrant local economy
- guide and inform Council's economic development directions and priorities
- identify economic development opportunities for public and business investment, as well as benefits for the broader community

The Economic Development Strategy will also include a tourism development component that profiles the visitor economy, drivers of visitation and the tourism product offerings. It will define a vision within a 10-year plan to build the Borough of Queenscliffe as a tourism destination of choice.

As part of the community engagement process an Industry Forum was held in May with approximately 80 local business operators attending. A Discussion Paper and Survey was released to the community for feedback on ideas and opportunities that will make up the final Economic Development Strategy, expected to be released December 2017.

Small Business Festival events

Council hosted and promoted the 2016 Victorian Small Business Festival event in August. The session, 'Retail 2016 – Maximise Your Christmas Trade', attracted 23 attendees from various local businesses. The session provided tips on boosting sales, Christmas stock presentation and creating better shopping experiences.

A Small Business Victoria mobile business bus was set up in Point Lonsdale in October and Hesse Street Queenscliff in March. The program offered free business mentoring from an experienced professional to help business operators to manage, grow and improve their businesses. Approximately 5 pre-booked appointments were made and 20 "walk-up" engagements were noted, enquiring about various topics including transition into retirement, employment, setting up a practice, invoicing, GST and marketing.

Borough After Five

Two 'Borough After Five' Business networking functions were held in 2016–17. Over 50 people attended a function in November which was held at the Shelter Shed Bar and Eatery, Queenscliff. Over 30 people attended the function in March at Pasquini's, Point Lonsdale with guest speaker Matthew Ponsford from the Point Lonsdale Surf Life Saving Club who presented plans for the new clubhouse.

Local Events Calendar

During 2016–17 Council improved and promoted the calendar of events via:

- **Social media** – The Borough of Queenscliffe Visitor Information Centre actively promoted local events with regular posts on its Facebook site. The Visitor Centre Facebook

regularly 'shared' detail of local events with its followers as well as the Visit Geelong Bellarine Facebook site.

- **Borough of Queenscliffe website** – event content was regularly updated and an improved searchable calendar of events was introduced.
- **Industry communication** – regular event details were provided to local businesses via email and in the monthly E-Business bulletin.

Queenscliffe Visitor Information Centre

The accreditation status of the Queenscliffe Visitor Information Centre through the Australian Tourism Accreditation Programme has been maintained. Key activities at the Visitor Information Centre in 2016–17 included:

- Servicing over 36,500 walk-in enquiries at the Centre and 4300 enquiries at the Queenscliff Harbour
- Committing to additional volunteer hours to service the 'Pop Up' booth at the Queenscliff Harbour for the 2016–17 summer and Easter holiday period
- Coordinating and conducting 63 Heritage Walks with 626 participants
- Attending a combined regional Volunteers Conference and Christmas function both hosted by Tourism Greater Geelong and the Bellarine
- Participating in familiarisation tours to regional and local businesses
- Maintaining the regional electronic accommodation availability system

Disappointments

Postponing the development of a major Winter Festival to 2018.

Challenges

Unlocking Fort Queenscliff

Continued to advocate for the implementation of the recommendations defined in the Fort Queenscliff Precinct Tourism Master Plan.

Year Ahead

- Implement a Tourism Directional Signage Plan.
- Continue to advocate for funding to progress the Fort Activation Project and a business plan to support implementation of the master plan recommendations.
- Complete the development of the Economic Development Strategy.

A unique natural environment

PRIMARY FOCUS AREAS	2016-17 SUCCESSES
<ul style="list-style-type: none"> • Protect the natural environment and significant vegetation • Limit the spread of noxious weeds • Promote recycling and minimise waste • Work with the community to reduce carbon emissions • Actively respond to climate change • Improve public access to parks, beaches and Council-managed camping and caravan caravan parks • Enhance walking and cycling routes and encourage use by the community and visitors 	<ul style="list-style-type: none"> • Weed reduction activities particularly in “Narrows” • 1,497 indigenous plants, shrubs and trees have been planted in Council caravan parks, car parks and reserves. • 25 street trees planted (replacing 16 removed trees) • Diversion of 642 tonnes of green waste from landfill – an increase of 130 tonnes from 2015-16 • 8,271kg of e-waste was collected including televisions, computer equipment and household electrical appliances – an increase of 851kg from 2015-16 • Delivery of Round Two of the Community Solar Initiative

2016-17 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
Continue street tree and park planting programs that reflect the character of Queenscliffe and Point Lonsdale	Completed
Continue to implement the Council's Corporate Carbon Neutral Action Plan	Completed
Facilitate community participation in the Community Environment Alliance and promote new projects through implementing a small grants program	Completed
Maximise the level of household and community recycling through Council's waste collection services	Completed
Work with the City of Greater Geelong and State Government partners to implement recommendations from the Geelong Queenscliffe Coastal Mapping Project	Completed
Advocate to the State Government for inclusion of Laker's Cutting into the RAMSAR listed Swan By site	In Progress
Develop a 'Tree Replacement Plan' for the Borough's historic Avenue of Honour in consultation with the community	In Progress

The following statement provides information in relation to the services funded in the 2016–17 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Sustainability and environment	This program area has carriage of the sustainability policy and facilitates community projects and works with other services to improve Council's environmental performance. Reducing greenhouse gas emissions within Council operations and the community are a key priority, as is dealing with Climate Change.	143
		116
		27
Coastal and environment	This service implements State government coastal management policy and plans and implements environmental projects and works with other services to improve Council's management of Coastal Crown Land.	496
		250
		246
Waste disposal	This service includes regular bin based waste collection of kerbside garbage and recycling as well as a cyclic hard rubbish collection, e-waste and a green waste bin service, for all residential and tourist accommodation properties. Public waste includes bins located in the Borough's parks and reserves. Council also works with the Barwon South West Waste and Resource Recovery Group to increase community awareness and promote behaviours that minimise waste and increase recycling.	850
		806
		44
TOTAL	Actual	1,488
	Budget	1,173
	Variance	315

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

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Waste Disposal Waste Collection Satisfaction <i>Kerbside bin collection requests</i> [Number of kerbside garbage and recycling bin collection requests / Number of kerbside bin collection households] x1000	74.84	79.23	87.81	The 2016/17 variance reflects 255 kerbside bin collection requests, compared with 230 requests in 2015/16. The variance is largely attributable to replacement of damaged/missing bins.
Service standard <i>Kerbside collection bins missed</i> [Number of kerbside garbage and recycling collection bins missed / Number of scheduled kerbside garbage and recycling collection bin lifts] x10,000	3.32	3.19	3.51	The 2016/17 variance reflects 106 kerbside collection bins missed, compared with 97 missed in 2015/16.
Service cost <i>Cost of kerbside garbage bin collection service</i> [Direct cost of the kerbside garbage bin collection service / Number of kerbside garbage collection bins]	\$102.73	\$103.27	\$98.61	Cost of disposal includes a State government landfill disposal levy in addition to gate fees. The volume of waste has reduced in 2016/17 due to increasing green waste volumes.
Service cost <i>Cost of kerbside recyclables collection service</i> [Direct cost of the kerbside recyclables bin collection service / Number of kerbside recyclables collection bins]	\$45.68	\$47.35	\$47.62	
Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	36.66%	46.38%	54.20%	This result continues to improve with the introduction of the new green waste service in 2015/16.

Achievements

Waste Reduction and Recycling

Council's kerbside waste, recycling and green waste bin service shows continued improvements again in 2016–17. Weighbridge dockets show a reduction in waste to landfill on 2015–16 figures, while green waste and recycling collection tonnages continue to rise.

Waste to landfill totalled 1032 tonnes in 2016–17, which is 83 tonnes less than in 2015–16. A total 556 tonnes of recycling was collected through the kerbside bin in 2016–17, an increase of 105 tonnes on the previous year. Green waste composted through the kerbside bin in 2016-17 totalled 642 tonnes – a 130 tonne increase on 2015–16.

Council completed a range of actions to maximise recycling household and community recycling including;

- Hosted the annual e-waste drop-off event at the Ocean View carpark in May 2017. A total of 8,271kg of e-waste was collected including televisions, computer equipment and household electrical appliances. 60kg of household batteries were removed from appliances during the day and also sent for recycling.
The e-waste was recycled through ToxFree. ToxFree's technologies and processes ensure that maximum e-waste recycling and recovery takes place in Australia. Televisions and computers were recycled through the National Television and Computer Recycling Scheme.
- Distribution of the 2016–17 green waste calendar/A–Z waste & recycling guide to residents. The guide provides a comprehensive list of items accepted through the three-bin kerbside service, plus local recycling options for other common household items.

- There has been continued increase in tonnes of recycling and green waste collected since the introduction of the A-Z guide in July 2015.

Recycled a total of 377kg of household batteries during 2016–17 from collection containers located in businesses and schools across Queenscliff and Point Lonsdale. This is an increase of 110kg on the 2015–16 collection amounts.

Collaborative Green Waste Disposal

- Council conducted a joint tender process with Surf Coast Shire to appoint a new contractor for the acceptance and comprising of green waste collected through the kerbside bin service. The new green waste contract will commence on 1 August 2017 for three years, with an option to resign for an additional 12 months. Collaborating with Surf Coast Shire Council enabled Council to deliver an outcome that would not have been achieved if Council conducted its own tender process due to the low volumes of green waste collected within the Borough (by processing industry standards).

Weed Reduction

- Council has entered into agreement with the federal government to deliver two Green Army projects, the first of which commenced in 2016–17 at the Queenscliff Foreshore Reserve. This project is being delivered in conjunction with Parks Victoria and has a focus on weed removal on the foreshore between the Queenscliff Pier and the ferry terminal. Project outcomes will include vegetation improvement for the area as well as training and skills development for the project participants. The project will conclude in 2017–18 but already 175 cubic meters of mulch has been produced from the weed waste from the site. The second Green Army project will commence in 2017–18 at Point Lonsdale.
- Council has a strong partnership with local and regional organisations to undertake vegetation management at a number of foreshore sites in the Borough. These organisations include the Bellarine Catchment Network, Conservation Volunteers Australia, community environment groups, as well as local and regional schools or colleges.
- The Corangamite Catchment Management Authority (CCMA) prepared management plans for two key vegetation areas some years ago and provided grant funding to Council to implement the plans. These vegetation areas are The Narrows and at Ocean Road, Point Lonsdale and during 2016–17 the focus of work at these sites included weed removal followed by planting native and indigenous species plants. This work will continue into 2017–18.

Carbon Neutral Action Plan

Actions to implement Council's Carbon Neutral Action Plan included:

- Installation of a 30kw solar photovoltaic system on the Queenscliff Community Sports Club utilising grant funding from the Victorian Government.
- Completion of the project to purchase and install drinking fountains in priority locations across Queenscliff and Point Lonsdale. Units were installed in The Springs carpark/beach entrance, Tobin Drive (2 units) and at the intersection of Lovers Walk and Santa Casa beach entrance.
- This project was funded with the support of the Victorian Government. It was delivered under the Climate Resilient Communities of the Barwon South West Project, which consisted of 10 Councils and a range of partners, including the Department of Environment, Land, Water and Planning (DELWP), catchment management authorities and water authorities.
- Replacement of 48 CFL candle globes in the Town Hall chandeliers with energy efficient LED globes.

Disappointments

LED Street Light Replacement Program

Council was unable to identify a suitable funding program to assist in funding the replacement of existing Mercury Vapour street lights with the more efficient LED street light technology. Council has been working with neighbouring Councils with a view to reduce the unit replacement cost due to economies of scale.

Challenges

Regulation Uncertainty

Some uncertainty currently exists regarding the future of e-waste management. Currently the Council undertakes an annual e-waste drop off event. In 2017 this event collected 8271kg of e-waste for resource recovery processing. In late 2016 the State Government flagged impending regulation changes regarding the management of e-waste material would likely be in place by mid 2017. To date the flagged regulation changes are yet to be communicated to Local Government, this has provided some challenges to Council when planning future e-waste collections.

Year Ahead

- Replacement of existing 80watt Mercury Vapour streetlights in residential areas with LED light technology.
- Introduction of a Community Environment Alliance Grants Program to assist community groups to reduce their impact on the environment.
- Undertake landscape improvements at the Point Lonsdale Lighthouse Reserve (subject to State Government funding).

A well-planned and attractive place to live and visit

PRIMARY FOCUS AREAS	2016-17 SUCCESSES
<ul style="list-style-type: none"> • 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 activities 	<ul style="list-style-type: none"> • Queenscliffe Planning Scheme Review completed • 137 planning permit applications received • Annual asset renewal programs completed

2016-17 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Complete the Queenscliffe Planning Scheme statutory amendment process including the determination of priority recommendations	Complete
Use Council's Planning Scheme, Policies and Local Laws to protect significant vegetation	Complete
Implement Council's asset renewal and maintenance program for Council owned and managed community buildings and open space	Complete
Promote and support a range of arts, cultural and reconciliation activities and events	Completed
Improve regulation of statutory planning compliance	Complete
Undertake a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve	Yet to Commence

The following statement provides information in relation to the services funded in the 2015-16 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		VARIANCE \$'000
Road Maintenance and Works	Provided by an external contractor, this service includes maintenance of local roads, kerb and channel, footpaths and shared use trails, drainage, street cleaning and sweeping, parks and gardens and sports ovals.	765
		766
		(1)
Engineering	This service undertakes design, tendering, contract management and supervision of various works within Council's capital works program. The service also approves and supervises private development activities such as build over easement, legal point of discharge, vehicle point of access and infrastructure associated with unit developments.	178
		226
		(48)
Planning and Development Control	This service processes all planning applications, provides advice and makes decisions about development proposals which require a planning permit, as well as representing Council at the Victorian Civil and Administrative Tribunal where necessary. It monitors Council's Planning Scheme as well as preparing major policy documents shaping the future of the Borough. It also processes amendments to the Council Planning Scheme and carries out research on demographic, economic and social issues affecting Council. <i>Major variance explanation: Queenscliffe Planning Scheme Panel carried forward to 2016-17.</i>	280
		126
		154

SERVICE	DESCRIPTION	NET COST ACTUAL
		VARIANCE \$'000
Local Law Enforcement	This service provides staff at school crossings throughout the municipality to ensure that all pedestrians, but mainly school aged children, are able to cross the road safely. It maintains and improves the health and safety of people, animals and the environment in Council by providing services including a dog and cat collection service, a lost and found notification service, a registration and administration service, an after hours service and an emergency service. This service also facilitates the smooth flow of traffic and parking throughout the municipality through the provision of safe, orderly and equitable parking enforcement and education. It also provides education, regulation and enforcement of the General Local Law and relevant State legislation.	221
		228
		(7)
Public Conveniences	Maintenance, cleaning and renewal of 13 public conveniences is required to maintain a level of service acceptable to the general community as well as tourists.	101
		73
		28
Street Lighting	Operation, maintenance and renewal plus energy costs associated with the Borough's street lights.	57
		44
		13
Powerline Clearance	This is to maintain the legislative clear zones around powerlines to ensure safety and prevention of fire.	27
		135
		(108)
Building Maintenance	This service prepares long term maintenance management programs for Council's buildings in an integrated and prioritised manner in order to optimise their strategic value and service potential.	96
		75
		21
Heritage Assets	Advice is provided via an external contractor regarding Council's heritage assets, in order to maintain the Borough's heritage values.	54
		36
		18
Building Control	This service provides statutory building services to the Council community including processing of siting variation consent, emergency management responsibilities, building safety inspections/audits and investigations of complaints and illegal works. Provided by way of a part time external contractor.	42
		39
		3
Library	A public library service is provided in Queenscliff, operated by the Geelong Regional Library Corporation, for which Council contributes to the cost of the service.	226
		251
		(25)
Arts, Recreation and Culture	This service provides a varied ongoing program of arts and cultural events.	29
		23
		6
TOTAL	Actual	2,076
	Budget	2,023
	Variance	53

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

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Roads Maintenance and Works Satisfaction of use <i>Sealed local road requests</i> [Number of sealed local road requests / Kilometres of sealed local roads] x100	188.10	176.19	283.33	The higher than average requests is partly attributed to all local sealed roads being urban and no rural roads existing within the Borough of Queenscliffe. The 2016/17 variance reflects 119 sealed road requests, compared with 74 requests in 2015/16. A higher number of requests were received in 2016/17 due to minor road damage occurring in urban areas resulting from abnormal rain events.
Condition <i>Sealed local roads below the intervention level</i> [Number of kilometres of sealed local roads below the renewal intervention level set by Council / Kilometres of sealed local roads] x100	100.00%	100.00%	100.00%	
Service Cost <i>Cost of sealed local road reconstruction</i> [Direct cost of sealed local road reconstruction / Square metres of sealed local roads reconstructed]	\$59.40	\$62.48	\$31.39	Reduced cost in 2016/17 as a result of minimal works undertaken on kerb and channel, focussing on road sealing only.
Service Cost <i>Cost of sealed local road resealing</i> [Direct cost of sealed local road resealing / Square metres of sealed local roads resealed]	\$20.61	\$7.34	\$5.14	The 2014/15 result for the cost of resealing local roads was skewed due to the small sample size of reseal works which were completed as part of a major drainage and road renewal contract, which included a high reseal rate within the successful tender. The 2016/17 result reflects competitive contractor costs received for works.
Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65.00	65.00	65.00	Queenscliffe's result of 65 is above the Small Rural council group average of 50 and the State-wide average of 53.
Planning and Development Control Statutory Planning Timeliness <i>Time taken to decide planning applications</i> [The median number of days between receipt of a planning application and a decision on the application]	71.00	76.00	91.00	Queenscliffe's result was impacted on by a number of complex applications.
Service standard <i>Planning applications decided within 60 days</i> [Number of planning application decisions made within 60 days / Number of planning application decisions made] x100	67.38%	70.27%	62.24%	Queenscliffe's result was impacted on by a number of complex applications.

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Service cost <i>Cost of statutory planning service</i> [Direct cost of the statutory planning service / Number of planning applications received]	\$1,560.73	\$1,241.81	\$1,386.66	Increase in cost largely due to a reduction in the number of planning applications, from 157 in 2015/16 to 137 in 2016/17, with staff managing more complex applications and undertaking strategic planning.
Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0.00%	66.67%	100.00%	One application decision was subject to review by VCAT and was upheld.
Local Law Enforcement Animal Management Timeliness <i>Time taken to action animal management requests</i> [Number of days between receipt and first response action for all animal management requests / Number of animal management requests]	1.00	1.00	1.00	
Service standard <i>Animals reclaimed</i> [Number of animals reclaimed / Number of animals collected] x100	100.00%	89.19%	97.56%	41 animals collected during the year, of which 40 were reclaimed and one kitten was not claimed.
Service cost <i>Cost of animal management service</i> [Direct cost of the animal management service / Number of registered animals]	\$82.93	\$106.80	\$108.39	Queenscliffe provides services for high levels of visitors with animals to Queenscliffe (i.e. not registered with Queenscliffe). Over 50% of houses in the Borough are holiday homes. It is estimated that the number of animals in the Borough more than doubles during peak holiday periods which results in peak demand and additional resources allocated to animal management matters. Additional animal patrols are conducted during the summer season each year, with a focus on dogs on beaches compliance.
Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0.00	0.00	0.00	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.
Library Libraries Utilisation <i>Library collection usage</i> [Number of library collection item loans / Number of library collection items]	3.58	3.52	3.41	

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
Resource standard <i>Standard of library collection</i> [Number of library collection items purchased in the last 5 years / Number of library collection items] x100	67.19%	62.27%	58.31%	
Service cost <i>Cost of library service</i> [Direct cost of the library service / Number of visits]	\$7.06	\$7.33	\$7.92	This indicator represents in-person visits only and does not capture the use of online resources by library users.
Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	37.12%	38.42%	39.70%	

Achievements

Queenscliffe Planning Scheme Review

The Queenscliffe Planning Scheme Review and resulting amendment (Amendment C27) was completed in 2016–17. A Planning Panel hearing was held on 14 November 2016. The Panel was satisfied that the amendment should proceed and that it will provide Council and the community with a better more effective Planning Scheme.

Amendment C27 (Planning Scheme Review) was approved by the Minister for Planning and gazetted on 11 May 2017.

Improve regulation of statutory planning compliance

Council appointed a part time Statutory Compliance officer to investigate and enforce the Queenscliffe Planning Scheme requirements. Increased planning enforcement resourcing will allow for pro-active and reactive planning investigation, and improved efficiencies in planning compliance processes.

Asset Renewal Program

Council continued to review and action its annual renewal and maintenance programs for Council-owned and managed community buildings and open space.

Key Council building asset renewal works undertaken in the 2016–17 financial year include:

- Implementation of the Public Toilet Strategy 2015–25
- External painting and gutter replacement at the Town Hall
- Painting of window frames at the Maritime Museum

Key Open Space asset maintenance and renewal works completed in the 2016–17 financial year include:

- Commencement of the Queenscliff Sport and Recreation Precinct Redevelopment which includes renewal of netball courts, cricket nets, oval lighting and a playground
- Maintenance painting of the Point Lonsdale back beach access ramp – completed in November 2016

- Maintenance oiling of the Point Lonsdale viewing platform and foreshore shelters. Continued renewal of foreshore and reserve infrastructure including park benches, picnic tables, bin stands and open space fencing.

Bike Path Upgrade

- Resurfacing of the bike path from The Narrows to the Point Lonsdale Primary School was undertaken in May. The existing surface was regulated with asphalt to take out the irregularities in the path due to tree roots and potholes etc. Works also included vegetation trimming and widening of the path to 2.1 metres where sight lines needed to be improved for safety reasons to allow for cyclists as well as pedestrians. This stage of works now completes the upgrade and resurfacing of the entire length of trail from the Queenscliff Railway Station to Springs Beach car park.

Queenscliff Music Festival

Council continues to support the Queenscliff Music Festival through its three-year sponsorship agreement, which focuses on the operational requirements of the festival including site management, noise management and emergency management plans. The QMF has a significant social impact on the Borough of Queenscliffe with the sourcing and engagement of community groups to provide voluntary support services in return for cash donations.

2016 Government House Christmas Tree

In August 2016, the Governor of Victoria, the Honourable Linda Dessau AM invited each local council to share in the decoration of the 2016 Government House Christmas tree. The Borough of Queenscliffe was requested to prepare a decorative ornament that best represents our local area. The local community was invited to submit entries for consideration. Each of the local primary schools contributed entries and the chosen ornament, featuring the stingray found swimming at the local harbour, was created by a Grade 5 student from Queenscliff Primary School.

Artist in Residency Program

As part of the Artist in Residency program, Council officers worked with 21 artists from 'Participate Karingal', an arts program that supports artists with disabilities, promotes their work and advocates for their inclusion within contemporary art practice. Arrangements were made for the group to visit local attractions, retail outlets and scenic points of interest. The works the artists created were on display throughout the Borough during March and April 2017. A self-guide map was created, highlighting the locations of each artwork. The community and visitors were encouraged to journey across the Borough to discover the art works spread throughout the local retail precincts. In addition, two workshops were organised in conjunction with the residency, a school workshop at Point Lonsdale Primary and a free community workshop offered at the Queenscliffe Neighbourhood House during the March school holidays. Artworks created during these workshops were placed on display at the Queenscliff Library.

Other

Council also supported the:

- Queenscliff Literary Festival (May) Children's authors and illustrators workshop with local schools and the kindergarten where students explored the process of an idea through inception, writing and artwork.
- Participation of local artists in the 2017 Bellarine Arts Trail event (Nov 2017).
- 2016 Head Start Youth Art annual exhibition with the installation of selected images with a temporary outdoor display at three locations throughout the municipality.
- Reconciliation Mob to run a Children's Day during Reconciliation Week in May 2017 and a film screening, Constance on the Edge, in support of Refugee Week 2017.

Disappointments

Historic Gun Emplacements Investigation

Council had budgeted for a review of the structural condition and risk assessment of the historic gun and search emplacements along the Queenscliff and Point Lonsdale foreshore. Due to increased pressure on available resources, this project has not commenced. Funding for the project has been carried forward to 2017-18.

Challenges

Statutory Planning

Council received 137 planning permit applications in the 2016-17 year. 58% of applications were processed within 60 days. While this is a reduction from last year's 68%, the 2016-17 result reflects the higher than average number of applications with objections received, therefore additional time was required to work on the resolution of objections as well as their being an increased number of complex applications received.

Year ahead

- Complete a risk assessment and produce a mitigation plan for gun emplacements near the Point Lonsdale Lighthouse Reserve.
- Commencement of civil works at the Queenscliff Recreation Reserve Sport Precinct.
- Complete caravan park master plans.
- Complete Queenscliff Sports Precinct upgrade project.

A proactive and accountable Council

PRIMARY FOCUS AREAS	2016-17 SUCCESSES
<ul style="list-style-type: none"> Value and draw on the skills, knowledge and views of the local community Provide transparent, open and accountable governance and ensure compliance with relevant legislation Ensure sustainable financial management and maximise external funding opportunities Minimise rate increases Maximise return on Council assets Increase revenue sources by developing Council managed Caravan Parks Foster partnerships with community organisations, business, our municipal neighbours and other levels of Government Provide a high standard of Customer Service Increase residents' access to information Advocate to other levels of Government on issues of key concern to the local community Ensure the continuing independence of the Borough 	<ul style="list-style-type: none"> The adopted rate increase of 2.0% for 2017-18 complies with rate capping legislation. The 2017 Community Satisfaction Survey results highlight that the Borough of Queenscliffe scored higher than both the average of the Small Rural Councils group and the State-wide average. 82 media releases issued and 50 Mayor's Columns published in local newspapers. Council's rate of spending on existing infrastructure, property, plant and equipment compared to depreciation on its assets is 0.82 for the 2016-17 year, which the Victorian Auditor-General's Office (VAGO) will assess to be of 'medium' risk. Applying the six indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered 'low' risk on four of the six indicators for the 2016-17 year, noting capital replacement and asset renewal are long-term indicators and the results should therefore be considered from a longer-term perspective. Council budgets to achieve 100% asset renewal, compared with depreciation, cumulatively over a period of seven to ten years. Queenscliffe has achieved an asset renewal outcome of 139% for the last seven years and 148% in the last decade.

2016-17 COUNCIL PLAN INITIATIVES	COUNCIL'S PERFORMANCE
Implement Council's 'Community Information and Engagement' policy to increase public participation and access to information	Completed
Establish reference groups on major community projects as determined by Council	Completed
Participate in the annual Local Government Community Satisfaction Survey	Completed
Progressively implement Council's Lease Policy with organisations occupying Council owned or managed land	Completed
Ensure that Councillor and staff behaviour complies with the respective Codes of Conduct	Completed
Ensure adherence to guidelines on prudent management of debt, cash and asset renewal	Completed
Produce and forward the Council Plan, Strategic Resource Plan, Performance Statement and Annual Budget to the Minister for Local Government 28 days following Council adoption	Completed
Complete an annual review of its Strategic Resource Plan and long term budget as part of Council's annual Budget preparation process	Completed
Continue to administer the Fire Services Property Levy in accordance with legislative requirements	Completed
Effectively manage public and organisational risk and meet all legislative requirements	Completed
Prepare a plan to improve Council's records management system	Carried forward to 2017-18
Undertake a review of Council's office accommodation requirements	In progress
Introduce new online services available on Council's website	Completed

The following statement provides information in relation to the services funded in the 2015–16 budget and the persons or sections of the community who are provided the service.

SERVICE	DESCRIPTION	NET COST ACTUAL
		NET COST BUDGET
		VARIANCE \$'000
Governance	This relates predominantly to the Mayor and Councillors, also governance items such as the community satisfaction survey and membership of various organisations including the MAV and the G21 alliance.	350
		361
		(11)
Administration	This area includes the Chief Executive Officer, Executive Management Team and associated support which cannot be easily attributed to direct service provision areas.	1,249
		885
		364
Community Engagement and Customer Service	Included here is customer and civic services, providing a range of governance, statutory and corporate support services, and acting as the main customer interface with the community. Services include the coordination of council and committee meetings, records and information management and office support services. Legislative requirements under Privacy and Freedom of Information Acts are also administered here.	391
		464
		(73)
Finance, risk and audit	This service predominantly provides financial based services to both internal and external customers including the management of Council's finances, payment of salaries and wages to Council employees, procurement and contracting of services, fleet management, insurance and risk management. Depreciation expense for all Council assets is included in this program area. Audit services include those provided by external and internal auditors, insurance auditors and Council's Audit Committee. <i>Major variance explanation: Asset write-offs mainly relating to a decrease in the revaluation of off street car park assets.</i>	1,610
		1,676
		(66)
Rates and information technology	This service is responsible for the raising and collection of rates and charges, and the maintenance of property information for both Council and Land Victoria databases. Expenditure related to external provision of both valuation and information technology services is also included.	117
		121
		(4)
TOTAL	Actual	3,716
	Budget	3,507
	Variance	209

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

Service/Indicator/Measure	Results 2015	Results 2016	Results 2017	Material Variations
<p>Governance</p> <p>Transparency <i>Council decisions made at meetings closed to the public</i> [Number of Council resolutions made at ordinary or special meetings of Council, or at meetings of a special committee consisting only of Councillors, closed to the public / Number of Council resolutions made at ordinary or special meetings of Council or at meetings of a special committee consisting only of Councillors] x100</p>	16.67%	6.54%	6.51%	In 2015/16, Council changed the way in which it prepares and considers contract tender reports. These reports are now considered in Council meetings open to the public, however include confidential attachments that are commercial in confidence information.
<p>Consultation and engagement <i>Satisfaction with community consultation and engagement</i> [Community satisfaction rating out of 100 with how Council has performed on community consultation and engagement]</p>	62.00	57.00	58.00	Queenscliffe's result of 58 is above the Small Rural council group average of 55 and the State-wide average of 55.
<p>Attendance <i>Councillor attendance at council meetings</i> [The sum of the number of Councillors who attended each ordinary and special Council meeting / (Number of ordinary and special Council meetings) × (Number of Councillors elected at the last Council general election)] x100</p>	92.86%	85.88%	95.00%	Councillor attendance was 76 of a possible 80 instances (16 meetings x 5 councillors) in 2016/17, compared with 75 of a possible 85 instances (17 meetings x 5 councillors) in 2015/16.
<p>Service Cost <i>Cost of governance</i> [Direct cost of the governance service / Number of Councillors elected at the last Council general election]</p>	\$33,285.80	\$32,817.60	\$38,508.12	The increase in expenditure for the 2016/17 year is largely due to induction costs following the election of Councillors in October 2016.
<p>Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]</p>	62.00	54.00	58.00	Queenscliffe's result of 58 is above the Small Rural council group average of 55 and the State-wide average of 54.

Achievements

Increasing Information to Residents

There was a significant increase in information to the community with 82 media releases issued and 50 Mayor's Columns published in local newspapers.

Evaluating community satisfaction

The 2017 Community Satisfaction Survey results highlight that the Borough of Queenscliffe scored higher than both the average of the Small Rural Councils group and the State-wide average.

Rate Increase Minimised

Council developed a Rating Strategy to respond to the new rate capping legislation, which commenced from the 2016–17 financial year. Waste management charges were separated out from general rates and itemised on the 2016–17 rates notice.

Proactive risk management

Council updated and activated its Business Continuity Plan during the 2016–17 year and developed a new IT specific Disaster Recovery Plan to maximise the resilience and capability of Council to respond to a business disruption event and significantly reduce prolonged periods of interruption in service provision to the community.

State and Federal Grant Revenue Maximised

Total grant funding received by Council in 2016–17 was \$1,058,458.

Successful funding programs which are particularly noteworthy include:

- Development of the Fort Queenscliff Development Plan
- Development of an Economic Development Strategy
- King Street Bus Stop
- Point Lonsdale Foreshore Revitalisation Stage 3 – Village Park Upgrade
- Supporting Queenscliff and Point Lonsdale to prepare for climate change

Refer to page 88 for an overview of the grants and subsidies received.

Effective financial reporting

Won a Gold Award for the 2016–17 Annual Report in the Australasian Reporting Awards for transparency and financial reporting.

Long-Term Financial Sustainability

Applying the six indicators of financial sustainability assessed by VAGO each year, Council remains in a sound financial position and is considered 'low' risk on four of the six financial sustainability indicators for the 2016–17 year. It is important to note that, while the capital replacement and asset renewal indicators suggest Council is at 'medium' risk, this outcome is a one year view only, whereas these indicators are long-term indicators and the results should therefore be considered from a longer-term perspective.

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

1. Net result – Comprehensive result as a percentage of total revenue;
2. Liquidity – Current assets as a percentage of current liabilities;
3. Indebtedness – Non-current liabilities as a percentage of own sourced revenue;
4. Internal financing – Net operating cash flows as a percentage of net capital expenditure;
5. Capital replacement – Cash outflows for property, infrastructure, plant and equipment as a percentage of total depreciation; and
6. Renewal gap – Renewal and upgrade expenditure as a percentage of total depreciation.

The Borough of Queenscliffe Council continues its focus on long-term financial sustainability, considering the VAGO financial sustainability indicators as described above, as well as benchmarking on a range of other key financial indicators used within the industry including the Victorian Local Government Indicators and those in the Local Government Performance Reporting Framework.

Disappointments

The Essential Services Commission (ESC) did not approve Council's application for a one-off higher

Rate cap of 4.5% in the 2017–18 rating year. Council made the application in early 2017 for a one-off higher rate cap in 2017–18 to address a number of long term financial challenges and to enable it to plan responsibly to achieve the aspirations and priorities identified by the Borough community and Council in the development of the draft Council Plan 2017–2021.

After considering the application, the ESC found that Council has the financial capacity to manage in the short term and noted that the level of community engagement was appropriate to the Borough's size and resources. However, the ESC found that Council's long term planning framework is not yet extensive enough to provide sufficient evidence to meet the legislative criteria for a higher rate cap.

A copy of Council's application, including a summary of feedback from the Borough community and Council's responses to the ESC's request for information and additional questions, is available on the ESC's website, www.esc.vic.gov.au.

Challenges

Rate capping

Preparing a financially sustainable budget following the State introduction of a 2.0% cap on general rates.

Year Ahead

- Implement the 2017–2021 Council Plan



Point Lonsdale resident Gwen Pullar, with daughter Sandra Pullar and Jan Codwell at Point Lonsdale Pier.



Reporting performance of the 2013–17 Council Plan

1: A healthy, involved and creative community	66
2: A vibrant local economy	68
3: A unique natural environment	69
4: A well-planned and attractive place to live and visit	71
5: A proactive and accountable Council	72

Reporting performance of the 2013–17 Council Plan

The purpose of this report is to publicly report Council's final 2016–17 progress report on actions taken in relation to the 2013–2017 Council Plan initiatives for the period from 1 July 2016 to 30 June 2017. This report builds on the three previous quarterly reports presented to Council throughout the 2016–17 financial year.

The 2013–2017 Council Plan was a four year strategic document, which embodied statements of intent that reflected the aspirations of the community, the priorities set by Council to achieve its strategic objectives and the leadership role of Council in implementing the Council Plan. The Plan was framed around five Strategic Objectives, namely:

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

The Council Plan 2013–2017 identified how Strategic Objectives will be achieved by implementing initiatives in specific financial years using specific measures. This section reports the achievement of the measures outlined in the Council Plan 2013–2017.

Strategic Objective 1 *A healthy, involved and creative community*

Community Wellbeing

Every four years the State Government undertakes a major Victorian population wellbeing survey on the social determinants of health to assist Councils with health and wellbeing planning and subsequent performance reporting.

The VicHealth Indicators Survey reported an increase in subjective wellbeing in the Borough of Queenscliffe from 81.5% in 2011 to 84% in 2015. Whilst this is not a significant increase Queenscliffe still rated significantly higher than the Victorian average of 77.5% (2011) and 77.3% (2015) and was the most favourable result in Victoria in 2015.

Unlike subjective wellbeing, the perceptions of safety of walking alone during the day decreased from 100% in 2011 to 97.8% in 2015. When asked about perceptions of safety of walking alone during the night there was a decrease in results from 93.5%

in 2011 to 78.1% in 2015, however perceptions of safety in the Borough of Queenscliffe remain higher than the Victorian average of 55.1%. The decrease in perceptions of safety walking alone at night was consistent with the decrease between the surveys to the Victorian average of just over 15%.

Volunteering in the Borough has also seen an improvement from 35% in 2011 to 38% in 2016. Volunteering is the core to maintaining and improving community wellbeing and volunteering in the Borough of Queenscliffe is significantly higher than the Victorian average of 19.2% in 2016.

The VicHealth Indicators Survey has gathered a number of other measures of community wellbeing such as community connections, citizen engagement, participation in arts and culture, self reported health, social support, resilience, physical activity and satisfaction with life as a whole however comparative data is not available.

Performance Measure	2011 Q'Cliffe	2011 Victoria	2015 Q'Cliffe	2015 Victoria
Subjective Wellbeing	81.5%	77.5%	84%	77.3%
Community Connection	79%	72.3%	No data	No data
Perceptions of safety				
- walking alone during day	100%	97%	97.8%	92.5%
- Walking alone during night	93.5%	70.3%	78.1%	55.1%
Citizen Engagement	66.1%	50.5%	No data	No data
Participation in Arts & Culture	77.6%	63.6%	No data	No data
Self Reported Health	59%	46.6%	No data	No data
Social Support	93.7%*	91.7%*	No data	No data
Volunteering	35%	17.7%	38%^	19.2%^
Resilience (0-8)	No data	No data	6.9	6.4
Physical Activity	No data	No data	82.2%	70.5%
Satisfaction with life as a whole (0-10)	No data	No data	8.5	7.8

*2008 data ^2016 data Source: VicHealth Indicators Survey

Public Health

Mandatory inspections undertaken for the four year period between 1 July 2013 and 30 June 2017 resulted in an average of 92% compliant food premises. The 8% non compliant premises

were followed up and all matters resolved prior to renewal of registration. Council has exceeded its target of 80% compliance over the past four years.

No foodborne outbreaks detected or confirmed during this period.

Performance Measure	2013-14	2014-15	2015-16	2016-17
Food Safety Compliant premises	90%	91%	94%	93%

Source: Borough of Queenscliffe Environmental Health records

Community Satisfaction

Every year the State Government coordinates a state-wide Local Government Community Satisfaction Survey to help Councils assess their performance and assist with subsequent reporting.

Whilst the Local Government Community Satisfaction Survey results for family support services show a decrease in satisfaction from 70 in 2014 to 67 in 2017, the Borough of Queenscliffe still maintains a level of satisfaction consistent

with the Victorian average of 67 in 2017.

Over the four year period, results show that Council has maintained the level of satisfaction for elderly support services higher (71 in 2017) than the Victorian average of 68 in 2017.

Satisfaction with recreational facilities in the Borough of Queenscliffe has increased in the four year period from 70 in 2014 to 72 in 2017 and has remained above the Victorian average of 70 in 2017.

Performance Measure	2014 Q'Cliffe	2014 Victoria	2015 Q'Cliffe	2015 Victoria	2016 Q'Cliffe	2016 Victoria	2017 Q'Cliffe	2017 Victoria
Family Support Services	70	68	68	67	64	66	67	67
Elderly Support Services	71	70	72	69	68	68	71	68
Recreational Facilities	70	71	75	70	72	69	72	70

Source: Local Government Victoria Community Satisfaction Survey

Strategic Objective 2

A vibrant local economy

Employment

There were 1,207 people who reported being in the labour force in the Borough of Queenscliffe local government area during the 2011 Census. Of these 50.6% were employed full time, 37.8% were employed part-time and 4.5% were unemployed.

As at March 2017, the Borough's unemployment rate was 2.9%, considerably lower than the current Victorian unemployment rate of 6%. An estimated 1,300 people are currently employed in the Borough of Queenscliffe. 2016 Census employment data is due to be released in October 2017.

Source: Australian Bureau of Statistics

Tourism Visitation and Expenditure

Tourism data shows that the number of visitors and the level of expenditure of people visiting the Geelong, Bellarine and Queenscliffe region has progressively increased from 2013 – 2016 across all areas except for a slight 1.8% decrease in domestic visitor trips resulting in a 2.3% decrease in expenditure in 2016.

Performance Measure	2013–14	2014–15	2015–16	2016–17
Domestic Visitor Numbers	1,019 million	1,171 million	1,241 million	No data
Domestic Visitor nights	2,856 million	3,225 million	3,282 million	No data
Domestic Visitor trips	3,057 million	3,071 million	3,017 million	No data
International arrivals	42,000	48,100	59,300	No data
International nights	615,800	688,300	790,700	No data
Expenditure – domestic day trips	\$220 million	\$271 million	\$265 million	No data
Expenditure – domestic overnight	\$373 million	\$417 million	\$479 million	No data
Expenditure – international	\$43 million	\$59 million	\$83 million	No data

Source: Travel to Geelong and Bellarine, Tourism Geelong and the Bellarine and the National and International Visitor Survey, Tourism Research Australia

Business Activity

The number of businesses currently registered in the 3225 postcode area is 1,457 as at September 2017.

Performance Measure	2013–14	2014–15	2015–16	2016–17
Number of new business registrations	71	69	86	73

Source: Australian Business Register

Strategic Objective 3

A unique natural environment

Carbon Footprint

Council calculates its annual carbon emissions by measuring the usage of electricity, gas and fuel (diesel and petrol) across Council assets. Electricity is the largest generator of emissions and includes consumption from Council buildings, the four Council-operated caravan parks and all streetlights.

Council reduced its gross carbon emissions by upgrading to energy efficiency lighting in Council buildings, installation of solar PV systems on Council buildings, combined with the purchase of 100% green power for Council's caravan parks. The caravan parks are consistently among the top five sites for energy usage.

In 2013–14, net carbon emissions generated from Council operations totalled 661 tonnes carbon dioxide equivalent (tCO₂e). Net emissions remained steady in 2014–15 at 662 tCO₂e. Increases in electricity consumption across Council facilities and additions to Council's fleet during 2015–16 resulted in an increase in net emissions that year to 713 tCO₂e.

The full impact of solar PV installations on Council facilities was reflected in the 2016–17 figures, with net emissions decreasing to 702 tCO₂e. Electricity used at Council buildings during 2016–17 was the lowest across the four years from 1 July 2013.

Performance Measure	2013–14	2014–15	2015–16	2016–17
Carbon Dioxide equivalent (tCO ₂ e)	661 tonnes	662 tonnes	713 tonnes	702 tonnes

Source: Borough of Queenscliffe Carbon Emissions Report, Planet Footprint

Waste Management

In 2016–17, for every one tonne of recycling collected, 1.8 tonnes of waste was sent to landfill (1:1.8). This is a significant reduction when compared to 2013–14, the first year of the Council Plan, when 2.6 tonnes of waste was sent to landfill for every tonne of recycling collected (1:2.6) and the peak of 1:2.8 in 2014–15. The downward trend in waste to landfill continued, recording 1:2.5 in 2015–16.

The reduction to 1:1.8 tonnes in 2016–17 can be attributed to the comprehensive education program that commenced in July 2015 during the introduction of the kerbside green waste bin service in July 2015. The program included development of an A–Z guide for recycling, which was distributed to all households. A targeted community engagement program included advice on using the kerbside bin service in local press, Council newsletters and on Council's website.

Council collected and recycled a total of 31,767kg of e-waste from the Borough community during the four drop-off events held during the 2013–17 Council Plan period.

The collection peaked in 2014, receiving 8,520kg. The 2015 and 2016 events received 7,556kg and 7,420kg respectively. The May 2017 collection saw an increase to 8,271kg.

In August 2013, audits of kerbside waste bins (red lid) revealed the average bin contained 10.8% (by weight) of material that could have been recycled. Waste bin audits undertaken in June 2015, prior to the introduction of the kerbside green waste bin service, showed that recyclables only accounted for 7.8% (by weight) of the waste stream.

Bin audits conducted in June 2016, one year after the introduction of the green waste bin service, revealed that 12.4% (by weight) of the average waste bin contents could have been recycled. The increase in the percentage by weight of recyclable material in the kerbside waste bin from August 2013 to June 2016 does not reflect poorer recycling habits by the community. During 2016/17, Council collected its largest ever quantity of recyclables through the kerbside recycling bin (yellow lid).

The relative increase in the percentage (by weight) of recyclables in the kerbside waste bin identified in the June 2016 audit is due to the overall reduction in the weight of material that is now being sent to landfill. The reduction of waste to landfill is primarily due to the introduction of the kerbside green waste bin service.

Performance Measure	2013–14	2014–15	2015–16	2016–17
Ratio of recyclable material to waste landfill	1:2.6	1:2.8	1:2.5	1:1.8
E-waste collection	8,520kg	7,556kg	7,556kg	8,271kg
Recyclable material in kerbside waste bins (red lid)	10.8%	7.8%	12.4%	No data

Source: Borough of Queenscliffe Carbon Emissions Report, Planet Footprint

Community Satisfaction

The satisfaction of the Victorian average for waste management remained steady over the four year period. community satisfaction for waste management in the Borough of Queenscliffe steadily increased from 72 in 2014 to 81 in 2017 resulting in council’s waste management service being

significantly higher than the Victorian average of 71 in 2017.

Over the four year period, results show that the level of satisfaction for environmental sustainability did not fall below than the Victorian average and remained higher (66 in 2017) than the Victorian average (64) in 2017.

Performance Measure	2014 Q’Cliffe	2014 Victoria	2015 Q’Cliffe	2015 Victoria	2016 Q’Cliffe	2016 Victoria	2017 Q’Cliffe	2017 Victoria
Waste Management	72	73	76	72	79	70	81	71
Environmental Sustainability	67	64	64	64	63	63	66	64

Source: Local Government Victoria Community Satisfaction Survey



Breakfast along the Point Lonsdale promenade.

Strategic Objective 4

A well-planned and attractive place to live and visit

Ministerially approved Planning Scheme

The Queenscliffe Planning Scheme Amendment (C27) was formally approved by way of Government Gazette dated 11 May 2017. This followed a statutory process that included:

- Planning Panel Hearing (14 Nov 2016)
- Receipt of Panel Report (7 Dec 2016)
- Formal adoption of Amendment by Council (19 Jan 2017)
- Government Gazette of Ministerial Approval (11 May 2017).

Community Satisfaction

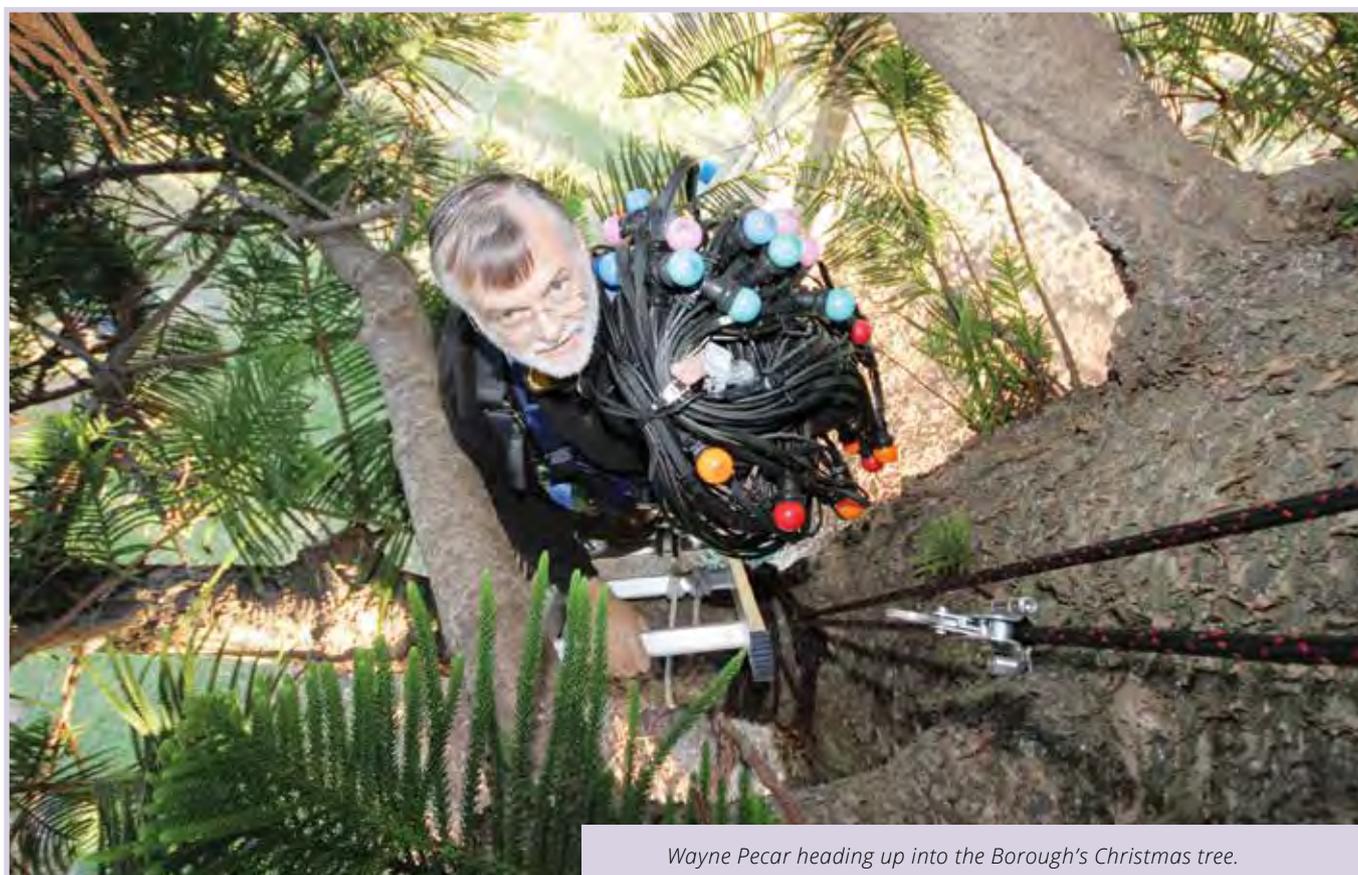
The Borough of Queenscliffe has maintained a steady community satisfaction result for the condition of local streets and footpaths and has continued to stay above the Victorian average over the four year period.

The community satisfaction for the appearance of public areas improved from 77 in 2014 to 80 in 2017, this result was significantly higher than the Victorian average of 71 in 2017.

The Borough of Queenscliffe does not have any art centres in the municipality and only has one library, this could contribute to the community satisfaction results falling slightly under the Victorian average. However, community and cultural activities are very diverse in the Borough which relays via the results showing higher than the Victorian average across all four years.

Performance Measure	2014 Q'Cliffe	2014 Victoria	2015 Q'Cliffe	2015 Victoria	2016 Q'Cliffe	2016 Victoria	2017 Q'Cliffe	2017 Victoria
Condition of local streets and footpaths	64	58	65	58	63	59	65	57
Appearance of public areas	77	72	78	72	74	71	80	71
Art Centres & Libraries	71	75	71	73	69	71	72	73
Community and cultural activities	74	70	71	69	68	65	72	69

Source: Local Government Victoria Community Satisfaction Survey



Wayne Pecar heading up into the Borough's Christmas tree.

Strategic Objective 5

A proactive and accountable Council

Community Satisfaction

The Borough of Queenscliffe's overall performance result of 66 for 2017 represents a three point improvement on the 2016 result. Overall performance ratings are once again on the rise after a downward trend in ratings over the previous two years (from a peak index score of 71 in 2014). This result is significantly higher than the Victorian average of 58 in 2017. Over the four year period Council remained higher than the state-wide average.

In the area of customer service, the Borough of Queenscliffe is similar (score of 71), to the Victorian average of 69 in 2017, and remained higher than the Victorian average over the four year period.

Although the community satisfaction surveyed showed community consultation and engagement as an area for improvement for Council, the Borough of Queenscliffe remained higher (score of 58) than the Victorian average of 55 in 2017.

Council remained higher (score of 59) than the Victorian average of 54 in 2017 for advocacy and maintained higher than state-wide average over the four year period. Similarly the overall Council direction remained higher than the Victorian average over the four year period.

Performance Measure	2014 Q'Cliffe	2014 Victoria	2015 Q'Cliffe	2015 Victoria	2016 Q'Cliffe	2016 Victoria	2017 Q'Cliffe	2017 Victoria
Overall Performance	71	61	68	60	63	59	66	59
Customer Service	76	72	72	70	71	69	71	69
Community Consultation & Engagement	65	57	62	56	57	54	58	55
Advocacy	61	56	63	55	55	53	59	54
Overall Council Direction	62	53	58	53	51	51	56	53

Source: Local Government Victoria Community Satisfaction Survey

Financial Sustainability

The 2013–2017 Council Plan includes a target for five key measures of financial sustainability considered by Council in its budget preparation over each of the last four financial years. The outcome for each of these measures is summarised in the table below.

Performance Measure	Target	2013–14	2014–15	2015–16	2016–17
Underlying Result	Ongoing underlying surpluses:				
	- underlying result for the year	\$636,000	(\$239,000)	(\$1,120,000)	\$233,000
	- cumulative result (since 2008/09)	\$2,759,000	\$2,520,000	\$1,400,000	\$1,633,000
Asset Renewal Gap	Actual asset renewal > depreciation:				
	- cumulative over seven (7) years	163.92%	149.46%	144.17%	138.56%
	- cumulative over ten (10) years	138.71%	141.97%	150.03%	148.12%
Working Capital Ratio	Working capital ratio > 120%	239.16%	249.77%	295.74%	305.84%
Debt Levels	Total debt < 80% of total rates and charges	12.74%	8.71%	4.79%	1.54%
Accumulated Cash Position	Accumulated cash surpluses >= break-even	\$117,000	\$191,000	\$583,000	\$432,000

Source: Borough of Queenscliffe Financial Statements, Asset Management Plans and Long-term Financial Plan.

It is important to note that the underlying deficits in 2014/15 and 2015/16 were funded from cash received in previous financial years and held in reserves until carry forward projects

completed. Council has achieved a cumulative underlying surplus over each of the four financial years included within the 2013–2017 Council Plan.

Key results for the year, as included in June quarter finance reports for each of the four years of the Council Plan 2013 – 2017,

are summarised in the table below, with the variances in each financial year explained in the reference notes.

Key Results for each of the four financial years included in 2013–2017 Council Plan	2013–14 \$'000	2014–15 \$'000	2015–16 \$'000	2016–17 \$'000	Notes
Cash surplus/(deficit) for year					
Adopted Budget	0	0	80	(458)	
Actual Result	(100)	74	392	(151)	
Variance	(100)	74	312	307	1
Accumulated cash surplus					
Adopted Budget	130	0	125	0	
Actual Result	117	191	583	432	
Variance	(13)	191	458	432	1
Surplus/(deficit) for the year					
Adopted Budget	1,812	4,189	448	806	
Actual Result	2,098	664	189	251	
Variance	286	(3,525)	(259)	(556)	2
Underlying surplus/(deficit)					
Adopted Budget	(330)	(436)	(691)	(616)	
Actual Result	636	(239)	(1,120)	233	
Variance	966	197	(429)	848	3
Discretionary reserves					
Adopted Budget	1,933	529	519	614	
Actual Result	3,717	3,522	3,157	3,145	
Variance	1,784	2,994	2,639	2,531	4

Reference Notes

1. Council typically budgets for a break-even cash result each financial year, although this may be impacted by the timing of decisions made with respect to cash results achieved in prior years (the cash surplus is not confirmed until 30th June each year, with decisions generally made by Council following the first quarter's forecast review in the next year). Queenscliffe has achieved a favourable variance to budget in each of the last three financial years, largely due to its success in securing significant government funding toward a number of priority projects and the achievement of other efficiency savings.
2. Council budgets for a surplus operating result each financial year. This result is impacted upon by the timing of government grants and the period in which corresponding project expenditure is completed, often these are not within the same financial year. Funds are held in reserves and carried forward as necessary, thereby ensuring there is no impact on the cash result over time. Council's operating result over each of the last three financial years, at less of a surplus than budgeted, is due to a shift in timing of significant capital grant funding (e.g. Queenscliff Sports & Recreation Precinct) and the completion of projects for which funding was received in previous years (e.g. Point Lonsdale Foreshore Revitalisation). Queenscliffe has continued to achieve a net underlying surplus over time.
3. The underlying result is calculated by adjusting out non-recurrent capital grants and contributions from the operating result. Queenscliffe's favourable outcome, compared with budget, over three of the last four financial years is the result of efficiency savings achieved, operating projects which are yet to be completed (funds held in reserves) and Victoria Grants Commission allocations prepaid to Council in 2014/15 and 2016/17. Note the unfavourable variance in 2015/16 is due to significant capital grant funding being restated from recurrent to non-recurrent funding (it was budgeted as recurrent funding).
4. Council holds a level of reserve funds in its Balance Sheet to meet future asset renewal requirements, waste management costs and potential calls on the defined benefits superannuation liability fund. It also retains surplus funds from operations for Council's discretion in allocating these funds to future projects, providing matching funds for government grant opportunities and/or addressing emerging risk management issues. Queenscliffe typically budgets for all projects to be completed within the same financial year in which funding is received and/or Council budgets allocated, although noting some projects are budgeted over multiple years (e.g. Coastal tender works at Ocean Road and The Narrows is a five year funded program). The favourable variance for total reserve funds held on the Balance Sheet largely reflects carry over operating and capital projects.



*Councillor Susan Salter meets with the Prime Minister
Malcolm Turnbull MP.*



Corporate governance

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Council governance

The value of good governance

The Borough of Queenscliffe is constituted under the *Local Government Act 1989* to provide leadership for the good governance of the municipal district and the local community.

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

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) and are exercised in accordance with adopted Council policies. This system recognises the CEO's responsibility under the *Local Government Act 1989* in managing the day-to-day operations of the organisation.

Conflict of interest

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

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

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

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

Elected representatives

Councillor elections

Victorian local government councils held councillor elections on 22 October 2016. At the Borough of Queenscliffe elections, and following an election countback, the following councillors were elected:

- Councillor Tony Francis (Mayor)
- Councillor Susan Salter (second term)
- Councillor Ross Ebbers
- Councillor Boyce Pizzey
- Councillor Bob Merriman (third term)

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

The statutory meeting at which the current Council took the Oath of Office was held on 9 November 2016.

Previous Council

Prior to the 2016 elections, the following councillors had been in office:

- Councillor Helene Cameron
- Councillor Bob Merriman
- Councillor Susan Salter
- Councillor Sue Wasterval
- Councillor Peter Russell

Code of Conduct

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

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

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

Council Meeting Attendance

Councillor	Number of Council and statutory meetings		Number of special meetings	
	Eligible to attend	Attended	Eligible to attend	Attended
Cr Tony Francis (Mayor)	8	8	2	2
Cr Susan Salter	12	12	4	3
Cr Bob Merriman	12	12	3	3
Cr Ross Ebbels	8	8	2	2
Cr Boyce Pizzey	8	7	2	2
Cr Sue Wasterval	4	4	2	2
Cr Peter Russell	4	4	2	2
Cr Helene Cameron	4	3	2	2

Council meetings

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

Ordinary meetings were held on:

- Wednesday 27 July 2016
- Wednesday 24 August 2016
- Wednesday 21 September 2016
- Wednesday 19 October 2016
- Wednesday 23 November 2016
- Wednesday 14 December 2016
- Thursday 19 January 2017
- Thursday 23 February 2017
- Thursday 30 March 2017
- Thursday 27 April 2017
- Thursday 25 May 2017
- Thursday 22 June 2017

In accordance with Section 71 of the Local Government Act 1989, at a Special Meeting of Council on 9 November 2016, Cr Tony Francis was elected as Mayor for a one year term. At that Special Meeting of Council, Cr Susan Salter was also elected as Deputy Mayor for a one year term.

During the 2016–17 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:

- Monday 5 June 2017 at the Queenscliff Town Hall
- Tuesday 6 June 2017 at the City of Boroondara Offices, Camberwell

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

Councillor	Allowance	Expenses	Total
Cr Tony Francis	\$35,567	\$0	\$35,567
Cr Susan Salter	\$20,822	\$0	\$20,822
Cr Bob Merriman	\$19,833	\$0	\$19,833
Cr Ross Ebbels	\$14,221	\$323	\$14,544
Cr Boyce Pizzey	\$14,221	\$0	\$14,221
Cr Helene Cameron	\$16,624	\$0	\$16,624
Cr Sue Wasterval	\$6,601	\$0	\$6,601
Cr Peter Russell	\$6,357	\$0	\$6,357
TOTAL	\$134,246	\$323	\$134,569

Subsequently, two further special meetings were held to formally hear submissions to the draft Council Plan, Budget and Rating Strategy. These meetings were held on:

- Thursday 8 June 2017 – Draft 2017–2021 Council Plan
- Thursday 6 July 2017 – Draft 2017–18 Implementation Plan and Draft 2017–18 Budget

Councillor allowances and expenses

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

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

Interstate and overseas travel

The *Local Government Act 1989* requires councillors to register their interstate and overseas travel and associated expenses. In the 2016–17 financial year there were no interstate or overseas travel expenses registered.

Committees of Council

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

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

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 2017 include:

- Australia Day Awards Selection Reference Group
- Community Grants Advisory Reference Group
- Governance & Finance Portfolio Reference Group
- Memorials and Plaques Reference Group

New committees and reference groups are established as required.

Tourism and Economic Development Advisory Committee

The Tourism and Economic Development Advisory Committee is an advisory committee to Council. The Committee's role is to provide strategic advice to Council on tourism and economic development related issues on behalf of the Borough's tourism industry.

The Committee consists of seven industry and/or skills based members, Mr Matt McDonald, Mr David Beaumont, Mr Sean Blackwood, Ms Katalin Blond, Ms Lorraine Golightly, Mr Mark Gingell, Matthew Waterson and Rick Rogerson, as well as the Mayor and one Councillor. External members are appointed for a three-year term. The chair is elected from amongst the external members.

The Committee meets at least four times a year. Council officers (including the Chief Executive Officer, General Manager

Audit Committee Attendance

Councillor	Eligible to Attend	Meetings Attended	Sitting Fees Paid
Mr Roland 'Barney' Orchard	3	3	\$1,500
Mr Richard Bull	3	3	\$1,200
Mr David Shaw	3	3	\$1,200
Mr Graeme Phipps	3	3	\$1,200
Cr Susan Salter	3	2	\$0
Cr Bob Merriman	3	3	\$0
TOTAL			\$5,100

Corporate and Community Services and Tourism and Community Development Program Leader) attend all meetings but are not formally part of the Committee. Recommendations from each Tourism and Economic Development Advisory Committee meeting are reported to, and considered by Council.

During the 2016–17 financial year the Tourism and Economic Development Advisory Committee met six times:

- 13 July 2016
- 18 August 2016
- 16 December 2016
- 9 February 2017
- 20 April 2017
- 14 June 2017

The Tourism and Economic Development Advisory Committee provided advice and feedback to Council on the following strategic matters:

- proposal that Council consider hosting an Industry Day
- feedback for the development of Council's Economic Development Strategy, including the draft project brief, industry engagement and consultation process, and business survey and Discussion paper
- feedback on the draft Tourism Directional Signage plan
- the development of a Winter Arts Festival
- identified priorities for the draft 2017–2021 draft Council Plan and draft 2017–18 draft Budget for Council's consideration

Audit Committee

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

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

The Audit Committee consists of four independent members, Mr Barney Orchard, Mr Richard Bull, Mr Graeme Phipps and Mr David Shaw, and two Councillors. Independent members are appointed for a three-year term, with a maximum of three terms. The chair is elected from amongst the independent members.

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.

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

During the 2016–17 financial year the Audit Committee met three times:

- 12 September 2016
- 5 December 2016
- 19 June 2017

The meetings covered a number of standing items that address Council's audit and risk evaluations 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

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

Internal audit topics reviewed by the Committee in the 2016–17 year include:

- Review of Queenscliffe Historic Railway Precinct Project
- Review of the Risk Management Framework
- Events (risk management)
- Payroll
- Information Technology (security controls)
- Business Continuity Plan / Disaster Recovery Plan
- Ongoing review of risk management (including OHS)
- Status of outstanding actions from previous internal audit reports

External audit

Council is externally audited by VAGO. For the 2016–17 year the annual external audit of Council's Performance Statement and Annual Financial Report was conducted by VAGO's representative. The external auditors

attend the Audit Committee meetings in June and September to present the annual audit plan and independent external audit report on the Performance Statement and Annual Financial Report. The external audit management letter and management responses are also provided to the Audit Committee and progress status reports on agreed recommendations are reviewed regularly.

Council officers presented the audited 2015–16 Performance Statement and Annual Financial Report to the Committee prior to 'in principle' adoption by Council and sign-off by VAGO.

Governance

Council officers also presented the following documents to the Audit Committee for scrutiny:

- the quarterly Financial Reports
- the draft annual Council Plan Implementation, Rating Strategy, Budget and presentation to the public
- the year end Governance and Management Checklist prior to inclusion in the Annual Report

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 reducing the burden of red tape, Audit Committee governance, financial systems controls, Public Participation and Community Engagement in Local Government and the results of the 2015–16 Local Government audits.
- revised Council policies, including Procurement, Reconciliation, Information Technology, Outsourcing, Public Art, Sponsorships, Complaints Handling, Councillor Code of Conduct and Protected Disclosures policies and considered a new Council policy regarding Fixed Assets Valuation and Revaluation.
- review of the annual Local Government Community Satisfaction Survey, which compares performance across all Victorian councils.
- updates on Councils draft 2017–18 Implementation Plan, draft 2017–18 Budget and Council's application to

the Essential Services Commission for a higher rate cap.

- advice to Council in review of the Audit Committee charter.

Risk management

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

Incident reporting is an important part of 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 is reported each quarter and followed up in line with Council's risk management policies and procedures.

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

The Risk Committee reports six monthly on risk management activities to the Audit Committee.

The standing agenda for the Risk Management Committee comprises:

- review of audit reports and actioning 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 and disaster recovery, risk training schedule, risk register review and ensuring appropriate insurance policies are in place.

Business continuity

Work has been undertaken in the area of Business Continuity Management to ensure documentation is up to date and in line with current good practice guidelines and standards. During 2016-17 Council developed an IT specific Disaster Recovery Plan to compliment its existing Business Continuity Plan. IT systems and a network that remains operational is critical to enable Council to perform its core activities to support critical Council services delivered to the community. The Disaster Recovery Plan provides procedures for recovering disrupted IT systems and the network, and assists the organisation to resume normal operations.

Business Continuity Management is essential in ensuring the resilience and capability of Council to respond to a business disruption event in a controlled and methodical manner and significantly reduce prolonged periods of interruption in service provision to the community.

Insuring our risks

JLT Municipal Asset Protection Plan Discretionary Trust (JMAPP) provides Council's building and contents insurance and 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 (Council associated organisations)
- personal accident and sickness (employees and Councillors)
- commercial crime (fidelity)
- Insurance premiums have increased by 2.5% (\$4,000) compared with the 2015-16 year, factoring in the claims experience of Council.

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 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 the current and future growth and welfare of our community, inputs from councillors and Council staff, community consultation and consideration of statutory and contractual requirements.

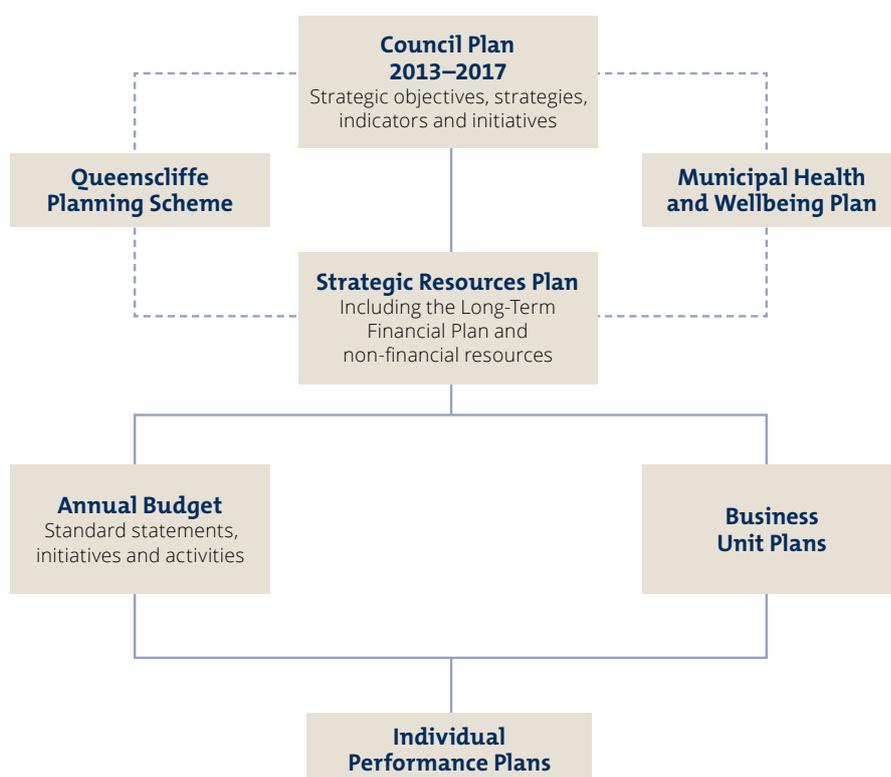
The diagram below depicts Council's strategic planning framework.

Policies, strategies and plans

The following strategies and key planning documents were reviewed and/or adopted by Council during 2016-17.

Title	Date adopted
Council policy CP013 Procurement (revised)	27/07/2016
Council policy CP026 Outsourcing (revised)	27/07/2016
Council policy CP023 Information Technology (revised)	27/07/2016
Council policy CP015 Reconciliation (revised)	27/07/2016
Council policy CP014 Public Art (revised)	24/08/2016
Council policy CP022 Sponsorships (revised)	24/08/2016
2015-16 Annual Financial Report	21/09/2016
2015-16 Annual Report	19/10/2016
Council policy CP035 Complaints Handling Policy (new)	14/01/2016
Council policy CP005 Councillor Code of Conduct	16/02/2017
Council policy CP013 Procurement (revised)	25/05/2017
Council policy CP025 Protected Disclosures (revised)	25/05/2017
Council policy CP020 Vegetation Vandalism (revised)	25/05/2017
Council policy CP024 Memorials and Plaques (revised)	25/05/2017

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



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 Privacy and Data Protection Act 2014. 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

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

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

Council's published Freedom of Information Statement outlines the role of the Council and its key services, functions and reports, and how a person can access the information they require.

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

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

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

Council received four requests for information during the financial year 2016–17.

Documents available for inspection

A range of public information that is available for public inspection under Regulation 12 of the *Local Government (General) Regulations 2015* that 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. Details of overseas or interstate travel undertaken in an official capacity by any Councillor or member of Council staff.
2. Names of Council officers who were required to submit a return of interest during the financial year and the dates the returns were submitted.
3. Names of councillors who submitted returns of interest during the financial year and the dates the returns were submitted.
4. Minutes of ordinary and special meetings held in the previous 12 months which are kept under Section 93 of the Act (except if closed to members of the public under section 89 of the Act).
5. Minutes of meetings of special committees established under section 86 of the Act and held in the previous 12 months (except if closed to members of the public under section 89 of the Act).
6. The register of delegations kept under sections 87 and 98 of the Act.
7. A document containing details of all leases involving land which were entered into by Council as lessor.

8. The register of authorised officers appointed under section 224 of the Act.
9. List of donations and grants made by the Council during the financial year.
10. List of the names of the organisations of which the Council was a member during the financial year.
11. Contracts required to be listed valued at \$150,000 or more.

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.

Protected disclosures

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

The main objective of the Protected Disclosures Act 2012 is to ensure openness and accountability in government by encouraging people to disclose improper conduct within the public sector and provide protection for people who make disclosures. The Act provides protection from detrimental action to any person affected by a protected disclosure, whether it is the person who makes a disclosure, a witness or the person who is the subject of an investigation. Procedures on how to make a disclosure are publicly available on Council's website.

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

During the financial year 2016–17 no disclosures were made to the Borough of Queenscliffe, or to the Independent Broad-based Anti-corruption Commission (IBAC).

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 2016-17.

Domestic (feral and nuisance) animals

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

The Domestic Animal Management Plan 2013–17 was adopted by Council on 24 July 2013. It was prepared in

accordance with the requirements and responsibilities under the following legislation and guiding documents:

- *Domestic (Feral & Nuisance) 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 micro-chipping and de-sexing pets, and the need for a strategic approach to manage domestic animals in the community. Refer to page 84 for the number of animals registered within the Borough of Queenscliffe.

Fire prevention

Under the *Country Fire Authority Act 1958* Council is required to have a Municipal Fire Prevention Plan and to evaluate its implementation in its annual report. Council's Fire Prevention Plan 2012–2015 is currently under review.

Council's 2016–17 annual Fire Prevention Inspection Program has been undertaken in line with the 2009 Victorian Bushfire Royal Commission Recommendations. In 2016–17, thirteen properties were issued with a Schedule 15 Fire Prevention Notice (FPN), with 100% compliance. 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 municipality is being reduced due to new home construction activity which has also impacted the numbers of notices issued.

Organisation governance

Best Value Principles

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

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

Council's Best Value Program has been completed in accordance with its legislative requirements. Council derives learning from the ongoing review applied to all Council services. This has been achieved through the budget process, business planning, continuous improvement, innovation and 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.

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

Benefits of buying local include:

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

Continuous service improvements

The Best Value provisions outlined in the *Local Government Act 1989* require Council to review its services against a number of principles including that of 'continuous improvement'.

Property revaluation

The date of the latest general revaluation of land for rating purposes within the municipality was 1 January 2016. The revaluation was applied in the rating year 2016–17. The next revaluation is scheduled for 1 January 2018.

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 2016-17 a number of infringement notices, registrations and permits were issued under these local laws. These are summarised below:

Infringement notices	2016-17	2015-16	2014-15	2013-14
Parking infringements	185	203	263	243
Animal infringements	6	4	1	4
Local law infringements	1	2	2	4
Fire prevention	0	0	0	0
Planning	1	0	0	0
Total	193	209	266	251

Court briefs	2016-17	2015-16	2014-15	2013-14
Court briefs	0	0	0	0
Total	0	0	0	0

Local law permits	2016-17	2015-16	2014-15	2013-14
Consume alcohol	7	16	17	10
Weddings	12	13	20	25
Major events	31	28	29	24
Bulk rubbish bins	11	5	12	9
Disabled parking	246	52	168	219
Outdoor eating facilities	21	20	14	12
Goods for sale	22	22	8	8
A-frames	54	39	25	25
Residential parking	0	0	0	0
Boat ramp	232	240	252	265
Other	30	42	39	38
Total	666	477	584	635

Animal management	2016-17	2015-16	2014-15	2013-14
Animals registered	676	751	758	728
- Dogs	576	622	629	595
- Cats	100	129	129	133
Impounded animals	31	33	33	25
Door knocks (streets)	47	82	74	67
Animal warning notices	418	396	178	159
Native animal responses	53	47	39	29
Total	1,225	1,309	1,082	1,008

Notices	2015–16	2014–15	2013–14	2012–13
Fire prevention	13	16	11	11
Non-compliance of notices	0	0	0	0
Total	13	16	11	11

Outside hours	2015–16	2014–15	2013–14	2012–13
After hours calls	227	197	98	87
After hours call-outs	61	53	34	24
Total	288	250	132	111



Cypress Pines in Princess Park.

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 2016–17 Council gifted a total of \$102,734.63 to the community and represents a substantial investment in our volunteers, the social fabric of this community.

Recipient	Purpose of community grants and donations	2016–17	2015–16	
Community events				
Queenscliff Music Festival (QMF)	Support of the event (cash donation and in-kind support)	\$19,479.55	\$23,114.99	
Australia Day	Australia Day celebrations	\$4,941.12	\$4,386.90	
Volunteer Day	Volunteer Day celebrations	\$4,330.46	\$4,296.00	
Point Lonsdale Christmas Tree	Point Lonsdale Christmas Tree festivities	\$4,256.61	\$4,200.67	
Senior Citizens Week	Senior Citizens Week activities	\$2,850.80	\$2,575.92	
Refugee Welcome Zone	Refugee welcome event	\$2,602.32	\$2,851.32	
Artists in Residence	Arts event	\$2,023.29	\$4,105.30	
Maritime Weekend	Maritime Weekend activities	\$2,000.00	\$2,000.00	
Sea of Words	Sea of Words event	\$1,036.36	\$1,711.86	
Other event support	Other event support including ANZAC Dawn Service, Red Cross High Tea, Small Business Festival & QMF clean-up	\$5,901.40	\$12,369.88	
Mountain to Mouth	Art installation	\$0.00	\$2,000.00	
Films	Films event	\$0.00	\$448.48	
Sub Total : Community events		\$49,421.91	\$64,061.32	
Contribution to operating costs				
Life Saving Victoria	Lifeguard services	\$30,317.67	\$29,012.13	
Queenscliff Reconciliation Week	Reconciliation activities	\$2,200.00	\$2,200.00	
Sub Total : Contribution to operating costs		\$32,517.67	\$31,212.13	
Arts & Cultural Development Grants				
	2016/17 Year	2015/16 Year		
Point Lonsdale Board Riders Club	Construction of a multipurpose deck at clubhouse	Power access to Clubhouse	\$2,000.00	\$2,000.00
Queenscliff Literary Festival	Literary Festival keynote speaker	Festival keynote speaker fees and costs	\$2,000.00	\$2,000.00
Queenscliffe Maritime Museum	Projects associated with the preparation for first Museums Australia accreditation 2016	Replacement of roller door in Fishermen's co-op building	\$2,000.00	\$1,775.00
Rotary Club of Queenscliffe	Rotunda community, history and tourism information panels		\$2,000.00	\$0.00
Queenscliff Lonsdale Yacht Club	Discover Sailing and Canoeing event kayaks and paddles		\$1,790.00	\$0.00
Coast Guard Queenscliff	Training equipment upgrade	New microwave for kitchen	\$1,569.00	\$140.00
State Emergency Service Bellarine Unit	Enhancing capacity to deal with fallen trees after storm events		\$1,541.05	\$0.00
Queenscliffe Historical Museum	Purchase library trolley station and television	Purchase of display cabinets for 50 years celebration	\$1,295.00	\$2,000.00

Recipient	Purpose of community grants and donations		2016-17	2015-16
Point Lonsdale Surf Life Saving Club	Point Lonsdale Nippers - Youth Aquatic Education and Recreation Program	3mx 3m Club marquee	\$1,000.00	\$1,500.00
Fort Queenscliff Museum	Victoria Cross Garden plaque replacement		\$1,000.00	\$0.00
Queenscliff Community Sports Club	New website		\$1,000.00	\$0.00
St. George & St. James Anglican Church	Ceiling mounted digital projector		\$1,000.00	\$0.00
Queenscliff Point Lonsdale RSL Sub Branch	ANZAC Day 2017 civic commemorations		\$1,000.00	\$0.00
Queenscliff and District Neighbourhood House	Celebrating Queenscliffe Neighbourhood House	Expansion of House Gallery Lighting	\$500.00	\$1,500.00
Point Lonsdale Primary School		Engagement of Indigenous artist Bronwyn Razem and Wathaurung Elder for art and nature workshops across all three schools	\$0.00	\$2,000.00
Uniting Church Outreach Group		Hosting a refugee weekend camp	\$0.00	\$2,000.00
Queenscliff Senior Citizens		Replacement of 10 damaged chairs	\$0.00	\$1,600.00
Point Lonsdale Bowls Club		Safety equipment and access	\$0.00	\$1,500.00
Friends of the Marine Discovery Centre		Lured - Discovering our marine and freshwater environments for Arcare residents, kindergarten and younger school aged children	\$0.00	\$1,250.00
Point Lonsdale Tennis Club		Family tennis for beginners	\$0.00	\$350.00
Sub Total : Arts & Cultural Development Grants			\$19,695.05	\$19,615.00
Youth Cultural Program				
Youth Cultural Program	Youth week		\$0.00	\$4,993.60
Sub Total: Youth Cultural Program			\$0.00	\$4,993.60
Education Awards				
Bellarine Secondary College	Scholarship		\$1,000.00	\$1,000.00
St. Aloysius Primary School	Scholarship		\$100.00	\$0.00
Sub Total: Youth Cultural Program			\$1,100.00	\$1,000.00
TOTAL GRANTS AND DONATIONS PAID TO LOCAL ORGANISATIONS			\$102,734.63	\$120,882.05

Grants and subsidies received

In 2016–17 Council received a total of \$1,058,458 in grants and subsidies from external sources.

Purpose	Type	Period	Funding	Source	2016-17 Actual	2015-16 Actual
Aged Care – Domestic Assistance	Operating	Recurrent	Federal	Department of Health	\$150,236	\$149,328
Aged Care – Community Aged Care Packages	Operating	Recurrent	Federal	Department of Health & Ageing	\$73,280	\$64,095
Aged Care – Personal Care	Operating	Recurrent	Federal	Department of Health	\$63,215	\$49,563
Aged Care – Assessments	Operating	Recurrent	Federal	Department of Health	\$43,153	\$43,331
Aged Care – Home Maintenance	Operating	Recurrent	Federal	Department of Health	\$38,640	\$39,657
Aged Care – Respite Care	Operating	Recurrent	Federal	Department of Health	\$33,643	\$22,840
Community Development Officer	Operating	Recurrent	Federal	Department of Health	\$33,172	\$32,975
Senior Citizens Centre	Operating	Recurrent	Federal	Department of Health	\$12,120	\$8,244
Victorian Seniors Festival – Senior Citizens Week	Operating	Recurrent	Federal	Department of Health	\$2,600	\$2,600
Home Care Packages Program implementation	Operating	Non-recurrent	Federal	Department of Health & Ageing	\$0	\$2,192
Sub total : Federal funding					\$450,059	\$414,824
General Purpose	Operating	Recurrent	State	Victoria Grants Commission	\$293,070	\$97,033
Local Roads	Operating	Recurrent	State	Victoria Grants Commission	\$82,242	\$27,264
Maternal and Child Health	Operating	Recurrent	State	Department of Education & Early Childhood Development	\$40,920	\$39,618
Fire Services Levy Implementation	Operating	Recurrent	State	State Revenue Office – Department of Treasury & Finance	\$36,923	\$35,855
School Crossing Supervisors	Operating	Recurrent	State	Department of Transport, Planning & Local Infrastructure	\$17,199	\$16,780
Beach Cleaning	Operating	Recurrent	State	Department of Sustainability & Environment	\$12,338	\$12,722
Fort Queenscliff Development Plan	Operating	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	\$47,000	\$0
Tourism & Economic Development Strategy	Operating	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	\$20,000	\$0
Walk to School	Operating	Non-recurrent	State	Vic Health	\$10,000	\$16,262
King Street Bus Stop	Capital	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	\$10,000	\$0

Purpose	Type	Period	Funding	Source	2016-17 Actual	2015-16 Actual
Point Lonsdale Foreshore Revitalisation Stage 3 – Village Park Upgrade	Capital	Non-recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	\$8,000	\$72,000
Supporting Queenscliff and Point Lonsdale to prepare for climate change	Operating	Non-recurrent	State	Department of Environment, Land, Water and Planning	\$7,000	\$0
Aged Care – Minor Works	Capital	Recurrent	State	Department of Health	\$2,500	\$28,104
Community Environment Alliance	Operating	Non-recurrent	State	Department of Environment & Primary Industries	\$1,000	\$0
Queenscliff Sports & Recreation Precinct Development	Capital	Non-recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	\$0	\$930,000
Queenscliff Sports & Recreation Precinct Development	Operating	Non-recurrent	State	Sport & Recreation Victoria - Department of Health & Human Services	\$0	\$70,000
Point Lonsdale Foreshore Revitalisation Stage 3 – Village Park Upgrade	Capital	Non-recurrent	State	Regional Development Victoria	\$0	\$180,000
Queenscliff Historic Railway Precinct	Operating	Non-recurrent	State	Department of State Development, Business & Innovation	\$0	\$72,000
Queenscliff Historic Railway Precinct – Senior Citizens & Sea Scouts Buildings	Capital	Non-recurrent	State	Department of State Development, Business & Innovation	\$0	\$28,000
Green Waste Bins	Capital	Non-recurrent	State	Sustainability Victoria	\$0	\$23,086
Climate Resilient Communities of the Barwon South West Adaptation Planning Project	Operating	Non-recurrent	State	Victorian Adaptation and Sustainability Partnership (VASP)	\$0	\$20,000
New path on Bellarine Highway to bus stop	Capital	Non-recurrent	State	Department of Economic Development, Jobs, Transport & Resources	\$0	\$12,500
Installation of additional water fountains	Capital	Non-recurrent	State	Victorian Adaptation and Sustainability Partnership (VASP)	\$0	\$5,000
ANZAC Day	Operating	Non-recurrent	State	Department of Veteran Affairs	\$0	\$4,500
Open Space Strategy	Capital	Non-recurrent	State	Department of Planning and Community Development	\$0	\$3,000
Sub total: State funding					\$588,192	\$1,693,724
Tobacco Activity Program	Operating	Non-recurrent	Other	Municipal Association Victoria	\$20,206	\$13,861
WISE Return to Work Scheme	Operating	Non-recurrent	Other	Worksafe Victoria	\$0	(\$3,019)
Sub total : Other funding					\$20,206	\$10,841
Total grants and subsidies received by Council					\$1,058,458	\$2,119,389

Memberships of organisations

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

Organisation	Membership contribution	
	2016-17	2015-16
Municipal Association of Victoria (MAV) – Membership	\$7,660	\$7,474
Municipal Association of Victoria (MAV) – Step Asset Management Program	\$7,900	\$7,000
Municipal Association of Victoria (MAV) – Small Rural Councils of Victoria	\$3,000	\$3,000
Municipal Association of Victoria (MAV) – Australian Standards Sector-Wide Access Program	\$2,500	\$2,208
Municipal Association of Victoria (MAV) – LG Information Communications Technology	\$286	\$277
Tourism Greater Geelong and the Bellarine – Membership	\$16,765	\$16,277
Tourism Greater Geelong and the Bellarine – Tourism Excellence Professional Development Program	\$2,131	\$2,500
Tourism Greater Geelong and the Bellarine – Caravan Parks Membership	\$666	\$647
Bellarine Catchment Network	\$11,520	\$11,520
G21 Regional Alliance	\$6,313	\$7,000
Association of Bayside Municipalities (ABM)	\$4,942	\$4,942
Victorian Caravan Parks Association (Vic Parks)	\$3,920	\$3,484
Local Government Professionals (LGPro)	\$1,841	\$1,077
CPA Australia	\$1,773	\$1,423
Victorian Tourism Industry Council – Membership	\$650	\$595
Victorian Tourism Industry Council – Tourism Accreditation Program	\$455	\$439
Revenue Management Association (RMA)	\$400	\$380
Local Government Finance Professionals (FinPro)	\$391	\$356
Environmental Health Professionals	\$327	\$295
School Crossings Victoria	\$95	\$95
ANSTAT	\$88	\$88
Victorian Chamber of Commerce and Industry (VECCI)	\$0	\$650
Mainstreet Australia	\$0	\$455
Waste Management Association of Australia	\$0	\$202
Total membership contributions	\$73,623	\$72,385

Governance and management checklist

The following are the results in the prescribed form of council's assessment against the prescribed Governance and Management checklist.

#	Governance and Management Items	Assessment	Tick
1	Community engagement policy (policy outlining Council's commitment to engaging with the community on matters of public interest)	Current policy in operation Date of operation of current policy: 24/09/2014 Next planned review in December 2017	<input checked="" type="checkbox"/>
2	Community engagement guidelines (guidelines to assist staff to determine when and how to engage with the community)	Current guidelines in operation Date of operation of current guidelines: 24/09/2014 Next planned review in December 2017	<input checked="" type="checkbox"/>
3	Strategic Resource Plan ((plan under section 126 of the Act outlining the financial and non-financial resources required for at least the next 4 financial years)	Plan adopted in accordance with section 126 of the Act Plan scheduled to be adopted by the 31/08/2017 extended date in accordance with section 126 of the Act: 10/08/2017	<input checked="" type="checkbox"/>
4	Annual budget (plan under section 130 of the Act setting out the services to be provided and initiatives to be undertaken over the next 12 months and the funding and other resources required)	Budget adopted in accordance with section 130 of the Act 2017/18 Budget scheduled to be adopted by the 31/08/2017 extended date in accordance with section 130 of the Act: 10/08/2017	<input checked="" type="checkbox"/>
5	Asset management plans (plans that set out the asset maintenance and renewal needs for key infrastructure asset classes for at least the next 10 years)	Current plans in operation Date of operation of current plans: General Information 18/09/2007 Road Network 18/09/2007 Buildings & Facilities 18/09/2007 Open Space 16/09/2008 Urban Stormwater Drainage 16/09/2008 Next review planned in December 2017	<input checked="" type="checkbox"/>
6	Rating strategy (strategy setting out the rating structure of Council to levy rates and charges)	Current strategy in operation and remains relevant. Date of operation of current strategy: 13/04/2016 Next planned review in 2017/18	<input checked="" type="checkbox"/>
7	Risk policy (policy outlining Council's commitment and approach to minimising the risks to Council's operations)	Current policy in operation Date of operation of current policy: 29/04/2015 Next planned review in September 2017	<input checked="" type="checkbox"/>
8	Fraud policy (policy outlining Council's commitment and approach to minimising the risk of fraud)	Current policy in operation Date of operation of current policy: 29/04/2015 Next planned review in September 2017	<input checked="" type="checkbox"/>
9	Municipal emergency management plan (plan under section 20 of the Emergency Management Act 1986 for emergency prevention, response and recovery)	Prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> Date prepared and maintained in accordance with section 20 of the <i>Emergency Management Act 1986</i> : 11/02/2016	<input checked="" type="checkbox"/>
10	Procurement policy (policy under section 186A of the <i>Local Government Act 1989</i> outlining the matters, practices and procedures that will apply to all purchases of goods, services and works)	Current policy in operation Date of operation of current policy: 25/05/17 Next planned review in May 2018	<input checked="" type="checkbox"/>
11	Business continuity plan (plan setting out the actions that will be taken to ensure that key services continue to operate in the event of a disaster)	Current plan in operation Date of operation of current plan: 15/06/2016	<input checked="" type="checkbox"/>
12	Disaster recovery plan (plan setting out the actions that will be undertaken to recover and restore business capability in the event of a disaster)	Current plan in operation Date of operation of current plan: 28/06/2017	<input checked="" type="checkbox"/>
13	Risk management framework (framework outlining Council's approach to managing risks to the Council's operations)	Current framework in operation Date of operation of current framework: 29/04/2015	<input checked="" type="checkbox"/>
14	Audit Committee (advisory committee of Council under section 139 of the Act whose role is to oversee the integrity of a Council's financial reporting, processes to manage risks to the Council's operations and for compliance with applicable legal, ethical, and regulatory requirements)	Committee established in accordance with section 139 of the Act Date Committee was established in accordance with section 139 of the Act: 30/10/2013	<input checked="" type="checkbox"/>
15	Internal audit (independent accounting professionals engaged by the Council to provide analyses and recommendations aimed at improving Council's governance, risk and management controls)	Internal auditor not engaged Contract expired on 31/12/2016, tendered in July 2017 and awarded in August 2017	<input checked="" type="checkbox"/>

#	Governance and Management Items	Assessment	Tick
16	Performance reporting framework (a set of indicators measuring financial and non-financial performance, including the performance indicators referred to in section 131 of the Act)	Current framework in operation Date of operation of current framework: 04/06/2014	<input checked="" type="checkbox"/>
17	Council Plan reporting (report reviewing the performance of the Council against the Council Plan, including the results in relation to the strategic indicators, for the first six months of the financial year)	Dates of performance reporting review: 2015/16 Quarter 4 Council Plan Progress Report 21/09/2016 2016/17 Quarter 1 Council Plan Progress Report 23/11/2016 2016/17 Quarter 2 Council Plan Progress Report 23/02/2017 2016/17 Quarter 3 Council Plan Progress Report 27/04/2017	<input checked="" type="checkbox"/>
18	Financial reporting (quarterly statements to Council under section 138 of the Act comparing budgeted revenue and expenditure with actual revenue and expenditure)	Quarterly statements presented to Council in accordance with section 138(1) of the Act Dates of Quarterly statements presented to Council in accordance with section 138(1) of the Act: 2015/16 Quarter 4 Finance Report 21/09/2016 2016/17 Quarter 1 Finance Report 23/11/2016 2016/17 Quarter 2 Finance Report 23/02/2017 2016/17 Quarter 3 Finance Report 27/04/2017	<input checked="" type="checkbox"/>
19	Risk reporting (six-monthly reports of strategic risks to Council's operations, their likelihood and consequences of occurring and risk minimisation strategies)	Reports prepared and presented All Council reports formally reported throughout the year include a section specifically addressing risk management. A range of Audit Committee agenda items also reference risk management, including Internal Audit Report for the second semester of 2016 issued to Council 28/11/2016. Six monthly reports to the Audit Committee are planned in 2017/18.	<input checked="" type="checkbox"/>
20	Performance reporting (six-monthly reports of indicators measuring the results against financial and non-financial performance, including performance indicators referred to in section 131 of the Act)	Reports prepared and presented Dates of presentation of reports: 2015/16 Performance Report 21/09/2016 2016/17 YTD (6 months) Performance Report 23/02/2017	<input checked="" type="checkbox"/>
21	Annual report (annual report under sections 131, 132 and 133 of the Act to the community containing a report of operations and audited financial performance statements)	Annual report considered at a meeting of Council in accordance with section 134 of the Act Date of consideration of Annual report at a meeting of Council in accordance with section 134 of the Act: 19/10/2016	<input checked="" type="checkbox"/>
22	Councillor Code of Conduct (Code under section 76C of the Act setting out the conduct principles and the dispute resolution processes to be followed by Councillors)	Code of conduct reviewed in accordance with section 76C of the Act Date of review of code in accordance with section 76C of the Act: 16/02/2017	<input checked="" type="checkbox"/>
23	Delegations (a document setting out the powers, duties and functions of Council and the Chief Executive Officer that have been delegated to members of staff)	Delegations reviewed in accordance with section 98(6) of the Act Date of review of delegations in accordance with section 98(6) of the Act: 29/04/2015 Section 98(6) of the Act requires that delegations be reviewed within 12 months of a general election. Local government election held 22 October 2016. Review of delegations is scheduled for 21 September 2017 Ordinary Council Meeting.	<input checked="" type="checkbox"/>
24	Meeting procedures (a local law governing the conduct of meetings of Council and special committees)	Meeting procedures local law made in accordance with section 91(1) of the Act Date local law was made in accordance with section 91(1) of the Act: 14/12/2010	<input checked="" type="checkbox"/>

Certification of the governance and management checklist

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



Leonard Jenner

Chief Executive Officer

Date: 21 September 2017

Queenscliff



Councillor Tony Francis

Councillor

Date: 21 September 2017

Queenscliff



Views over Queenscliff from the Vue Grand.

Community satisfaction

The 2017 Community Satisfaction Survey service areas results are summarised in the table below and include the Borough of Queenscliffe Council score against the average score statewide and within the 'small Shires grouping' and a comment on the comparative results.

The survey provide a valuable source of information regarding residents' feedback on Council performance in relation to specific areas of community service provision that play an important role in contributing to the health and wellbeing of the community. This included Elderly Support Services, Family Support Services, Recreation Facilities, Arts Centre & Libraries and Community & Cultural Activities. The specific scores for these services are included in this report.

Council performed best in waste management (81) and public areas (80).

Service	2017 BoQ Score	2017 Statewide Score	2017 Small Shires Score	2017 BoQ Comparative Results
Overall Council Direction	56	53	52	Higher than statewide and LGA grouping
Consultation & Engagement	58	55	55	Higher than statewide and LGA grouping
Lobbying on behalf of the Community	59	54	55	Higher than statewide and LGA grouping
Community Decisions Made	58	54	55	Higher than statewide and LGA grouping
Informing the Community	60	59	58	Higher than statewide and LGA grouping
Customer Service	71	69	69	Higher than statewide and LGA grouping
Sealed local roads	65	53	50	Significantly higher than statewide and LGA grouping
Streets and footpaths	65	57	57	Significantly higher than statewide and LGA grouping
Parking	63	55	63	Significantly higher than statewide and same as LGA grouping
Traffic Management	66	59	67	Significantly higher than statewide and slightly lower than LGA grouping
Law Enforcement	66	64	65	Higher than statewide and LGA grouping
Family Support Services	67	68	67	Slightly lower than statewide and same as LGA grouping
Elderly Support Services	71	68	71	Higher than statewide and same as LGA grouping
Recreational facilities	72	70	69	Higher than statewide and LGA grouping
Public areas	80	74	71	Significantly higher than statewide and LGA grouping
Arts Centres & Libraries	72	73	72	Slightly Lower than statewide and same as LGA grouping
Community activities	72	69	69	Higher than statewide and LGA grouping
Waste management	81	71	70	Significantly higher than statewide and LGA grouping
Business/development and tourism	66	61	64	Higher than statewide and LGA grouping
Town Planning	57	53	51	Higher than statewide and significantly higher than LGA grouping
Planning & Building Permits	53	51	51	Higher than statewide and LGA grouping
Environmental sustainability	66	64	63	Higher than statewide and LGA grouping

The survey results focus attention on those where Council has achieved and needs to maintain comparatively high performance standards as well as those areas needing improvement. The results assist Council in its medium to long term planning and allocation of resources as identified in the Council Plan and the short to medium term program or service interventions and improvements that can be achieved.

The survey results also captured the social impact of several issues occurring in the community at the time the interviews were conducted (February 2016). These matters included community interest and concerns around inappropriate development at the Harbour (Stingrays), parking during peak visitor periods, the high level of community discussion around the proposed boundary realignment and the impact of State Government changes to local government.



View of Point Lonsdale from the vantage point of the pier.



Performance Statement

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Understanding the Performance Statement

Local Government Performance Reporting Framework

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

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

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

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

In addition to the performance information required to be disclosed in the performance statement, councils are also required to disclose other performance-related information in the report of operations in the annual report, including:

- a governance and management checklist (page 91)
- other prescribed indicators and measures of service performance, results achieved and an explanation of material variances (page 99)
- a statement that reviews the performance of Council against the Council Plan, including results achieved in relation to the strategic indicators included in the Council Plan (page 41)

This performance information in the report of operations along with the performance statement forms part of the Local Government Performance Reporting Framework. Taking an integrated approach to performance reporting can help councils understand how well they are performing in meeting the needs of their communities as well as achieving the strategic objectives in the Council Plan.

What is the Performance Statement?

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

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

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

- service performance outcomes,
- financial performance, and
- sustainable capacity.

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

Each result is reviewed by the external auditors. Supporting evidence and data is scrutinised to ensure accuracy of performance reporting. Please refer to page 105 for the Certification of the Performance Statement and page 106 for the VAGO Independent Auditor's Report.

What is the Governance and Management Checklist?

The Governance and Management Checklist measures whether a council has strong governance and management frameworks in place covering community engagement, planning, monitoring, reporting and decision making. It includes 24 qualitative measures against which Council is assessed each year. This checklist is included within the Report of Operations section of the annual report (page 91).

Snapshot of the Borough of Queenscliffe

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

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

Population

In the 2016 Census, the Borough's permanent resident population was 2,853 (2011: 3,000), with 1,538 people residing in Point Lonsdale (2011: 1,596) and 1,315 in Queenscliff (2011: 1,404) as well as a significant non-residential population. The Borough's population increases to around 16,700 people over the summer period.

The estimated resident population as at 30 June 2016 was 3,069 (2015: 3,041). It is anticipated that the population will remain around this level in the foreseeable future as the municipality is fully developed and has a long history of having a large non permanent ownership of property.

Ageing population

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

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

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

Births

New births in the Borough remain relatively low with 16 babies being born in 2016/17 (2015/16: 15 births).

Housing

In the 2016 Census, there are 2,802 dwellings (2011: 2,777) in the Borough of Queenscliffe, with an average household size of 2.0 (2011: 2.09)

Property values in the Borough are generally high with the top quartile averaging \$1,407,802 and the overall median house price being \$700,000.

Government grants

Council has continued to attract significant levels of government grant funding, particularly for the Queenscliff Sports and Recreation Precinct and Destination Queenscliff projects. Government funding is an important source of income for the Borough, in reducing the pressure on Council's rates budget and user fees and charges in order to achieve the same level of services as is currently provided for the community

Sustainable Capacity Indicators

For the Year Ended 30 June 2017

<i>Indicator/measure</i>	Results 2014/15	Results 2015/16	Results 2016/17	Material Variations
Own-source revenue				
<i>Own-source revenue per head of municipal population</i> [Own-source revenue / Municipal population]	\$2,781	\$2,964	\$3,155	Rate revenue represents 66% of own source revenue in 2016/17 with the increase due to the population decline from 3,069 to 2,904. In addition, the Borough attracts significant user fees and charges income, particularly with respect to fees from caravan parks and camping.
Recurrent grants				
<i>Recurrent grants per head of municipal population</i> [Recurrent grants / Municipal population]	\$302	\$222	\$322	Council's funding allocation from the Victoria Grants Commission (VGC) was \$247k for the 2016/17 year. Note 50% of the 2017/18 VGC allocation was prepaid in June 2017 (50% of 2015/16 VGC allocation was prepaid in 2014/15). Queenscliffe receives the lowest VGC funding allocation in the State.
Population				
<i>Expenses per head of municipal population</i> [Total expenses / Municipal population]	\$3,569	\$3,624	\$3,440	Queenscliffe has a very small population base of 2,904, with 2,802 dwellings and an average household size of 2.0. Over 50% of rateable properties in Queenscliffe are non-permanent residences and not reflected in municipal population. The 2016/17 outcome is lower due to a range of major operating projects carried forward to 2017/18 for completion.
<i>Infrastructure per head of municipal population</i> [Value of infrastructure / Municipal population]	\$10,893	\$11,449	\$11,974	The 2016/17 result largely reflects increased investment in infrastructure assets relating to major projects either completed or underway. Queenscliffe's population has also declined to 2,904 (2015/16: 3,069).
<i>Population density per length of road</i> [Municipal population / Kilometres of local roads]	71	70	68	Queenscliffe's population has declined to 2,904 (2015/16: 3,069).
Disadvantage				
<i>Relative socio-economic disadvantage</i> [Index of Relative Socio-economic Disadvantage by decile]	9	9	9	No material variations.

Definitions

adjusted underlying revenue means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

infrastructure means non-current property, plant and equipment excluding land

local road means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

population means the resident population estimated by council

relative socio-economic disadvantage, in relation to a municipality, means the relative socio-economic disadvantage, expressed as a decile for the relevant financial year, of the area in which the municipality is located according to the Index of Relative Socio-Economic Disadvantage (Catalogue Number 2033.0.55.001) of SEIFA

SEIFA means the Socio-Economic Indexes for Areas published from time to time by the Australian Bureau of Statistics on its internet website

unrestricted cash means all cash and cash equivalents other than restricted cash

Service Performance Indicators

For the Year Ended 30 June 2017

Service/Indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Material Variations
Governance Satisfaction <i>Satisfaction with council decisions</i> [Community satisfaction rating out of 100 with how council has performed in making decisions in the interest of the community]	62	54	58	Queenscliffe's result of 58 is above the Small Rural council group average of 55 and the State-wide average of 54.
Statutory Planning Decision making <i>Council planning decisions upheld at VCAT</i> [Number of VCAT decisions that did not set aside council's decision in relation to a planning application / Number of VCAT decisions in relation to planning applications] x100	0%	67%	100%	One application decision was subject to review by VCAT and was upheld.
Roads Satisfaction <i>Satisfaction with sealed local roads</i> [Community satisfaction rating out of 100 with how council has performed on the condition of sealed local roads]	65	65	65	Queenscliffe's result of 65 is above the Small Rural council group average of 50 and the State-wide average of 53.
Libraries Participation <i>Active library members</i> [Number of active library members / Municipal population] x100	37%	38%	40%	No material variance
Waste Collection Waste diversion <i>Kerbside collection waste diverted from landfill</i> [Weight of recyclables and green organics collected from kerbside bins / Weight of garbage, recyclables and green organics collected from kerbside bins] x100	37%	46%	54%	This result continues to improve with the introduction of the new green waste service in 2015/16.
Aquatic Facilities Utilisation <i>Utilisation of aquatic facilities</i> [Number of visits to aquatic facilities / Municipal population]	N/A	N/A	N/A	Queenscliffe does not provide this service.
Animal Management Health and safety <i>Animal management prosecutions</i> [Number of successful animal management prosecutions]	0	0	0	Council's policy of 'first ride home' for straying animals results in a greater emphasis on education. Animal owners are made aware of the potential penalties resulting in reduced likelihood of penalties being issued.
Food Safety Health and safety <i>Critical and major non-compliance notifications</i> [Number of critical non-compliance notifications and major non-compliance notifications about a food premises followed up / Number of critical non-compliance notifications and major non-compliance notifications about a food premises] x100	100%	100%	100%	No material variations.

Service/Indicator/measure	Results 2014/15	Results 2015/16	Results 2016/17	Material Variations
Home and Community Care (HACC) Participation <i>Participation in HACC service</i> [Number of people that received a HACC service / Municipal target population for HACC services] x100	45%	53%	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Participation <i>Participation in HACC service by CALD people</i> [Number of CALD people who receive a HACC service / Municipal target population in relation to CALD people for HACC services] x100	36%	21%	Reporting ceased 1 July 2016	Reporting on HACC ceased on 1 July 2016 due to the introduction of the Commonwealth Government's NDIS and CHSP programs.
Maternal and Child Health (MCH) Participation <i>Participation in the MCH service</i> [Number of children who attend the MCH service at least once (in the year) / Number of children enrolled in the MCH service] x100	75%	75%	92%	79 infants attending the maternal and child health service at least once per year, of the 86 infants enrolled in this service.
Participation <i>Participation in the MCH service by Aboriginal children</i> [Number of Aboriginal children who attend the MCH service at least once (in the year) / Number of Aboriginal children enrolled in the MCH service] x100	0%	0%	0%	NIL Aboriginal children enrolled / attending the MCH service.

Definitions

Aboriginal child means a child who is an Aboriginal person

Aboriginal person has the same meaning as in the *Aboriginal Heritage Act 2006*

active library member means a member of a library who has borrowed a book from the library

annual report means an annual report prepared by a council under sections 131, 132 and 133 of the Act

class 1 food premises means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 1 food premises under section 19C of that Act

class 2 food premises means food premises, within the meaning of the *Food Act 1984*, that have been declared as class 2 food premises under section 19C of that Act

Community Care Common Standards means the Community Care Common Standards for the delivery of HACC services, published from time to time by the Commonwealth

critical non-compliance outcome notification means a notification received by council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that poses an immediate serious threat to public health

food premises has the same meaning as in the *Food Act 1984*

HACC program means the Home and Community Care program established under the Agreement entered into for the purpose of the *Home and Community Care Act 1985* of the Commonwealth

HACC service means home help, personal care or community respite provided under the HACC program

local road means a sealed or unsealed road for which the council is the responsible road authority under the *Road Management Act 2004*

major non-compliance outcome notification means a notification received by a council under section 19N(3) or (4) of the *Food Act 1984*, or advice given to council by an authorised officer under that Act, of a deficiency that does not pose an immediate serious threat to public health but may do so if no remedial action is taken

MCH means the Maternal and Child Health Service provided by a council to support the health and development of children within the municipality from birth until school age

population means the resident population estimated by council

target population has the same meaning as in the Agreement entered into for the purposes of the *Home and Community Care Act 1985* of the Commonwealth

WorkSafe reportable aquatic facility safety incident means an incident relating to a council aquatic facility that is required to be notified to the Victorian WorkCover Authority under Part 5 of the *Occupational Health and Safety Act 2004*.

Financial Performance Indicators

For the Year Ended 30 June 2017

Dimension/indicator/ measure	Results 2014/15	Results 2015/15	Results 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Material Variations
Operating position								
Adjusted underlying result								
<i>Adjusted underlying surplus (or deficit)</i> [Adjusted underlying surplus (deficit) / Adjusted underlying revenue] x100	(2%)	(2%)	2%	(8%)	(7%)	(3%)	(2%)	Underlying surplus in 2016/17 reflects a number of projects, for which grant funding was received and/or Council budgets allocated, carried forward for completion in 2017/18. Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. Redevelopment of the tourist parks is expected to result in a decline in user fees income over the short-term.
Liquidity								
Working capital								
<i>Current assets compared to current liabilities</i> [Current assets / Current liabilities] x100	218%	280%	306%	202%	123%	132%	129%	The continuing high ratio outcome for 2016/17 mainly reflects a number of major projects carried forward for planned completion over multiple years.
Unrestricted cash								
<i>Unrestricted cash compared to current liabilities</i> [Unrestricted cash / Current liabilities] x100	84%	90%	0%	0%	43%	47%	45%	Cash from government grant funding and Council contributions is held in reserves on the Balance Sheet to fund completion of works. The minimal outcome for 2016/17 (and the negative outcome for 2017/18) is due to the bulk of cash reserves being held as other financial assets (investments with maturities exceeding 90 days) rather than cash and cash equivalents, given the nature and timing of projects for which funds are carried forward for planned completion over multiple years.
Obligations								
Loans and borrowings								
<i>Loans and borrowings compared to rates</i> [Interest bearing loans and borrowings / Rate revenue] x100	9%	5%	2%	3%	7%	10%	9%	Proposed new loan not drawn down in 2016/17. The increasing forecast trend for this measure reflects planned borrowings of \$177,400 in 2017/18 and indicative forecast borrowings of \$300,000 in each of the 2018/19 and 2019/20 financial years.
<i>Loans and borrowings repayments compared to rates</i> [Interest and principal repayments on interest bearing loans and borrowings / Rate revenue] x100	4%	4%	3%	1%	1%	1%	2%	One existing loan reached maturity and was repaid in full in 2016/17. Proposed new loan not drawn down in 2016/17. The increasing forecast trend for this measure reflects planned borrowings of \$177,400 in 2017/18 and indicative forecast borrowings of \$300,000 in each of the 2018/19 and 2019/20 financial years.
Indebtedness								
<i>Non-current liabilities compared to own source revenue</i> [Non-current liabilities / Own source revenue] x100	1%	1%	1%	2%	5%	7%	7%	Proposed new loan not drawn down in 2016/17. The increasing forecast trend for this measure reflects planned borrowings of \$177,400 in 2017/18 and indicative forecast borrowings of \$300,000 in each of the 2018/19 and 2019/20 financial years.
Asset renewal								
<i>Asset renewal compared to depreciation</i> [Asset renewal expenses / Asset depreciation] x100	81%	137%	52%	150%	338%	52%	79%	Significant asset renewal completed during 2015/16 includes the Queenscliff Historic Railway Precinct and Queenscliff Kindergarten. Carry forward asset renewal projects, including further significant works for the Destination Queenscliff project, are planned over the 2017/18 and 2018/19 years.

Dimension/indicator/ measure	Results 2014/15	Results 2015/15	Results 2016/17	Forecast 2017/18	Forecast 2018/19	Forecast 2019/20	Forecast 2020/21	Material Variations
Stability								
Rates concentration								
<i>Rates compared to adjusted underlying revenue</i> [Rate revenue / Adjusted underlying revenue] x100	58%	67%	67%	68%	70%	69%	68%	Rates concentration is lower in the 2014/15 year largely due to the Country Roads & Bridges funded project, Hesse Street roundabout, which is a Vic Roads rather than Borough asset.
Rates effort								
<i>Rates compared to property values</i> [Rate revenue / Capital improved value of rateable properties in the municipality] x100	0.27%	0.28%	0.27%	0.28%	0.28%	0.29%	0.30%	No material variations.
Efficiency								
Expenditure level								
<i>Expenses per property assessment</i> [Total expenses / Number of property assessments]	\$3,572	\$3,286	\$3,249	\$3,597	\$3,526	\$3,504	\$3,616	The majority of expenditure incurred by Queenscliffe is non-discretionary and part of managing the services expected of a local council. Given the very small ratepayer base, this translates into a level of expenditure per property assessment which is higher than the outcome for other local councils. The 2014/15 outcome was greater due to the Country Roads & Bridges funded project, Hesse Street roundabout, which is a Vic Roads rather than Borough asset.
Revenue level								
<i>Average residential rate per residential property assessment</i> [Residential rate revenue / Number of residential property assessments]	\$1,989	\$2,063	\$1,919	\$1,962	\$2,001	\$2,041	\$2,082	Rate revenue represents a high proportion of Queenscliffe's revenue with the majority of expenditure non-discretionary and spread across a very small ratepayer base. The decline in residential rates reflects waste management charges separated out from general rates for the first time in the 2016/17 financial year, in accordance with Council's rating strategy.
Workforce turnover								
<i>Resignations and terminations compared to average staff</i> [Number of permanent staff resignations and terminations / Average number of permanent staff for the financial year] x100	8%	15%	3%	0%	0%	0%	0%	Two resignations of permanent staff positions were replaced during the year. Council does not forecast resignations, actual data is reported as incurred.

Definitions

adjusted underlying revenue means total income other than:

- (a) non-recurrent grants used to fund capital expenditure; and
- (b) non-monetary asset contributions; and
- (c) contributions to fund capital expenditure from sources other than those referred to in paragraphs (a) and (b)

adjusted underlying surplus (or deficit) means adjusted underlying revenue less total expenditure

asset renewal expenditure means expenditure on an existing asset or on replacing an existing asset that returns the service capability of the asset to its original capability

current assets has the same meaning as in the AAS

current liabilities has the same meaning as in the AAS

non-current assets means all assets other than current assets

non-current liabilities means all liabilities other than current liabilities

non-recurrent grant means a grant obtained on the condition that it be expended in a specified manner and is not expected to be received again during the period covered by a council's Strategic Resource Plan

own-source revenue means adjusted underlying revenue other than revenue that is not under the control of council (including government grants)

population means the resident population estimated by council

rate revenue means revenue from general rates and service charges

recurrent grant means a grant other than a non-recurrent grant

residential rates means revenue from general rates and service charges levied on residential properties

restricted cash means cash and cash equivalents, within the meaning of the AAS, that are not available for use other than for a purpose for which it is restricted, and includes cash to be used to fund capital works expenditure from the previous financial year

unrestricted cash means all cash and cash equivalents other than restricted cash.

Other Information

For the Year Ended 30 June 2017

Basis of preparation

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

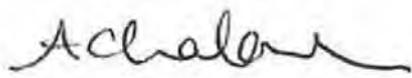
Where applicable the results in the performance statement have been prepared on accounting bases consistent with those reported in the Financial Statements. The other results are based on information drawn from council information systems or from third parties (e.g. Australian Bureau of Statistics).

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

The forecast figures included in the performance statement are those adopted by council in its draft strategic resource plan on 10 August 2017 and which forms part of the council plan. The strategic resource plan includes estimates based on key assumptions about the future that were relevant at the time of adoption and aimed at achieving sustainability over the long term. Detailed information on the actual financial results is contained in the General Purpose Financial Statements. The strategic resource plan can be obtained by contacting council.

Certification of the Performance Report

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



Allison Chaloner CPA

Principal Accounting Officer

Date: 21 September 2017

Queenscliff

In our opinion, the accompanying performance statement of the Borough of Queenscliffe For the Year Ended 30 June 2017 presents fairly the results of council's performance in accordance with the *Local Government Act 1989* and the *Local Government (Planning and Reporting) Regulations 2014*.

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

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

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



Councillor Tony Francis

Councillor

Date: 21 September 2017

Queenscliff



Councillor Bob Merriman

Councillor

Date: 21 September 2017

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 21 September 2017

Queenscliff

Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

<p>Opinion</p>	<p>I have audited the accompanying performance statement of Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none"> • description of municipality for the year ended 30 June 2017 • sustainable capacity indicators for the year ended 30 June 2017 • service performance indicators for the year ended 30 June 2017 • financial performance indicators for the year ended 30 June 2017 • other information and • the certification of the performance statement. <p>In my opinion, the performance statement of Borough of Queenscliffe in respect of the year ended 30 June 2017 presents fairly, in all material respects, in accordance with the performance reporting requirements of Part 6 of the <i>Local Government Act 1989</i>.</p>
<p>Basis for Opinion</p>	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Standards on Assurance Engagements. My responsibilities under the Act are further described in the <i>Auditor's responsibilities for the audit of the performance statement</i> section of my report.</p> <p>My independence is established by the <i>Constitution Act 1975</i>. I and my staff are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's <i>APES 110 Code of Ethics for Professional Accountants</i> (the Code) that are relevant to my audit of the performance statement in Australia and have also fulfilled our other ethical responsibilities in accordance with the Code.</p> <p>I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.</p>
<p>Councillors' responsibilities for the performance statement</p>	<p>The Councillors is responsible for the preparation and fair presentation of the performance statement in accordance with the performance reporting requirements of the <i>Local Government Act 1989</i> and for such internal control as the Councillors determines is necessary to enable the preparation and fair presentation of the statement of performance that is free from material misstatement, whether due to fraud or error.</p>

Auditor's responsibilities for the audit of the performance statement

As required by the *Audit Act 1994*, my responsibility is to express an opinion on the performance statement based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the performance statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion.

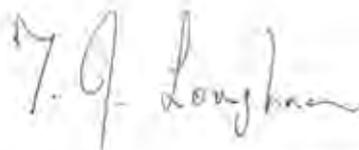
Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Standards on Assurance Engagements will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



Tim Loughnan

as delegate for the Auditor-General of Victoria

MELBOURNE
26 September 2017



Revellers enjoying the atmosphere at the iconic Queenscliff Music Festival.



Financials

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Understanding the Financial Report

Introduction

Financial viability or sustainability is reviewed and assessed using many different tools. The most important tools in understanding Council's financial performance for the period are the financial performance indicators disclosed in the Performance Statement (page 97) and the Financial Report (page 117).

The Financial Statements show how Council performed financially during the 2016–17 financial year and the overall position at the end of the financial year.

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

What is contained in the Financial Report?

Council's Financial Report has two main sections: the Report and the Notes. There are five statements and 39 notes. These are prepared by council staff, examined by the Audit Committee, Council and audited by the Victorian Auditor-General.

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

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

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

Comprehensive Income Statement

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

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

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

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

The key figure to look at is the surplus/(deficit) for the year. A surplus means that the revenue was greater than the expenses. The 2016/17 result is a surplus of \$251,000 (2015/16: \$189,000 surplus).

Balance Sheet

The Balance Sheet is an important financial statement. This one-page summary is a snapshot of the financial situation as at 30 June 2017. It shows what the Council controls as assets and what it owes as liabilities. The bottom line of this statement is net assets. This equates to the total equity (net worth) of Council, which has been built up over many years. The 2016/17 net assets is \$129.485m (2015/16: \$129.235m).

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

Statement of Changes in Equity

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

- the 'profit and loss' from operations, described in the Comprehensive Income Statement as the surplus/(deficit) for the year;
- the use of monies from Council's reserves and transfers to Council's reserves;
- revaluation of assets – this takes place in a staggered fashion every two years for land and building assets and every three years for road network, footpaths and cycle ways, drainage and off-street car park assets (there were no asset revaluations for the 2016/17 financial year); and
- prior period adjustments, where applicable (there were no prior period adjustments in 2016/17).

Statement of Cash Flows

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

Statement of Capital Works

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

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

Capital expenditure tends to fluctuate from one year to the next, often depending on the level of government grants secured for capital works, and also noting some projects occur over multiple years. Total capital expenditure is \$1.384m for the 2016/17 financial year (\$2.280m in 2015/16).

Notes to the Financial Statements

The Notes are a very important and informative section of the report. The Australian Accounting Standards are not prescriptive on a lot of issues. Therefore, to enable the reader to understand the basis on which the values shown in the statements are established, it is necessary to provide details of Council's accounting policies. These are described 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 Statement of Cash Flows. Where Council wishes to disclose other information that cannot be incorporated into the statements, it is shown in the Notes. The Notes should be read in conjunction with the other parts of the Financial Statements to get a clear picture of the accounts.

Certification by Principal Accounting Officer and Councillors

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

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

Auditor-General's Report

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

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



Aerial view of Shortland's Bluff, Queenscliff Lighthouse Reserve

Summary of Financial Performance

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

In brief, Council:

- achieved an underlying surplus of \$233,000 for the period, which was an improvement of \$849,000 compared to the budgeted underlying deficit of (\$616,000) due to lower than expected levels of completed works carried forward from previous years (funded from cash held in reserves on the Balance Sheet), additional income and operational savings achieved in 2016-17;
- ended the financial year with a cash and short term investments balance of \$4,765,000; and
- increased fixed assets (property, infrastructure, plant and equipment) by \$229,000 as a result of programmed renewal and grant-funded capital expenditure, less annual depreciation charges.

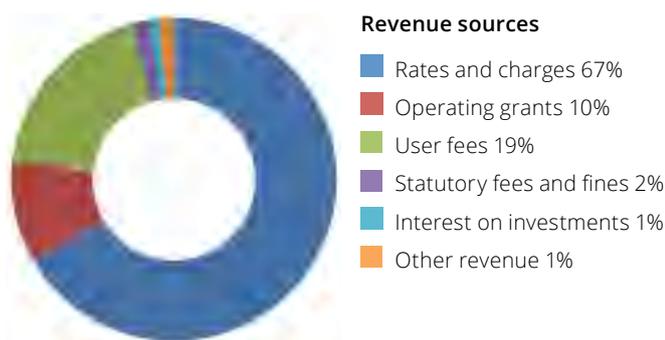
Underlying result

Council achieved an underlying surplus of \$233,000 for the 2016-17 financial year. In each of the six years to 2013-14, Council maintained an underlying surplus greater than Budget. The deficit result in both the 2014-15 and 2015-16 years is due to the delivery of carry forward capital projects in relation to capital investment for which Council has successfully attracted significant external grant funding in previous financial years. The 2016-17 year sees a return to a surplus result.

Revenue

Council's total revenue for the 2016-17 year was \$10,265,000 (down from \$11,123,000 in 2015-16). The lower income is due to decreased grant revenue in 2016-17, compared with the 2015-16 year in which \$1,000,000 grant funding was received for the Queenscliff Sports & Recreation Precinct project.

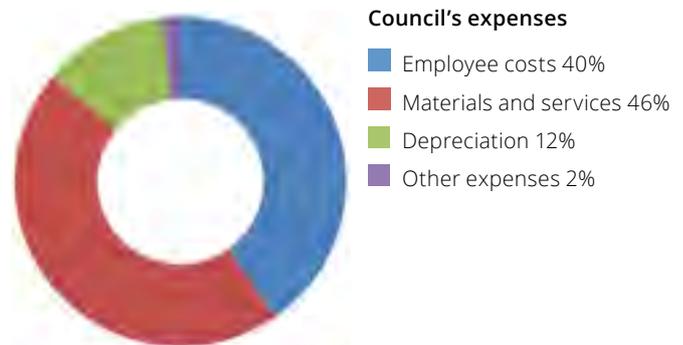
Council's revenue is sourced as follows:



Expenditure

Council's total expenses for the 2016-17 year was \$10,014,000 (down from \$10,934,000 in 2015-16). This reduction in expenditure is mainly due to \$853,000 net loss on sale of land to the Point Lonsdale Surf Life Saving Club for a nominal amount in the 2015-16 year to achieve a significant community benefit to residents and visitors.

Council's expenses are categorised as follows:



Assets

Council's total asset base is \$131,326,000 – an increase of \$78,000 over the previous year.

The major components of assets are:

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

Together these asset categories account for 99.4% of all assets.

Property, infrastructure (including Crown Land assets), plant and equipment is valued at \$125.783 million.

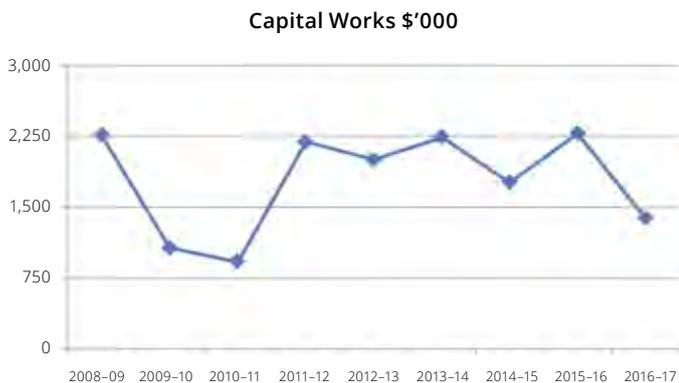
Capital works

During the financial year, Council invested \$1,384,000 (before annual depreciation charges) in capital works projects to increase the total asset base. This investment in capital works continues to focus on maintenance and renewal of the community's existing assets.

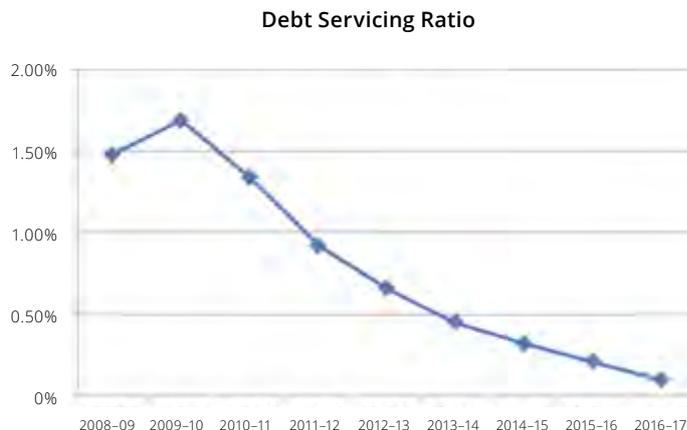
Key projects undertaken during the year included:

- Completion of the final Stage 3 of the Point Lonsdale Foreshore Revitalisation project (Village Park upgrade)
- Construction of the Queenscliff Front Beach Boardwalk
- Extension of rail trail path upgrade from The Narrows to Point Lonsdale Primary School
- Continuation of Stage 2 of the Queenscliff Sports & Recreation Precinct (a three year project)
- Continued implementation of the new finance system (recently completed in July 2017)
- Continuation of coastal tender works at Ocean Road and The Narrows (a five year funded program)

Capital works nine-year comparison, 2008–09 to 2016–17:



Debt Servicing Ratio nine-year comparison, 2008–09 to 2016–17:

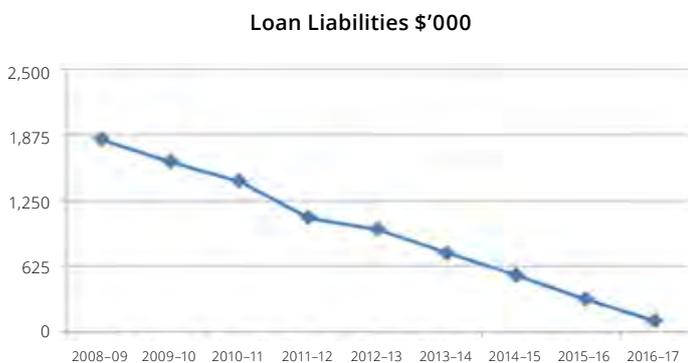


Liabilities

Council's liabilities include loans, amounts owed to suppliers and amounts owed to employees for leave entitlements. Council's total liabilities are \$1,841,000 as at 30 June 2017.

The overall level of liabilities has decreased by \$173,000 from 2015–16 due to a reduction in loans reflecting the active repayment of debt in accordance with agreed loan schedules (noting one loan was repaid in full during the 2016–17 year). Current debt levels (with two existing loans remaining) mean that Council is operating well within the Victorian Government prudential ratio limits.

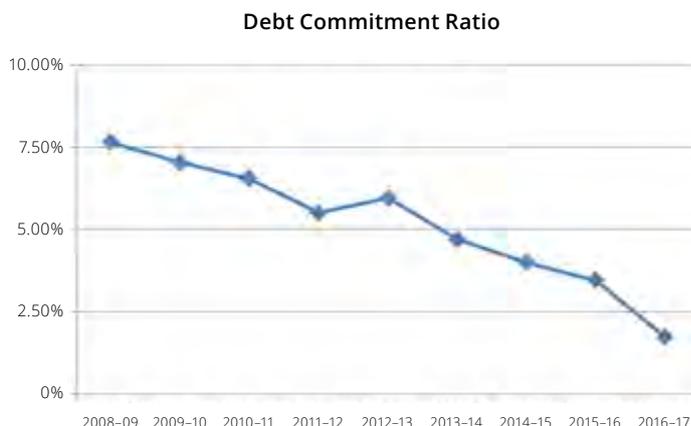
Liabilities nine-year comparison, 2008–09 to 2016–17:



Debt Commitment Ratio

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

Debt Commitment Ratio nine-year comparison, 2008–09 to 2016–17:



Financial indicators

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

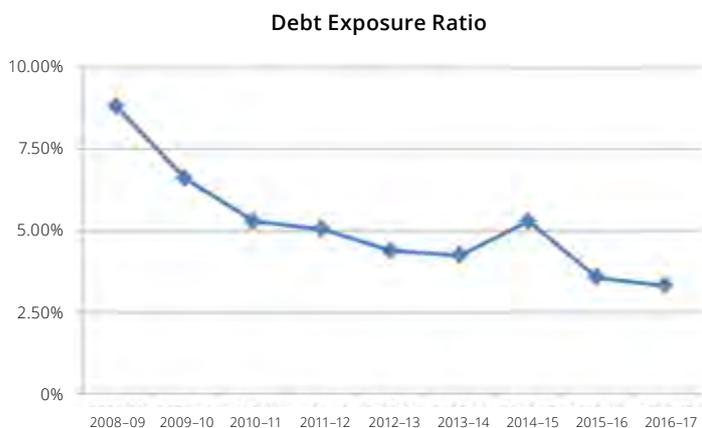
Debt Servicing Ratio

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

Debt Exposure Ratio

The Debt Exposure Ratio enables an assessment of Council's solvency and exposure to debt. A low ratio means that Council's realisable assets (those which can be sold and are not subject to restrictions on realisation or use) such as land, buildings, plant and equipment exceed its overall liabilities. Council has a significant holding of crown land assets, which have been excluded from the calculation of realisable assets, as have road infrastructure assets. Council's ratio has decreased in 2016–17 due to a reduction in loans, reflecting the active repayment of debt in accordance with agreed loan schedules.

Debt Exposure Ratio nine-year comparison, 2008–09 to 2016–17:



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

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

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

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

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

Applying the six indicators of financial sustainability assessed by VAGO each year, the Borough of Queenscliffe Council remains in a sound financial position and is considered 'low' risk on four of the six financial sustainability indicators for the 2016–17 year. It is important to note that, while the outcomes for capital replacement and renewal gap ratios in 2016–17 suggest Council is at 'medium' risk, this outcome is a one year view only, and Council has maintained an average for each of these ratios over the long-term which would actually be assessed as 'low' risk.

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

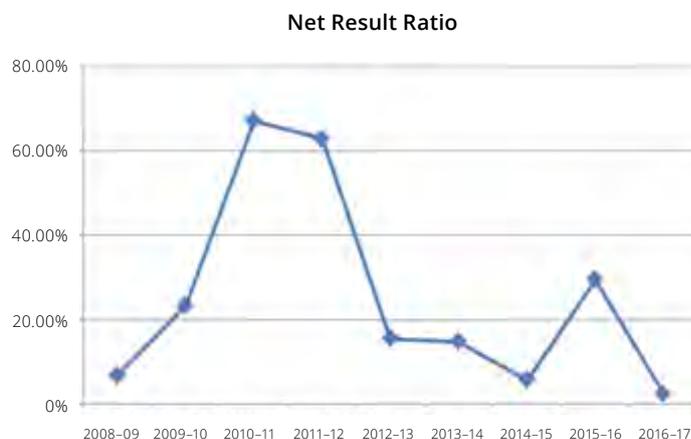
Council officers review the VAGO report and provide commentary to Council each year, discussing the above indicators and in some cases making adjustments to provide more relevant and meaningful indicators/results.

The following charts indicate the Borough's trend over the past nine years on the above financial sustainability indicators. Note that the 2016–17 results are those calculated by the Borough for each of these ratios, as the final VAGO figures are not expected to be reported to Parliament and subsequently released to the public until late in the 2017 calendar year.

Net Result Ratio

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

Net Result Ratio nine-year comparison, 2008–09 to 2016–17:



Sustainability indicators	BOQ Result	Risk levels		
		High	Medium	Low
Income				
Net Result (%)	0%	Negative 10% or less	Between negative 10% and zero	Greater than zero
Liquidity Ratio	3.06	Equal to or less than 0.75	Between 0.75 and 1.0	Greater than 1.0
Indebtedness (%)	5.93%	Greater than 60%	Between 40% and 60%	Less than 40%
Internal Financing (%)	179.68%	Less than 75%	Between 75% and 100%	Greater than 100%
Capital Replacement Ratio	338.85	Equal to or less than 1.0	Between 1.0 and 1.5	Greater than 1.5
Renewal Gap Ratio	2278.66	Equal to or less than 0.5	Between 0.5 and 1.0	Greater than 1.0



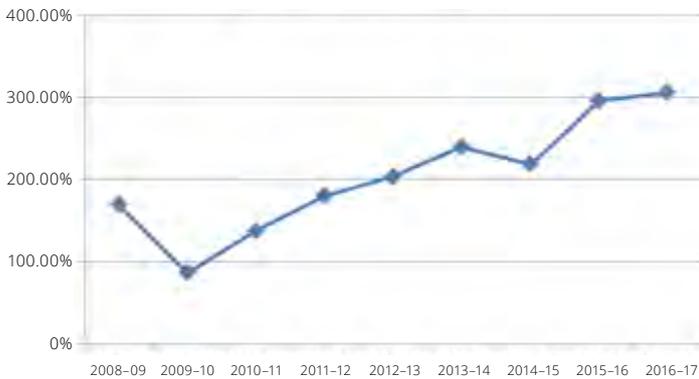
Liquidity Ratio

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

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

Liquidity Ratio / Working Capital Ratio nine-year comparison, 2008-09 to 2016-17:

Working Capital Ratio

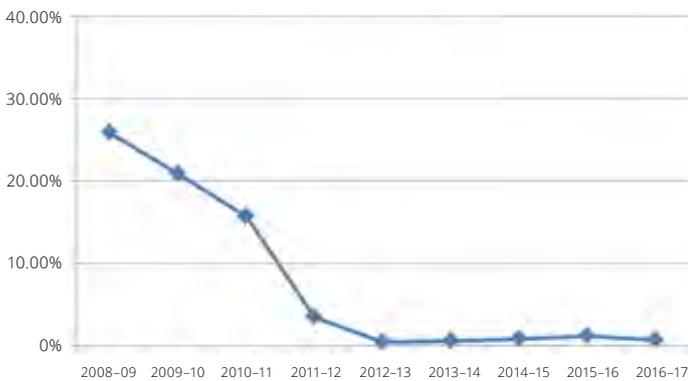


Indebtedness Ratio

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

Indebtedness Ratio nine-year comparison, 2008-09 to 2016-17:

Indebtedness Ratio

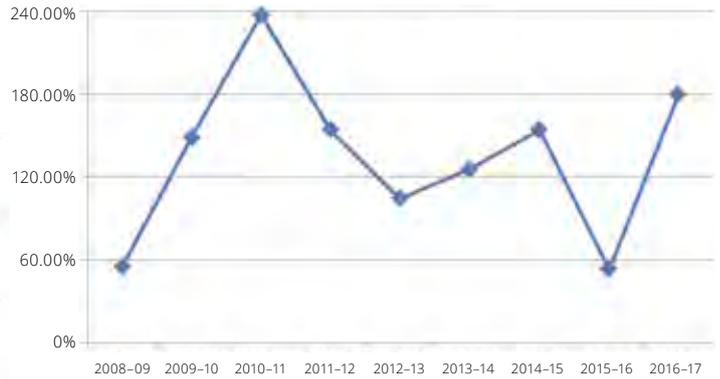


Internal Financing Ratio

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

Internal Financing Ratio nine-year comparison, 2008-09 to 2016-17:

Internal Financing Ratio

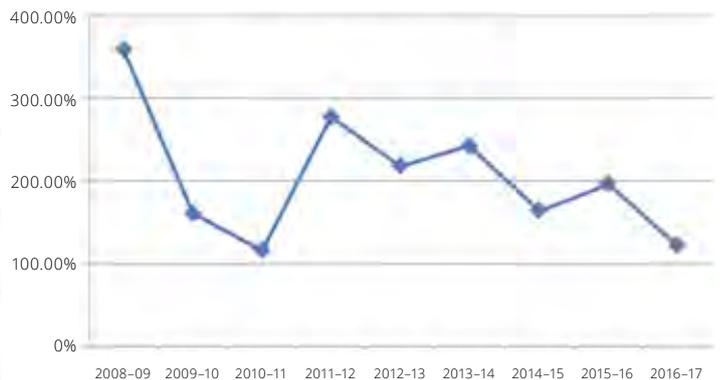


Capital Replacement Ratio

The Capital Replacement Ratio relates to the total capital expenditure payments made in a year and draws a comparison of the rate of spending on property, infrastructure, plant and equipment, with the level of depreciation expense. While the outcome for 2016-17 suggests Council is at 'medium' risk, this is a one year view only, and Council has maintained an average for this ratio over the long-term which would actually be assessed as 'low' risk.

Capital Replacement Ratio nine-year comparison, 2008-09 to 2016-17:

Capital Replacement Ratio



Renewal Gap Ratio

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

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

Renewal Gap Ratio nine-year comparison, 2008-09 to 2016-17:

Renewal Gap Ratio



In summary, the outcomes for the financial sustainability indicators in the 2016-17 financial year, in conjunction with the indicators assessed by VAGO each year, continues to illustrate the Borough of Queenscliffe Council's sound financial position and shows that Council will be considered 'low' risk on four of the six financial sustainability indicators when VAGO's report is released for 2016-17. To reiterate, the capital replacement and renewal gap ratio outcomes suggest Council is at 'medium' risk, however the outcome for both of these ratios should be considered as an average over the longer-term given the nature and timing of grants which may be received in one financial year and related works completed in a future year.

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Comprehensive Income Statement

For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Income			
Rates and charges	3	6,816	6,566
Statutory fees and fines	4	149	102
User fees	5	1,953	2,069
Grants – operating	6	1,037	837
Grants – capital	6	21	1,282
Contributions – monetary	7	19	60
Other income	8	268	207
Net gain on disposal of property, infrastructure, plant and equipment	9	3	-
Total income		10,265	11,123
Expenses			
Employee costs	10(a)	(4,032)	(3,676)
Materials and services	11	(4,575)	(4,726)
Bad and doubtful debts	12	(4)	(2)
Depreciation	13	(1,134)	(1,160)
Borrowing costs	14	(10)	(23)
Other expenses	15	(234)	(478)
Net (loss)/gain on disposal of property, infrastructure, plant and equipment	16	-	(853)
Share of net (losses) / profits of an associate	17	(25)	(15)
Total expenses		(10,014)	(10,934)
Surplus/(deficit) for the year		251	189
Other comprehensive income			
<i>Items that will not be reclassified to surplus or deficit in future periods:</i>			
Net asset revaluation increment / (decrement)	29(a)	-	3,093
Total comprehensive result		251	3,282

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

Balance Sheet

As at 30 June 2017

	Note	2017 \$'000	2016 \$'000
Assets			
Current assets			
Cash and cash equivalents	18	1,581	1,508
Other financial assets	19	3,184	2,348
Trade and other receivables	20	328	382
Inventories	21	6	5
Other assets	22	230	1,212
Total current assets		5,329	5,455
Non-current assets			
Investment in an associate	17	214	240
Property, infrastructure, plant and equipment	23	125,783	125,554
Total non-current assets		125,997	125,794
Total assets		131,326	131,248
Liabilities			
Current liabilities			
Trade and other payables	24	543	584
Trust funds and deposits	25	52	87
Provisions	26	1,020	888
Interest-bearing loans and borrowings	27	42	207
Other liabilities	28	85	78
Total current liabilities		1,742	1,844
Non-current liabilities			
Provisions	26	36	63
Interest, bearing loans and borrowings	27	63	107
Total non-current liabilities		99	169
Total liabilities		1,841	2,014
Net Assets		129,485	129,235
Equity			
Accumulated surplus		89,344	89,082
Reserves	29	40,141	40,153
Total Equity		129,485	129,235

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

Statement of Changes in Equity

For the Year Ended 30 June 2017

2017	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		129,235	89,082	36,996	3,157
Surplus / (deficit) for the year		251	251	-	-
Net asset revaluation increment / (decrement)	29(a)	-	-	-	-
Transfers to other reserves	29(b)	-	(1,121)	-	1,121
Transfers from other reserves	29(b)	-	1,133	-	(1,133)
Balance at end of the financial year		129,485	89,344	36,996	3,145

2016	Note	Total \$'000	Accumulated Surplus \$'000	Asset Revaluation Reserve \$'000	Other Reserves \$'000
Balance at beginning of the financial year		125,953	88,528	33,903	3,522
Surplus / (deficit) for the year		189	189	-	-
Net asset revaluation increment / (decrement)	29(a)	3,093	-	3,093	-
Transfers to other reserves	29(b)	-	(1,917)	-	1,917
Transfers from other reserves	29(b)	-	2,282	-	(2,282)
Balance at end of the financial year		129,235	89,082	36,996	3,157

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 2017

	Note	2017 Inflows/ (Outflows) \$'000	2016 Inflows/ (Outflows) \$'000
Cash flows from operating activities			
Rates and charges		6,832	6,549
Statutory fees and fines		147	101
User fees		1,987	2,029
Grants - operating		1,063	969
Grants - capital		1,062	383
Contributions - monetary - capital		19	89
Interest received		107	128
Trust funds and deposits taken		13	76
Other receipts		107	161
Net GST (payment) / refund		7	9
Total operating receipts		11,345	10,494
Employee costs		(3,917)	(3,638)
Materials and services		(4,616)	(5,354)
Trust funds and deposits repaid		(48)	(38)
Other payments		(272)	(254)
Total operating payments		(8,853)	(9,284)
Net cash provided by/(used in) operating activities	30	2,492	1,210
Cash flows from investing activities			
Payments for property, infrastructure, plant and equipment	23	(1,387)	(2,278)
Proceeds from sale of property, infrastructure, plant and equipment		26	98
Payments for investments		(836)	-
Proceeds from sale of investments		-	1,292
Net cash provided by/(used in) investing activities		(2,197)	(888)
Cash flows from financing activities			
Finance costs		(13)	(26)
Repayment of borrowings		(209)	(224)
Net cash provided by/(used in) financing activities		(222)	(250)
Net increase/(decrease) in cash and cash equivalents		73	72
Cash and cash equivalents at the beginning of the financial year		1,508	1,436
Cash and cash equivalents at the end of the financial year	18	1,581	1,508
Financing arrangements	31		
Restrictions on cash assets	18		

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

Statement of Capital Works

For the Year Ended 30 June 2017

	Note	2017 \$'000	2016 \$'000
Property			
Land improvements		4	9
Total land		4	9
Buildings		394	1,010
Total buildings		394	1,010
Total property		398	1,019
Plant and equipment			
Plant, machinery and equipment		52	216
Fixtures, fittings and furniture		-	13
Computers and telecommunications		221	63
Total plant and equipment		273	292
Infrastructure			
Roads		93	111
Footpaths and cycleways		67	203
Drainage		3	78
Recreational, leisure and community facilities		456	197
Waste management		-	175
Parks, open space and streetscapes		75	110
Off street car parks		-	66
Other infrastructure		21	28
Total infrastructure		713	970
Total capital works expenditure		1,384	2,280
Represented by:			
New asset expenditure		455	373
Asset renewal expenditure		589	1,592
Asset upgrade expenditure		340	315
Total capital works expenditure		1,384	2,280

The above statement of capital works should be read in conjunction with the accompanying notes.

Notes to the Financial Report

For the Year Ended 30 June 2017

Introduction

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

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

Statement of Compliance

These financial statements are a general purpose financial report that consists of a Comprehensive Income Statement, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, Statement of Capital Works and notes accompanying these financial statements. The general purpose financial report complies with 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 2014*.

Note 1 Significant accounting policies

(a) Basis of accounting

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

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

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

- the fair value of land, buildings, infrastructure, plant and equipment (refer to note 1(j))
- the determination of depreciation for buildings, infrastructure, plant and equipment (refer to note 1(k))
- the determination of employee provisions (refer to note 1(p))

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.

(b) Change in accounting policies

There have been no changes in accounting policies from the previous period.

(c) Accounting for investments in associates

Associates are all entities over which Council has significant influence but not control or joint control. Investments in associates are accounted for using the equity method of accounting, after initially being recognised at cost.

Note 1 Significant accounting policies (continued)

(d) Revenue recognition

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.

Rates and charges

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

Statutory fees and fines

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

User fees

User fees are recognised as revenue when the service has been provided or the payment is received, whichever first occurs.

Grants

Grant income is recognised when Council obtains control of the contribution. This 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.

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 6. 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.

Contributions

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

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.

Interest

Interest is recognised as it is earned.

Rental Income

Rental income is recognised as revenue when Council obtains control over the right to receive the income, which is in accordance with invoice arrangements included in lease agreements.

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.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 1 Significant accounting policies (continued)

(e) Fair value measurement

Council measures certain assets and liabilities at fair value where required or permitted by Australian Accounting Standards. AASB 13 Fair value measurement, aims to improve consistency and reduce complexity by providing a definition of fair value and a single source of fair value measurement and disclosure requirements for use across Australian Accounting Standards.

AASB13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Fair value under AASB 13 is an exit price regardless of whether that price is directly observable or estimated using another valuation technique.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within a fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities;

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For the purpose of fair value disclosures, Council has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

In addition, Council determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits at call, and other highly liquid investments with original maturities of 90 days or less, net of outstanding bank overdrafts.

(g) Other financial assets

Other financial assets are valued at fair value, being market value, at balance date. Term deposits are measured at amortised cost. Any unrealised gains and losses on holdings at balance date are recognised as either a revenue or expense.

(h) Trade and other receivables

Short term receivables are carried at invoice amount, as amortised cost using the effective interest rate method would not impact the carrying value. A provision for doubtful debts is recognised when there is objective evidence that an impairment has occurred.

(i) Inventories

Inventories, including land held for sale, are measured at the lower of cost and net realisable value. Where inventories are acquired for no cost or nominal consideration, they are measured at current replacement cost at the date of acquisition.

(j) Recognition and measurement of property, infrastructure, plant and equipment

Acquisition

The purchase method of accounting is used for all acquisitions of assets, being the fair value of assets provided as consideration at the date of acquisition plus any incidental costs attributable to the acquisition. Fair value is the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date.

Where assets are constructed by Council, cost includes all materials used in construction, direct labour, borrowing costs incurred during construction, and an appropriate share of directly attributable variable and fixed overheads.

In accordance with Council's policy, the threshold limits detailed in Note 1(k) have applied when recognising assets within an applicable asset class and unless otherwise stated are consistent with the prior year.

Revaluation

Subsequent to the initial recognition of assets, non-current physical assets comprising land, buildings, roads, footpaths and cycleways and drainage assets are measured at their fair value, being the price that would be received to sell an asset (or paid to transfer a liability) in an orderly transaction between market participants at the measurement date. At balance date, the Council reviewed the carrying value of the individual classes of assets measured at fair value to ensure that each asset materially approximated its fair value. Where the carrying value materially differed from the fair value at balance date, the class of asset was revalued.

Fair value valuations are determined in accordance with a valuation hierarchy. Changes to the valuation hierarchy will only occur if an external change in the restrictions or limitations of use on an asset result in changes to the permissible or practicable highest and best use of the asset. Further details regarding the fair value hierarchy are disclosed at Note 23 Property, infrastructure, plant and equipment.

In addition, Council undertakes a formal revaluation of land, buildings, roads, footpaths and cycleways, drainage and off street car parks assets on a regular basis ranging from two years for land and buildings to three years for roads, footpaths and cycleways and off street car parks assets and up to four years for drainage assets. The valuation is performed either by experienced council officers or independent experts.

Where the assets are revalued, the revaluation increments are credited directly to the asset revaluation reserve except to the extent that an increment reverses a prior year decrement for that class of asset that had been recognised as an expense in which case the increment is recognised as revenue up to the amount of the expense. Revaluation decrements are recognised as an expense except where prior increments are included in the asset revaluation reserve for that class of asset in which case the decrement is taken to the reserve to the extent of the remaining increments. Within the same class of assets, revaluation increments and decrements within the year are offset.

Land under roads

Council recognises land under roads it controls at fair value. Council has not recognised amounts held for Land Under Roads pre 1 July 2008.

Note 1 Significant accounting policies (continued)

(k) Depreciation of property, infrastructure, plant and equipment

Buildings, land improvements, plant and equipment, infrastructure and other assets having limited useful lives are systematically depreciated over their useful lives to the Council in a manner which reflects consumption of the service potential embodied in those assets. Estimates of remaining useful lives and residual values are made on a regular basis with major asset classes reassessed annually. Depreciation rates and methods are reviewed annually.

Where assets have separate identifiable components that are subject to regular replacement, these components are assigned distinct useful lives and residual values and a separate depreciation rate is determined for each component.

Road earthworks are not depreciated on the basis that they are assessed as not having a limited useful life.

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

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

Asset recognition thresholds and depreciation periods	Depreciation Period	Threshold Limit \$'000
Property		
Land		
Land	–	5
Land under roads	–	5
Land improvements	–	5
Buildings	25–200 years	10
Plant and Equipment		
Plant, machinery and equipment	2–10 years	0.5
Fixtures, fittings and furniture	3–10 years	0.5
Computers and telecommunications	3–10 years	0.5
Infrastructure		
Roads	12–80 years	10
Footpaths and cycleways	20–50 years	10
Drainage	15–100 years	5
Recreation, leisure and community facilities	10–100 years	5
Waste management	5–15 years	5
Parks, open space and streetscapes	5–25 years	5
Off-street car parks	12–80 years	5
Other infrastructure	5–100 years	5

(l) 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.

(m) 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.

(n) Trust funds and deposits

Amounts received as deposits and retention amounts controlled by Council are recognised as trust funds until they are returned, transferred in accordance with the purpose of the receipt, or forfeited (refer to Note 25).

(o) Borrowings

Borrowings are initially measured at fair value, being the cost of the interest bearing liabilities, net of transaction costs. The measurement basis subsequent to initial recognition depends on whether the Council has categorised its interest-bearing liabilities as either financial liabilities designated at fair value through the profit and loss, or financial liabilities at amortised cost. Any difference between the initial recognised amount and the redemption value is recognised in net result over the period of the borrowing using the effective interest rate method. The classification depends on the nature and purpose of the interest bearing liabilities. The Council determines the classification of its interest bearing liabilities at initial recognition.

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 refers to the interest expense incurred on borrowings.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 1 Significant accounting policies (continued)

(p) Employee costs and benefits

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

Wages and salaries, annual leave, rostered days off and time-in-lieu

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 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.

Long service leave

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

Classification of employee costs

Current Liability – unconditional LSL 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 wholly settled within 12 months.
- nominal value – component that is expected to be wholly settled within 12 months.

Non-current liability – conditional LSL that has been accrued, where an employee is yet to reach a qualifying term of employment, is disclosed as a non-current liability. 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.

(q) 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.

(r) 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.

(s) Financial guarantees

Financial guarantee contracts are not recognised as a liability in the Balance Sheet unless the lender has exercised their right to call on the guarantee or Council has other reasons to believe that it is probable that this right will be exercised. Council has not provided any bank guarantees as at balance date (as referred to within Note 35).

(t) 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 35) 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 32) and are presented inclusive of the GST payable.

(u) Pending accounting standards

The following new AAS's have been issued that are not mandatory for the 30 June 2017 reporting period. Council has assessed these pending standards and has identified the following potential impacts will flow from the application of these standards in future reporting periods.

Revenue from contracts with customers (AASB 15) (applies 2019/20)

The standard shifts the focus from the transaction-level to a contract-based approach. Recognition is determined based on what the customer expects to be entitled to (rights and obligations), while measurement encompasses estimation by the entity of the amount expected to be entitled for performing under the contract. The full impact of this standard is not known, however it is most likely to impact where contracts extend over time, where there are rights and obligations that may vary the timing or amount of the consideration, or where there are multiple performance elements. This has the potential to impact on the recognition of certain grant income.

Leases (AASB 16) (applies 2019/20)

The classification of leases as either finance leases or operating leases is eliminated for lessees. Leases will be recognised in the Balance Sheet by capitalising the present value of the minimum lease payments and showing a 'right-of-use' asset, while future lease payments will be recognised as a financial liability. The nature of the expense recognised in the profit or loss will change. Rather than being shown as rent, or as leasing costs, it will be recognised as depreciation on the 'right-of-use' asset, and an interest charge on the lease liability. The interest charge will be calculated using the effective interest rate method, which will result in a gradual reduction of interest expense over the lease term.

Council has one operating lease that will be impacted as a result of this change. This will see assets and liabilities of approximately \$52,875 recognised.

(v) 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.

Note 2 Budget comparison

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

The budget figures detailed below are those adopted by Council on 22 June 2016. The Budget was based on assumptions that were relevant at the time of adoption of the Budget. Council sets guidelines and parameters for income and expense targets in this budget in order to meet Council's planning and financial performance targets for both the short and long-term. The budget did not reflect any changes to equity resulting from asset revaluations, as their impacts were not considered predictable.

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

(a) Income and Expenditure

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Income				
Rates and charges	6,783	6,816	33	
Statutory fees and fines	88	149	61	1
User fees	2,174	1,953	(221)	2
Grants – operating	775	1,037	262	3
Grants – capital	1,222	21	(1,202)	4
Contributions – monetary – operating	13	19	6	5
Contributions – monetary – capital	200	-	(200)	6
Other income	106	268	162	7
Net gain / loss on disposal of property, infrastructure, plant and equipment	-	3	(3)	8
Total income	11,360	10,265	(1,095)	
Expenses				
Employee costs	3,847	4,032	(185)	9
Materials and services	5,260	4,575	685	10
Bad and doubtful debts	3	4	(1)	11
Depreciation	1,175	1,134	41	
Borrowing costs	22	10	12	12
Other expenses	247	234	13	
Share of net losses of an associate	-	25	25	13
Total expenses	10,554	10,014	540	
Surplus / (deficit) for the year	806	251	(555)	

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 2 Budget comparison (continued)

(a) Income and expenditure (continued) (i) Explanation of material variations

Variance Ref	Item	Explanation
1	Statutory fees and fines	The increase in income of \$61,000 is mainly due to: 1) \$49k planning fees. After freezing planning fees since 2009, the State Government in October 2016 increased the statutory fees that Council may charge for these services. This has resulted in an additional \$49k income for the 2016/17 year; 2) \$5k voting enforcement infringement income. This relates to the Local Government elections October 2016; 3) \$5k local law permits, including fees received for disabled parking permits which are issued every three years; and 4) \$2k Land Information Certificates, reflecting an increase in certificates issued during 2016/17.
2	User fees	The decrease in income of \$221,000 is mainly due to: 1) (\$147k) lease income budgeted as User fees, reclassified as Other income consistent with the Model Budget; 2) (\$62k) tourist parks income, mainly due to the permanent closure of 10 annual permit sites at the Queenscliff Recreation Reserve; and 3) (\$11k) boat ramp permits, with no increase in fees as planned due to coin mechanism not yet changed for the ticket machine.
3	Grants – operating	The increase in income of \$262,000 is due to: 1) \$128k Victoria Grants Commission funding, with 50% of 2017/18 allocation prepaid in the 2016/17 year; 2) \$47k new grant funding received in 2016/17 for the Fort Queenscliff development plan; 3) \$30k Home and community care grants, for indexation received in 2016/17 which was not budgeted; 4) \$20k Tourism and economic development grant, budgeted in 2015/16, progressed in 2016/17; 5) \$20k Tobacco activity program funding received, not budgeted; 6) \$10k new grant funding received in 2016/17, held in reserves and carried forward for the 2017/18 Walk to School program; and 7) \$7k Sustainability and environment grant, budgeted in 2015/16, progressed in 2016/17.
4	Grants – capital	The decrease in income of \$1,202,000 is due to: 1) (\$500k) funding for Point Lonsdale Lighthouse Reserve, budgeted in 2016/17, now expected to be progressed in 2017/18; 2) (\$491k) funding for Queenscliff Sports & Recreation Precinct, budgeted in 2016/17, now expected to be received in 2017/18; 3) (\$231k) funding for Roads to Recovery Program, budgeted in 2016/17, now expected to be received in 2017/18; 4) \$10k new grant funding received in 2016/17 for a new shelter to be erected at the King Street Bus Stop; 5) \$8k balance of funding for the Point Lonsdale foreshore revitalisation, budgeted in 2015/16, progressed in 2016/17; and 6) \$2k Home and community care minor capital funding received in June 2017.
5	Contributions – monetary – operating	The increase in income of \$6,000 is due to: 1) (\$13k) community contribution to the Fishermen's Co-op, budgeted in 2016/17, now expected to be progressed in 2017/18; 2) \$10k contribution by Small Rural Councils Victoria to work undertaken with respect to transitioning rural councils; and 3) \$9k contribution by Parks Victoria towards the cost of vegetation management undertaken in 2016/17.
6	Contributions – monetary – capital	The decrease in income of \$200,000 is due to contribution for Green Army works at the Point Lonsdale Lighthouse Reserve, budgeted in 2016/17. Note this project is likely to proceed in 2017/18, subject to funding from State government, supported with an in-kind (non-monetary) contribution from the Commonwealth Government's Green Army program.
7	Other income	The increase in income of \$162,000 is mainly due to: 1) \$99k lease income budgeted as User fees, reclassified as Other income consistent with the Model Budget; 2) \$47k reimbursements received from Council's insurer, as an outcome of successful insurance claims lodged in 2016/17; and 3) \$15k interest on investments, the result of continuing high cash balances due to a number of projects carried over to 2017/18.

Note 2 Budget comparison (continued)**(a) Income and expenditure (continued)**
(i) Explanation of material variations (continued)

Variance Ref	Item	Explanation
8	Net gain on disposal of property, infrastructure, plant and equipment	The gain on disposal of property, infrastructure, plant and equipment of \$3,000 was achieved with respect to the cyclical replacement of one motor vehicle during the 2016/17 financial year.
9	Employee costs	The increase in expenditure of \$185,000 is mainly due to: 1) \$50k increase in annual leave provision, reflecting a number of staff who did not take the budgeted four weeks leave in 2016/17; 2) \$47k backfill to key staff roles, not budgeted, although funded by reimbursement from Council's insurer; 3) \$38k for that part of the Enterprise Bargaining Agreement (EBA) signed in December 2016 which related to the 2015/16 year, which was not accrued due to the EBA having not been agreed at the time the accounts were finalised last financial year; 4) \$33k additional cost associated with financial services team working on implementation of the finance system alongside the 2017/18 budget preparation including Council's application for a higher rate cap; 5) \$26k maternity leave payments, budget based on one maternity leave cover p.a., 3 staff were paid maternity leave in 2016/17; 6) \$25k back payment to staff for entitlements due, not budgeted nor accrued in prior year; 7) \$15k Council's application to the Essential Services Commission (ESC) for a higher rate cap, budgeted as materials and services (contractors), for which this work was undertaken by employees instead; and 8) (\$49k) tourist park seasonal caretakers, budgeted as employees, undertaken by contract staff (materials and services).
10	Materials and services	The decrease in expenditure of \$685,000 is mainly due to: 1) \$504k for operating projects budgeted in 2016/17 and carried over for completion in the 2017/18 year, with funds held in carry forward operating reserves at 30/06/2017, noting the larger projects include: \$100k Camping and caravan park improvement investment fund, \$60k coastal vegetation management including at the Point Lonsdale Lighthouse Reserve, \$54k tourism and economic development strategy, \$41k Coastal tender works at Ocean Road and The Narrows and \$41k climate change plan; 2) \$369k budget savings identified in the 2016/17 year, including: \$73k electricity including street lighting, \$61k Queenscliffe Planning Scheme Panel, \$52k public convenience maintenance, \$41k electrical repairs and plumbing at the tourist parks, \$30k home and community care expenses funded from grants, \$27k Avenue of Honour tree replacement program, \$26k landfill disposal levy, \$20k beach cleaning and amenity, \$16k Fire Services Property Levy exemption on Council properties, \$12k insurance premiums and \$11k maternal and child health expenses funded from grants instead; 3) \$15k Council's application to the ESC for a higher rate cap, budgeted as materials and services, undertaken by employees; 4) (\$108k) powerline clearance, due to recent tender outcome being at a higher cost, coupled with 2015/16 works not accrued; 5) (\$49k) tourist park seasonal caretakers, budgeted as employees, undertaken by contract staff (materials and services); and 6) (\$46k) vegetation management, with \$9k of this additional expenditure funded by contribution from Parks Victoria.
11	Bad and doubtful debts	The increase in expenditure of \$1,000 relates to parking infringements and associated legal costs. Council provides an annual budget of \$3k for write-off associated with parking infringements, noting \$4k was actually written off in the 2016/17 year.
12	Borrowing costs	The decrease in expenditure of \$12,000 is due to the 2016/17 budget providing for interest charges on a new loan for Streetlight Replacement to LED, which is now expected to be progressed in 2017/18.
13	Share of net losses of an associate	The loss in equity of \$25,000 is the result of Council's share in the loss reported by the Geelong Regional Library Corporation for the 2016/17 financial year.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 2 Budget comparison (continued)

b) Capital works

	Budget 2017 \$'000	Actual 2017 \$'000	Variance 2017 \$'000	Ref
Property				
Land improvements	81	4	77	1
Buildings	666	394	272	2
Total property	746	398	348	
Plant and equipment				
Plant, machinery and equipment	202	52	150	3
Fixtures, fittings and furniture	5	-	5	4
Computers and telecommunications	184	221	(37)	5
Total plant and equipment	391	273	118	
Infrastructure				
Roads	366	93	273	6
Footpaths and cycleways	132	67	65	7
Drainage	61	3	58	8
Recreational, leisure and community facilities	462	456	6	
Parks, open space and streetscapes	1,072	75	997	9
Other infrastructure	404	21	383	10
Total infrastructure	2,496	713	1,783	
Total capital works expenditure	3,633	1,384	2,249	

(i) Explanation of material variations

Variance Ref	Item	Explanation
1	Land improvements	The decrease of \$77,000 is due to land improvements, budgeted in 2016/17, which are continuing and will be carried over for completion in the 2017/18 year.
2	Buildings	The decrease of \$272,000 is mainly due to: 1) \$181k Annual asset renewal program for Council and Crown Land building assets, budgeted in 2016/17, to be carried over for completion in the 2017/18 year; and 2) \$89k Queenscliff Sports and Recreation Precinct buildings, budgeted in 2016/17, which is continuing and will be carried over to the 2017/18 year, noting this project is planned to continue through to 2018/19.
3	Plant, machinery and equipment	The decrease of \$150,000 is due to: 1) \$138k motor vehicle replacements, noting only one motor vehicle was replaced in 2016/17, with \$69k net budget savings (including carry forward funds from 2015/16 and budgeted proceeds) declared as savings in 2016/17; 2) \$7k installation of CCTV cameras, budgeted in 2016/17, now expected to be progressed in 2017/18; and 3) \$5k minor plant and equipment budget savings achieved in the 2016/17 financial year.
4	Fixtures, fittings and furniture	The decrease of \$5,000 is due to office assets renewal budgeted, not required in the 2016/17 year.

Note 2 Budget comparison (continued)**(b) Capital works (continued)****(i) Explanation of material variations (continued)**

5	Computers and telecommunications	The increase of \$37,000 is due to: 1) \$82k for the implementation of a new corporate finance system, budgeted over the two financial years 2015/16 and 2016/17, with funds carried over from 2015/16 toward the cost of this project work in the 2016/17 year; and 2) (\$45k) asset renewal budgeted in 2016/17, not required given lower costs of server and software upgrades compared with original estimates and cyclical replacement of computers now every four years (previously triennial).
6	Roads	The decrease of \$273,000 is due to: 1) \$231k Roads to Recovery Program, for which both funding and related expenditure will now occur in 2017/18; 2) \$22k asset renewal of roads, budgeted in 2016/17, declared as savings in the 2016/17 financial year; 3) \$15k pedestrian crossing no longer expected to be progressed; and 4) \$5k Queenscliff Sports and Recreation Precinct roads, budgeted in 2016/17, which is continuing and will be carried over to the 2017/18 year, noting this project is planned to continue through to 2018/19.
7	Footpaths and cycleways	The decrease of \$65,000 is due to: 1) \$40k footpath strategy, budgeted in 2016/17, to be carried over to the 2017/18 financial year; 2) \$23k rail trail path upgrade from The Narrows to Point Lonsdale Primary School, cost lower than estimated; and 3) \$2k asset renewal of footpaths, remaining budget to be carried over to 2017/18 for further renewal works.
8	Drainage	The decrease of \$58,000 is due to drainage asset renewal, budgeted in 2016/17, to be carried over for expenditure in the 2017/18 financial year.
9	Parks, open space and streetscapes	The decrease of \$997,000 is mainly due to: 1) \$700k Point Lonsdale Lighthouse Reserve, budgeted in 2016/17, to be progressed in 2017/18 and 2018/19; 2) \$180k Queenscliff Park, budgeted in 2016/17, to be progressed in the 2017/18 year; 3) \$90k Queenscliff front beach boardwalk budgeted as parks, open space and streetscapes. reclassified as recreational, leisure and community facilities; 4) \$14k renewal of open space assets, budgeted in 2016/17, to be carried over to 2017/18; and 5) \$10k renewal of park assets, budget savings declared in 2016/17.
10	Other infrastructure	The decrease of \$383,000 is due to: 1) \$236k deferral of Streetlight Replacement to LED project, budgeted in 2016/17, to the 2017/18 year; 2) \$143k planning for path lighting at The Narrows, between King Street and Murray Road, and installation of path lighting at Queenscliff Neighbourhood House and the ferry to pier shared path, budgeted in 2016/17 and carried forward to the 2017/18 financial year; 3) \$25k street signs upgrade, budgeted in 2016/17, to be carried over to the 2017/18 year; 4) (\$16k) towns entry and main road tourism signage, carried over from 2015/16 and undertaken in 2016/17; and 5) (\$5k) water fountains, for which funding was received in 2015/16 and carried over, was completed in 2016/17.

Notes to the Financial Report

For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Note 3 Rates and charges		
Council uses Capital Improved Value (CIV) as the basis of valuation of all properties within the municipal district. The CIV of a property is the value of the land and all its improvements.		
The valuation base used to calculate general rates for 2016/17 was \$2,457 million (2015/16: \$2,328 million).		
General rates		
Residential	4,936	5,323
Tourist accommodation	628	697
Commercial	376	430
Total general rates	5,941	6,450
Waste management charges		
Kerbside waste	436	-
Public waste	296	-
Green waste	104	107
Additional bins	15	15
Total waste management charges	851	122
Other rates and charges		
Cultural and recreational charges – in lieu of rates	4	4
Supplementary rates and charges	42	4
Less: additional pensioner concession offered by Council	(16)	(9)
Less: rebate for properties of environmental interest	(5)	(5)
Total other rates and charges	25	(5)
Total rates and charges	6,816	6,566

The date of the latest general revaluation of land for rating purposes within the municipal district was 1 January 2016 and the valuation was first applied in the rating year commencing 1 July 2016.

Note 4 Statutory fees and fines		
Town planning fees	99	57
Infringements and costs	21	21
Permits	18	14
PERIN court recoveries	5	6
Land information certificates	6	4
Total statutory fees and fines	149	102

Note 5 User fees		
Caravan park fees	1,671	1,727
Boat ramp fees – ticket machines	95	99
Aged services	75	89
Registration and other permits	54	52
Building services	17	16
Tourism	12	15
Recycling disposal income	20	13
Valuation fees/supplementary charges	(4)	44
Other fees and charges (< \$10,000 each)	13	13
Total user fees	1,953	2,069

Note 6 Grants

	2017 \$'000	2016 \$'000
Grants were received in respect of the following:		
Summary of grants		
Commonwealth funded grants	450	414
State funded grants	588	1,694
Other grants	20	11
Total grants received	1,058	2,119
Operating grants		
<i>Recurrent – Commonwealth Government</i>		
Aged services	450	412
<i>Recurrent – State Government</i>		
Victoria Grants Commission	375	124
Maternal and child health	41	40
Fire Services Property Levy administration	37	36
School crossing supervision	17	17
Beach cleaning	12	13
Total recurrent operating grants	932	641
<i>Non-recurrent – Commonwealth Government</i>		
Aged services	–	2
<i>Non-recurrent – State Government</i>		
Tourism and economic development	67	72
Community development	10	16
Sustainability and environment	8	20
Coastal and environment	–	70
Other grants (< \$10,000 each)	–	5
<i>Non-recurrent – Other</i>		
Environmental health	20	14
Other grants (< \$10,000 each)	–	(3)
Total non-recurrent operating grants	105	196
Total operating grants	1,037	837

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 6 Grants (continued)

	2017 \$'000	2016 \$'000
Capital grants		
<i>Recurrent – State Government</i>		
Aged services	3	28
Total recurrent capital grants	3	28
<i>Non-recurrent – State Government</i>		
Other infrastructure	10	13
Recreation, leisure and community facilities	8	1,187
Buildings	–	28
Waste management	–	23
Parks, open space and streetscapes	–	3
Total non-recurrent capital grants	18	1,254
Total capital grants	21	1,282
Unspent grants received on condition that they be spent in a specific manner		
Balance at start of year	1,434	1,092
Received during the financial year and remained unspent at balance date	215	1,256
Received in prior years and spent during the financial year	(632)	(913)
Balance at year end	1,017	1,434

	2017 \$'000	2016 \$'000
Note 7 Contributions		
Monetary – operating	19	4
Monetary – capital	–	56
Total contributions	19	60
Note 8 Other income		
Interest – investment of surplus cash	106	100
Interest – rates	14	16
Other rent – lease of Crown Land properties	53	52
Other rent – lease of Council properties	46	37
Reimbursements	49	3
Total other income	268	207
Note 9 Net gain on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	26	–
Write down value of assets disposed	(23)	–
Total net gain on disposal of property, infrastructure, plant and equipment	3	–
Note 10(a) Employee costs		
Wages and salaries	3,324	3,003
Superannuation	321	294
Annual leave and long service leave	161	176
Overtime	111	101
Fringe benefits tax	57	56
Workcover premium	59	46
Total employee costs	4,032	3,676
Note 10(b) Superannuation		
Council made contributions to the following funds:		
Defined benefit fund		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	29	28
Total employer contributions to defined benefit fund	29	28
Employer contributions payable at reporting date	–	–
Accumulation funds		
Employer contributions to Local Authorities Superannuation Fund (Vision Super)	195	195
Employer contributions – other funds	86	68
Total employer contributions to accumulation funds	280	263
Employer contributions payable at reporting date	30	22
Refer to note 34 for further information relating to Council's superannuation obligations.		
Note 10(c) Total Superannuation		
Employee costs – superannuation (Note 10(a))	321	294
Property, infrastructure, plant and equipment – capitalised superannuation	19	19
Total superannuation paid/payable to superannuation funds (Note 10(b))	340	313

Notes to the Financial Report

For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Note 11 Materials and services		
General service delivery	920	822
Contract payments	887	885
Waste management	837	854
Non-recurrent operating projects (rates funded)	40	38
Building, works, plant and equipment maintenance	295	177
Utilities	228	264
Foreshore and open space maintenance	236	260
Contribution to Geelong Regional Library Corporation	226	229
Labour contracts (information technology, building surveyor, heritage advisor and specialist backfill)	274	188
Insurance	181	172
Office administration	171	126
Information technology software and maintenance agreements	118	108
Local government election costs	86	6
Non-recurrent operating projects (grant funded)	74	597
Total materials and services	4,575	4,726
Note 12 Bad and doubtful debts		
Parking fine debtors	3	2
Caravan park debtors	-	3
Other debtors	1	(2)
Total bad and doubtful debts	4	2
Note 13 Depreciation		
Property	421	397
Plant and equipment	137	138
Infrastructure	576	626
Total depreciation	1,134	1,160
Refer to note 23 for a more detailed breakdown of depreciation charges.		
Note 14 Borrowing costs		
Interest - Borrowings	10	23
Total borrowing costs	10	23

	2017 \$'000	2016 \$'000
Note 15 Other expenses		
Councillors' allowances	134	136
Auditors' remuneration – VAGO – audit of the financial statements, performance statement and grant acquittals	38	43
Auditors' remuneration – Internal	12	20
Operating lease rentals	34	39
Asset write offs	–	216
Other	16	24
Total other expenses	234	478
Note 16 Net loss on disposal of property, infrastructure, plant and equipment		
Proceeds of sale	–	98
Written down value of assets disposed	–	(951)
Total loss on disposal of property, infrastructure, plant and equipment	–	(853)
Note 17 Investment in an associate		
Investment in an associate accounted for by the equity method is:		
Geelong Regional Library Corporation	214	240
Geelong Regional Library Corporation		
<i>Background</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 audited financial statements for the year ended 30 June 2017. Council's share of the net assets (1.81%) is calculated on the same ratio as it contributes to the operating costs of the service. Annual contributions to the library service are included in the Comprehensive Income Statement.		
Fair value of Council's investment in Geelong Regional Library Corporation	214	240
Council's share of accumulated surplus		
Council's share of accumulated surplus at start of year	170	185
Reported deficit for year	(25)	(15)
Council's share of accumulated surplus at end of year	145	170
Movement in carrying value of investment		
Carrying value of investment at start of year	240	255
Share of deficit for year	(25)	(15)
Carrying value of investment at end of year	214	240
Note 18 Cash and cash equivalents		
Cash on hand	2	2
Cash at bank	556	994
Money market at call accounts	3	4
Term deposits	1,021	507
Total cash and cash equivalents	1,581	1,508

Notes to the Financial Report

For the Year Ended 30 June 2017

	2017 \$'000	2016 \$'000
Note 18 Cash and cash equivalents (continued)		
Council's cash and cash equivalents are subject to external restrictions that limit amounts available for discretionary use. These include:		
Trust funds and deposits (Note 25)	52	87
Total restricted funds	52	87
Total unrestricted cash and cash equivalents	1,529	1,420
Intended allocations		
Although not externally restricted, the following amounts have been allocated for specific future purposes by Council		
- Cash held to fund carried forward capital works (Note 29(b))	1,132	1,775
- Cash held to fund carried forward operating projects (Note 29(b))	998	852
- Cash held to fund future asset replacement requirements (Note 29(b))	930	490
- Cash held to fund future calls on the defined benefits superannuation fund (Note 29(b))	40	40
- Cash held to fund future waste management costs (Note 29(b))	46	-
Total funds subject to intended allocations	3,145	3,157
Refer also to Note 19 for details of other financial assets held by Council.		
Note 19 Other financial assets		
Term deposits	3,184	2,348
Total other financial assets	3,184	2,348
Note 20 Trade and other receivables		
Current		
Rates debtors	194	213
Pensioner rebate	24	24
Caravan park debtors	-	4
Provision for doubtful debts - caravan park income	-	(4)
Parking infringement debtors	12	10
Provision for doubtful debts - parking infringements	(8)	(4)
Government grants	-	25
Other rent - lease of Council properties	19	14
Other debtors	12	17
Net GST receivable	75	82
Total current trade and other receivables	328	382
Total trade and other receivables	328	382

	2017 \$'000	2016 \$'000
Note 20 Trade and other receivables (continued)		
a) Ageing of 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 (excluding statutory receivables) was:		
Current (not yet due)	9	48
Past due by up to 30 days	9	4
Past due between 31 and 180 days	15	5
Past due between 181 and 365 days	1	2
Past due by more than 1 year	1	3
Total trade and other receivables	35	62
b) Movement in provisions for doubtful debts		
Balance at the beginning of the year	8	7
New provisions recognised during the year	4	7
Amounts already provided for and written off as uncollectible	(4)	(3)
Amounts provided for but recovered during the year	-	(3)
Balance at end of year	8	8
c) Ageing of individually impaired receivables		
At balance date, debtors (including caravan park, parking infringements and other debtors) representing financial assets with a nominal value of \$7,668 (2016: \$7,268) were impaired and a provision was raised against these debtors for the amounts impaired. They individually have been impaired as a result of their doubtful collection. Many of the long outstanding past due amounts have been lodged with Council's debt collectors or are on payment arrangements. The ageing of receivables that have been individually determined as impaired at reporting date was:		
Current (not yet due)	-	-
Past due by up to 30 days	-	-
Past due between 31 and 180 days	-	-
Past due between 181 and 365 days	1	1
Past due by more than 1 year	7	7
Total trade and other receivables	8	8
Note 21 Inventories		
Inventories held for sale	6	5
Total inventories	6	5
Note 22 Other assets		
Current		
Prepayments	117	89
Accrued income	113	1,123
Total other assets	230	1,212

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 23 Property, infrastructure, plant and equipment

	At Fair Value 30 June 2016	Accumulated Depreciation	WDV at 30 June 2016	Acquisitions	Revaluations	Disposals	Write Offs	Transfers	Depreciation	At Fair Value 30 June 2017	Accumulated Depreciation	WDV at 30 June 2017
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Summary of property, infrastructure, plant and equipment												
Land	91,012	-	91,012	-	-	-	-	-	-	91,012	-	91,012
Buildings	24,145	(9,141)	15,003	131	-	-	-	149	(421)	24,425	(9,563)	14,862
Plant and equipment	1,077	(612)	465	66	-	(23)	-	-	(137)	1,087	(715)	371
Infrastructure	27,505	(9,137)	18,369	448	-	-	-	213	(576)	28,167	(9,712)	18,455
Work in progress	706	-	706	739	-	-	-	(362)	-	1,083	-	1,083
Total property, infrastructure, plant and equipment	144,445	(18,890)	125,554	1,384	-	(23)	-	-	(1,134)	145,773	(19,990)	125,783

	Opening WIP	Additions	Transfers	Write Offs	Closing WIP
	\$'000	\$'000	\$'000	\$'000	\$'000
Summary of work in progress					
Buildings	236	258	(149)	-	345
Plant and equipment	61	207	-	-	268
Infrastructure	409	274	(213)	-	470
Total work in progress	706	739	(362)	-	1,083

	Land - specialised	Land - non specialised	Total Land	Buildings - specialised	Buildings - non specialised	Total Buildings	Work in progress	Total Property
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000

Land and Buildings

At fair value 1 July 2016	70,213	20,799	91,012	21,419	2,726	24,145	236	115,394
Accumulated depreciation at 1 July 2016	-	-	-	(8,436)	(707)	(9,141)	-	(9,141)
	70,213	20,799	91,012	12,983	2,019	15,003	236	106,252

Movements in fair value

Acquisition of assets at fair value	-	-	-	131	-	131	258	389
Fair value of assets disposed	-	-	-	-	-	-	-	-
Transfers	-	-	-	149	-	149	(149)	-
	-	-	-	280	-	280	108	389

Movements in accumulated depreciation

Depreciation	-	-	-	(374)	(47)	(421)	-	(421)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-
	-	-	-	(374)	(47)	(421)	-	(421)
At fair value 30 June 2017	70,213	20,799	91,012	21,699	2,726	24,425	345	115,782
Accumulated depreciation at 30 June 2017	-	-	-	(8,809)	(754)	(9,563)	-	(9,563)
	70,213	20,799	91,012	12,890	1,972	14,862	345	106,219

Note 23 Property, infrastructure, plant and equipment (continued)

	Plant, machinery and equipment \$'000	Fixtures, fittings and furniture \$'000	Computers and telecom- munications \$'000	Work in Progress \$'000	Total Plant and Equipment \$'000					
Plant and Equipment										
At fair value 1 July 2016	476	322	279	61	1,138					
Accumulated depreciation at 1 July 2016	(159)	(210)	(243)	-	(613)					
	317	112	36	61	526					
Movements in fair value										
Acquisition of assets at fair value	52	-	14	207	273					
Fair value of assets disposed	(42)	-	(14)	-	(56)					
Asset write-offs	-	-	-	-	-					
	10	-	-	207	217					
Movements in accumulated depreciation										
Depreciation	(87)	(29)	(21)	-	(137)					
Accumulated depreciation of disposals	19	-	14	-	33					
Asset write-offs	-	-	-	-	-					
	(68)	(29)	(7)	-	(103)					
At fair value 30 June 2017	486	322	279	268	1,355					
Accumulated depreciation at 30 June 2017	(226)	(239)	(250)	-	(715)					
	259	83	29	268	639					
	Roads \$'000	Footpaths and cycleways \$'000	Drainage \$'000	Recreational, leisure and community facilities \$'000	Waste management \$'000	Parks, open spaces and streetscapes \$'000	Off street car parks \$'000	Other infrastructure \$'000	Work in progress \$'000	Total Infrastructure \$'000
Infrastructure										
At fair value 1 July 2016	16,762	1,494	4,436	2,134	221	1,406	784	269	409	27,913
Accumulated depreciation at 1 July 2016	(5,201)	(569)	(2,074)	(779)	(53)	(142)	(243)	(76)	-	(9,136)
	11,561	925	2,362	1,355	168	1,264	541	193	409	18,777
Movements in fair value										
Acquisition of assets at fair value	92	63	-	192	-	81	-	20	274	722
Fair value of assets disposed	-	-	-	-	-	-	-	-	-	-
Asset write-offs	-	-	-	-	-	-	-	-	-	-
Transfers	-	-	-	138	-	75	-	-	(213)	-
	92	63	-	330	-	156	-	20	61	722
Movements in accumulated depreciation										
Depreciation	(267)	(30)	(45)	(106)	(19)	(83)	(13)	(13)	-	(576)
Accumulated depreciation of disposals	-	-	-	-	-	-	-	-	-	-
	(267)	(30)	(45)	(106)	(19)	(83)	(13)	(13)	-	(576)
At fair value 30 June 2017	16,854	1,557	4,436	2,464	221	1,562	784	289	470	28,637
Accumulated depreciation at 30 June 2017	(5,467)	(599)	(2,119)	(885)	(72)	(225)	(256)	(89)	-	(9,712)
	11,387	958	2,317	1,579	149	1,337	528	200	470	18,925

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 23 Property, infrastructure, plant and equipment (continued)

Valuation of land and buildings

Valuation of land (including freehold land, crown land and land under roads) and buildings was undertaken by a qualified independent valuer from Opteon Property Group (Victoria) ("Opteon"), valuer registration number 63379.

The valuation of freehold land is at fair value, being market value based on highest and best use permitted by relevant land planning provisions, with reference to observable prices or recent market transactions in an active market.

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

Any significant movements in the unobservable inputs for land and land under roads will have a significant impact on the fair value of these assets.

The latest valuation of buildings was undertaken by Opteon on 30 June 2016, 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 on highest and best use. The next revaluation of land and buildings will be undertaken during the 2017/18 financial year.

Details of the Council's land and buildings and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Freehold land	-	20,799	-
Crown land (specialised land)	-	-	55,315
Land under roads (specialised land)	-	-	14,898
Buildings	-	1,972	-
Buildings (specialised)	-	-	12,890
Total	-	22,771	83,103

Valuation of infrastructure

Valuation of road network infrastructure assets (roads including kerb and channel, footpaths and cycleways) and off street car parks was conducted by Council's engineer, Mr. Stuart Hansen, during 2015/16 using the condition assessment work of Mr Peter Moloney, Dip C.E.C.E.MIE Aust conducted in June 2016.

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 Australia Construction Handbook. The drainage valuation was conducted by Council's engineer, Mr. Stuart Hansen, during 2015/2016. The next scheduled revaluation of road network infrastructure, off street car parks and drainage infrastructure assets will occur in the 2018/19 financial year.

Details of the Council's road network infrastructure, drainage and off street car parks and information about the fair value hierarchy as at 30 June 2017 are as follows:

	Level 1	Level 2	Level 3
	\$'000	\$'000	\$'000
Roads	-	-	11,387
Footpaths and cycleways	-	-	958
Drainage	-	-	2,317
Off street car parks	-	-	528
Total	-	-	15,190

Description of significant unobservable inputs into Level 3 valuations

Specialised land and land under roads is valued using a market based direct comparison technique. Significant unobservable inputs include the extent and impact of restriction of use and the market cost of land per square metre. The extent and impact of restrictions on use varies and results in a reduction to surrounding land values between 5% and 95%. The market value of land varies significantly depending on the location of the land and the current market conditions. Currently land values range between \$43 and \$2,335 per square metre.

Specialised buildings are valued using a depreciated replacement cost technique. Significant unobservable inputs include the current replacement cost and remaining useful lives of buildings. Current replacement cost is calculated on a square metre basis and ranges from \$114 to \$4,945 per square metre. The remaining useful lives of buildings are determined on the basis of the current condition of buildings and vary from 0 year to 113 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of buildings are sensitive to changes in expectations or requirements that could either shorten or extend the useful lives of buildings.

Infrastructure assets are valued based on the depreciated replacement cost. Significant unobservable inputs include the current replacement cost and remaining useful lives of infrastructure. The remaining useful lives of infrastructure assets are determined on the basis of the current condition of the asset and vary from 5 years to 100 years. Replacement cost is sensitive to changes in market conditions, with any increase or decrease in cost flowing through to the valuation. Useful lives of infrastructure are sensitive to changes in use, expectations or requirements that could either shorten or extend the useful lives of infrastructure assets.

	2017	2016
	\$'000	\$'000
Reconciliation of specialised land		
Crown land	55,315	55,315
Land under roads	14,898	14,898
Total specialised land	70,213	70,213

	2017 \$'000	2016 \$'000
Note 24 Trade and other payables		
Trade payables	311	426
Accrued expenses	145	92
Accrued wages and salaries	86	66
Total trade and other payables	543	584
Note 25 Trust funds and deposits		
Community nursery	-	10
Retention amounts	8	37
Other refundable deposits	44	40
Total trust funds and deposits	52	87

Purpose and nature of items

Community nursery – Council previously held monies in trust on behalf of the Queenscliff Indigenous Plant Nursery and arranged for the payment of appropriate nursery expenditure from this trust account during the year at the request of the community nursery. Note the balance of this account was paid over to the nursery during the 2016/17 financial year.

Retention amounts – Council has a contractual right to retain certain amounts until a contractor has met certain requirements or a related warrant or defect period has elapsed. Subject to the satisfactory completion of the contractual obligations, or the elapsing of time, these amounts will be paid to the relevant contractor in line with Council's contractual obligations.

Other refundable deposits – Deposits are taken by Council as a form of surety in a number of circumstances including in relation to building works, tender deposits, contract deposits and the use of civic facilities.

2017	Note 26 Provisions			
	Annual leave \$'000	Long service leave \$'000	Accrued days off \$'000	Total \$'000
Balance at beginning of the financial year	255	673	23	951
Additional provisions	83	79	8	170
Amounts used	(32)	(24)	(8)	(64)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	-	-	(1)
Balance at the end of the financial year	305	728	23	1,056
2016				
Balance at beginning of the financial year	266	572	20	858
Additional provisions	51	126	12	189
Amounts used	(61)	(25)	(9)	(95)
Decrease in the discounted amount arising because of time and the effect of any change in the discount rate	(1)	-	-	(1)
Balance at the end of the financial year	255	673	23	951

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 26 Provisions (continued)

	2017 \$'000	2016 \$'000
Employee provisions		
Current provisions expected to be settled within 12 months		
Annual leave	104	54
Long service leave	-	-
Accrued days off	23	23
Total current provisions expected to be settled within 12 months	127	77
Current provisions expected to be settled after 12 months		
Annual leave	201	201
Long service leave	692	610
Total current provisions expected to be settled after 12 months	893	811
Total current provisions	1,020	888
Non-current		
Long service leave	36	63
Total non-current provisions	36	63
Aggregate carrying amount of employee provisions		
Current	1,020	888
Non-current	36	63
Total aggregate carrying amount of employee provisions:	1,056	951

Note 27 Interest-bearing loans and borrowings

Current

Borrowings – secured ¹	42	207
Total current loans and borrowings	42	207

Non-current

Borrowings – secured ¹	63	107
Total non-current loans and borrowings	63	107
Total loans and borrowings	105	314

¹ Borrowings are secured by the general rates of the Council as contemplated in Section 148(1) of the *Local Government Act 1981* (the Act).

(a) The maturity profile for Council's borrowings is:

Not later than one year	42	207
Later than one year and not later than five years	63	97
Later than five years	-	10
Total loans and borrowings	105	314

Note 28 Other liabilities

Income received in advance	85	78
Total other liabilities	85	78

Note 29 Reserves

	Balance at beginning of reporting period	Increment (decrement)	Balance at end of reporting period
(a) Asset revaluation surplus	\$'000	\$'000	\$'000
2017			
Property			
Land			
freehold land	19,134	-	19,134
Crown land	914	-	914
land under roads	1,790	-	1,790
Buildings	9,790	-	9,790
Total property	31,628	-	31,628
Infrastructure			
Roads	4,667	-	4,667
Footpaths and cycleways	192	-	192
Drainage	509	-	509
Total infrastructure	5,368	-	5,368
Total asset revaluation surplus	36,996	-	36,996
2016			
Property			
Land			
freehold land	18,791	343	19,134
Crown land	-	914	914
land under roads	349	1,441	1,790
Buildings	10,031	(241)	9,790
Total property	29,171	2,457	31,628
Infrastructure			
Roads	4,084	583	4,667
Footpaths and cycleways	395	(203)	192
Drainage	253	256	509
Total infrastructure	4,732	636	5,368
Total asset revaluation surplus	33,903	3,093	36,996

The asset revaluation reserve is used to record the increased (net) value of Council's assets over time.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 29 Reserves (continued)

	Balance at beginning of reporting period	Transfer from accumulated surplus	Transfer to accumulated surplus	Balance at end of reporting period
	\$'000	\$'000	\$'000	\$'000
(b) Other reserves				
2017				
Asset Replacement Reserve – Allocated	299	220	(38)	481
Asset Replacement Reserve – Unencumbered	191	273	(15)	449
Future Calls on Defined Benefits Superannuation	40	–	–	40
Funds carried forward to future years				
Grant funding not yet expended – Operating	246	205	(61)	390
Grant funding not yet expended – Capital	1,188	10	(572)	627
Incomplete works – Operating	606	248	(246)	607
Incomplete works – Capital	587	120	(202)	504
Total funds carried forward to future years	2,627	582	(1,080)	2,129
Waste management reserves				
Kerbside waste	–	39	–	39
Public waste	–	4	–	4
Green waste	–	3	–	3
Total waste management reserves	–	46	–	46
Total other reserves	3,157	1,121	(1,133)	3,145
2016				
Asset Replacement Reserve – Allocated	705	97	(503)	299
Asset Replacement Reserve – Unencumbered	231	–	(40)	191
Future Calls on Defined Benefits Superannuation	20	20	–	40
Funds carried forward to future years				
Grant funding not yet expended – Operating	657	77	(488)	246
Grant funding not yet expended – Capital	435	1,179	(426)	1,188
Incomplete works – Operating	565	310	(269)	606
Incomplete works – Capital	909	233	(555)	587
Total funds carried forward to future years	2,566	1,799	(1,738)	2,627
Total other reserves	3,522	1,917	(2,282)	3,157

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

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

Future Calls on Defined Benefits Superannuation – Council resolved to set aside \$20k p.a. in both the 2014/15 and 2015/16 budget years, as a provision for future calls on the defined benefits superannuation fund. No call was made on the fund during the 2016/17 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 6.

Waste management reserves (kerbside, public and green waste) represent the net surplus waste charges collected from ratepayers, compared with the actual waste costs incurred by Council. The adopted rating strategy provides for full cost recovery of waste management services and an annual reconciliation is completed, with the surplus/(deficit) outcome to be adjusted against these waste management reserves held by Council.

	2017 \$'000	2016 \$'000
Note 30 Reconciliation of cash flows from operating activities to surplus / (deficit)		
Surplus for the year	251	189
Depreciation	1,134	1,160
Gain on disposal of property, infrastructure, plant and equipment	(3)	-
Loss on disposal of property, infrastructure, plant and equipment	-	853
Asset write-offs	-	216
Borrowing costs	10	23
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade and other receivables	54	105
(Increase)/decrease in inventories	(1)	(1)
(Increase)/decrease in prepayments	(28)	(2)
(Increase)/decrease in accrued income	1,010	(767)
(Increase)/decrease in regional library equity	25	15
Increase/(decrease) in trade and other payables	(114)	(548)
Increase/(decrease) in accrued expenses	54	(87)
Increase/(decrease) in accrued wages	20	(51)
Increase/(decrease) in trust funds and deposits	(35)	34
Increase/(decrease) in income received in advance	8	(23)
Increase/(decrease) in provisions	106	93
Net cash provided by operating activities	2,492	1,210
Note 31 Financing arrangements		
Bank overdraft	5	5
Credit card facilities	29	29
Loan facilities	42	207
Total facilities	76	241
Used facilities	48	213
Unused facilities	28	28

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 32 Commitments

The Council has entered into the following commitments.

2017	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	494	506	1,025	-	2,026
Roads, parks and reserves maintenance	773	793	-	-	1,566
Powerline and sundry tree clearance	61	60	52	-	173
Information systems & technology	41	42	87	-	170
Cleaning contract for amenities blocks & BBQs	67	68	-	-	135
Cleaning contract for council buildings	43	44	-	-	87
Provision of valuation services	69	-	-	-	69
Print services	14	14	7	-	36
Design services for Civil Works: Queenscliff Sports and Recreation Precinct Development	29	-	-	-	29
Planning for the future of Council managed tourist parks	22	-	-	-	22
Building surveyor	16	-	-	-	16
Finance system	10	-	-	-	10
Total operating commitments	1,639	1,528	1,172	-	4,339
Capital					
Town Hall gutter replacement	30	-	-	-	30
AFL goal netting QRR	27	-	-	-	27
Street sign replacement	15	-	-	-	15
Queenscliff community hall kitchen upgrade	6	-	-	-	6
Total capital commitments	78	-	-	-	78
Total commitments	1,717	1,528	1,172	-	4,417
2016	Not later than 1 year \$'000	Later than 1 year and not later than 2 years \$'000	Later than 2 years and not later than 5 years \$'000	Later than 5 years \$'000	Total \$'000
Operating					
Garbage collection	482	494	1,558	-	2,534
Roads, parks and reserves maintenance	754	773	793	-	2,320
Cleaning contract for amenities blocks & BBQ's	65	67	68	-	200
Cleaning contract for council buildings	42	43	44	-	129
Planning for the future of Council Managed Tourist Parks	44	-	-	-	44
Building surveyor	62	16	-	-	78
Finance system	105	-	-	-	105
Internal audit	11	-	-	-	11
Review of the Queenscliff Planning Scheme	2	-	-	-	2
Total operating commitments	1,567	1,393	2,463	-	5,423
Capital					
Pt Lonsdale Foreshore Revitalisation Stage 3 Village Park Upgrade Design Services	40	-	-	-	40
Total capital commitments	40	-	-	-	40
Total commitments	1,607	1,393	2,463	-	5,463

	2017 \$'000	2016 \$'000
Note 33 Operating leases		
(a) Operating lease commitments		
At the reporting date, the Council had the following obligations under non-cancellable operating leases for the lease of land and photocopier equipment for use within Council's activities (these obligations are not recognised as liabilities):		
Not later than one year	21	11
Later than one year and not later than five years	32	4
Later than five years	–	1
Total operating lease commitments	53	16
(b) Operating lease receivables		
The Council has entered into commercial property leases on its surplus property. These properties held under operating leases have remaining non-cancellable lease terms of between 1 and 50 years. All leases include a CPI based revision of the rental charge annually. Future minimum rentals receivable under non-cancellable operating leases are as follows:		
Not later than one year	119	120
Later than one year and not later than five years	480	453
Later than five years	999	1,107
Total operating lease receivables	1,598	1,681

Note 34 Superannuation

Council makes the majority of its employer superannuation contributions in respect of its employees to the Local Authorities Superannuation Fund (the Fund). This Fund has two categories of membership, accumulation and defined benefit, each of which is funded differently. Obligations for contributions to the Fund are recognised as an expense in the Comprehensive Income Statement when they are made or due.

Accumulation

The Fund's accumulation categories, Vision My Super / Vision Super Saver, receive both employer and employee contributions on a progressive basis. Employer contributions are normally based on a fixed percentage of employee earnings (for the year ended 30 June 2017, this was 9.5% as required under Superannuation Guarantee (SG) legislation).

Defined benefit

Council does not use defined benefit accounting for its defined benefit obligations under the Fund's Defined Benefit category. This is because the Fund's Defined Benefit category is a pooled multi-employer sponsored plan.

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

Funding arrangements

Council makes employer contributions to the Defined Benefit category of the Fund at rates determined by the Trustee on the advice of the Fund Actuary.

As at 30 June 2016, an interim actuarial investigation was held as the Fund provides lifetime pensions in the Defined Benefit category. The vested benefit index (VBI) of the Defined Benefit category of which Council is a contributing employer was 102.0%. To determine the VBI, the fund Actuary used the following long-term assumptions:

Net investment returns	7.00% p.a.
Salary information	4.25% p.a.
Price inflation (CPI)	2.50% p.a.

Vision Super has advised that the estimated VBI at 30 June 2017 was 103.1%.

The VBI is to be used as the primary funding indicator. Because the VBI was above 100%, the 2016 interim actuarial investigation determined the Defined Benefit category was in a satisfactory financial position and that no change was necessary to the Defined Benefit category's funding arrangements from prior years.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 34 Superannuation (continued)

Employer contributions

Regular contributions

On the basis of the results of the 2016 interim actuarial investigation conducted by the Fund Actuary, Council makes employer contributions to the Fund's Defined Benefit category at rates determined by the Fund's Trustee. For the year ended 30 June 2017, this rate was 9.5% of members' salaries (9.5% in 2015/16). This rate will increase in line with any increase to the SG contribution rate.

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.

Funding calls

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

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

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

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

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

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

The 2016 Interim actuarial investigation surplus amounts

The Fund's interim actuarial investigation as at 30 June 2016 identified the following in the defined benefit category of which Council is a contributing employer:

A VBI surplus of \$40.3 million; and

A total service liability surplus of \$156 million.

The VBI surplus means that the market value of the fund's assets supporting the defined benefit obligations exceed the vested benefits that the defined benefit members would have been entitled to if they had all exited on 30 June 2016.

The total service liability surplus means that the current value of the assets in the Fund's defined benefit category plus expected future contributions exceeds the value of expected future benefits and expenses.

Council was notified of the results of the 30 June 2016 VBI during August 2016.

The 2017 full triennial actuarial investigation

A full actuarial investigation is being conducted for the Fund's position as at 30 June 2017. It is anticipated that this actuarial investigation will be completed in December 2017.

Future superannuation contributions

There was \$30,404 of employer contributions to accumulation funds payable at 30 June 2017. There were no loans issued from or to the above schemes at 30 June 2017.

The expected contributions to be paid to the Defined Benefit category of Vision Super for the year ending 30 June 2018 are \$18,902.

Note 35 Contingent liabilities

Council has obligations under a defined benefit superannuation scheme that may result in the need to make additional contributions to the scheme, matters relating to this potential obligation are outlined in Note 34. As a result of the volatility in financial markets, the 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.

Note 36 Financial Instruments

(a) Objectives and policies

The Council's principal financial instruments comprise cash assets, money market at call accounts, term deposits, receivables (excluding statutory receivables), payables (excluding statutory payables) and bank borrowings. Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument is disclosed in Note 1 of the financial report. Risk management is carried out by senior management under policies approved by the Council. These policies include identification and analysis of the risk exposure to Council and appropriate procedures, controls and risk minimisation.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of our financial instruments will fluctuate because of changes in market prices. The Council's exposure to market risk is primarily through interest rate risk with only insignificant exposure to other price risks and no exposure to foreign currency risk.

Interest rate risk

Interest rate risk refers to the risk that the value of a financial instrument or cash flows associated with the instrument will fluctuate due to changes in market interest rates. Council's interest rate liability risk arises primarily from long term loans and borrowings 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.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Council has minimal exposure to cash flow interest rate risk through its cash and deposits that are at floating rates.

Investment of surplus funds is made with approved financial institutions under the *Local Government Act 1989*. Council manages interest rate risk by adopting an investment policy that ensures:

- diversification of investment product,
- monitoring of return on investment,
- benchmarking of returns and comparison with budget.

There has been no significant change in the Council's exposure, or its objectives, policies and processes for managing interest rate risk or the methods used to measure this risk from the previous reporting period.

Interest rate movements have not been sufficiently significant during the year to have an impact on the Council's year end result.

(c) Credit Risk

Credit risk is the risk that a contracting entity will not complete its obligations under a financial instrument and cause 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 may require collateral where appropriate; and
- we only invest surplus funds with financial institutions which have a recognised credit rating specified in Council's investment policy.

Receivables consist of a large number of customers, spread across the ratepayer, business and government sectors. Credit risk associated with the Council's financial assets is minimal because the main debtor is secured by a charge over the rateable property.

There are no material financial assets which are individually determined to be impaired.

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 35.

The maximum exposure to credit risk at the reporting date to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the Balance Sheet and Notes to the Financial Report. Council does not hold any collateral.

(d) Liquidity risk

Liquidity risk includes the risk that, as a result of our operational liquidity requirements, Council will not have sufficient funds to settle a transaction when required, we will be forced to sell a financial asset at below value or may be unable to settle or recover a financial asset.

To help reduce these risks, Council:

- has a liquidity practice of establishing minimum working capital requirements when developing cash flow budgets;
- has readily accessible standby facilities and other funding arrangements in place;
- has a liquidity portfolio structure that requires surplus funds to be invested within various bands of liquid instruments;
- monitors budget to actual performance on a regular basis; and
- sets limits on borrowings relating to the percentage of loans to rate revenue and percentage of loan principal repayments to rate revenue.

The Council's maximum exposure to liquidity risk is the carrying amounts of financial liabilities as disclosed on the face of the Balance Sheet, and is deemed insignificant based on prior periods' data and current assessment of risk.

There has been no significant change in Council's exposure, or its objectives, policies and processes for managing liquidity risk or the methods used to measure this risk from the previous reporting period.

With the exception of borrowings, all financial liabilities are expected to be settled within normal terms of trade. Details of the maturity profile for borrowings are disclosed at Note 27.

Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

(e) Fair value

Fair value hierarchy

Council's financial assets and liabilities are not valued in accordance with the fair value hierarchy. Council's financial assets and liabilities are measured at amortised cost.

(f) Sensitivity disclosure analysis

Taking into account past performance, future expectations, economic forecasts, and management's knowledge and experience of the financial markets, Council believes the following movements are 'reasonably possible' over the next 12 months:

- A parallel shift of +1% and -0.2% in market interest rates (AUD) from year-end rates of 0.20%.

These movements will not have a material impact on the valuation of Council's financial assets and liabilities, nor will they have a material impact on the results of Council's operations.

Notes to the Financial Report

For the Year Ended 30 June 2017

Note 37 Related party disclosures

(i) Related Parties

Parent entity

Borough of Queenscliffe is the parent entity.

Associates

Interest in an associate is detailed in note 17.

(ii) Key Management Personnel

Details of persons holding the position of Councillor or other members of key management personnel at any time during the year are:

Councillors	2017 No.	2016 No.
Councillor Tony Francis (04/11/16 to current) (Mayor 09/11/16 to current)	1	-
Councillor Susan Salter (01/07/16 to 21/10/16 and 04/11/16 to current)	1	1
Councillor Bob Merriman (01/07/16 to 21/10/16 and 21/11/16 to current)	1	1
Councillor Ross Ebbels (04/11/16 to current)	1	-
Councillor Boyce Pizzey (04/11/16 to current)	1	-
Councillor Helene Cameron (Mayor) (01/07/16 to 21/10/16)	1	1
Councillor Sue Wasterval (01/07/16 to 21/10/16)	1	1
Councillor Peter Russell (01/07/16 to 21/10/16)	1	1
Councillor Greg Jones (23/11/15 to 12/01/16)	-	1
Councillor Graham Christie (01/07/15 to 27/10/15)	-	1
Total Number of Councillors	8	7
Chief Executive Officer and other key management personnel	3	3
Total Key Management Personnel	11	10

(iii) Remuneration of Key Management Personnel

Total remuneration of key management personnel was as follows:

	2017 \$'000	2016 \$'000
Short-term benefits	729	699
Long-term benefits	149	140
	878	838

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

	2017 No.	2016 No.
\$0 - \$9,999	2	3
\$10,000 - \$19,999	4	-
\$20,000 - \$29,999	1	3
\$30,000 - \$39,999	1	-
\$50,000 - \$59,999	-	1
\$140,000 - \$149,999	1	1
\$150,000 - \$159,999	-	1
\$160,000 - \$169,999	1	-
\$240,000 - \$249,999	1	1
	11	10

(iv) Transactions with related parties

Other than remuneration payments and/or the reimbursement of approved expenses, the following transactions were entered into during the reporting period by Council with related party:

	2017 \$	2016 \$
Laguna Pastoral - catering services	208	-

(v) Outstanding balances with related parties

No balances are outstanding at the end of the reporting period in relation to transactions with a related party (2015/16: nil).

(vi) Loans to/from related parties

No loans have been made, guaranteed or secured during the reporting period by Council to a related party (2015/16: nil).

(vii) Commitments to/from related parties

No commitments are in existence at balance date that have been made, guaranteed or secured during the reporting period by Council to a related party (2015/16: nil).

Note 38 Senior officer remuneration

A Senior Officer is an officer of Council, other than Key Management Personnel, who:

(a) has management responsibilities and reports directly to the Chief Executive Officer; or

(b) whose total annual remuneration exceeds \$142,000 (2015/16: \$139,000).

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

Income Range	2017 No.	2016 No.
\$70,000 - \$79,999	-	1
\$120,000 - \$129,999	1	-
Total	1	1

Council with key management personnel or a related party of key management personnel:

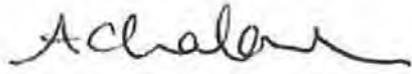
	2017 \$'000	2016 \$'000
Total Remuneration for the reporting year for Senior Officers included above amounted to:	122	76

Note 39 Events occurring after balance date

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

Certification of Financial Report

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



Allison Chaloner CPA

Principal Accounting Officer

Date: 21 September 2017

Queenscliff

In our opinion the accompanying financial statements present fairly the financial transactions of the Borough of Queenscliffe for the year ended 30 June 2017 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 and by the Local Government (Planning and Reporting) Regulations 2014 to certify the financial statements in their final form.



Councillor Tony Francis

Councillor

Date: 21 September 2017

Queenscliff



Councillor Bob Merriman

Councillor

Date: 21 September 2017

Queenscliff



Leonard Jenner

Chief Executive Officer

Date: 21 September 2017

Queenscliff

Independent Auditor's Report

To the Councillors of Borough of Queenscliffe

Opinion	<p>I have audited the financial report of Borough of Queenscliffe (the council) which comprises the:</p> <ul style="list-style-type: none"> • balance sheet as at 30 June 2017 • comprehensive income statement for the year then ended • statement of changes in equity for the year then ended • statement of cash flows for the year then ended • statement of capital works for the year then ended • notes to the financial statements, including a summary of significant accounting policies • certification of the financial statements.
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In my opinion the financial report presents fairly, in all material respects, the financial position of the council as at 30 June 2017 and their financial performance and cash flows for the year then ended in accordance with the financial reporting requirements of Part 6 of the *Local Government Act 1989* and applicable Australian Accounting Standards.

Basis for Opinion	<p>I have conducted my audit in accordance with the <i>Audit Act 1994</i> which incorporates the Australian Auditing Standards. My responsibilities under the Act are further described in the <i>Auditor's Responsibilities for the Audit of the Financial Report</i> section of my report.</p>
--------------------------	--

My independence is established by the *Constitution Act 1975*. My staff and I are independent of the council in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. My staff and I have also fulfilled our other ethical responsibilities in accordance with the Code.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Councillors' responsibilities for the financial report	<p>The Councillors of the council are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and the <i>Local Government Act 1989</i>, and for such internal control as the Councillors determine is necessary to enable the preparation and fair presentation of a financial report that is free from material misstatement, whether due to fraud or error.</p>
---	--

In preparing the financial report, the Councillors are responsible for assessing the council's ability to continue as a going concern, and using the going concern basis of accounting unless it is inappropriate to do so.

Auditor's responsibilities for the audit of the financial report

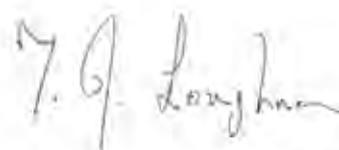
As required by the *Audit Act 1994*, my responsibility is to express an opinion on the financial report based on the audit. My objectives for the audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and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

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

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

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

MELBOURNE
26 September 2017



Tim Loughnan
as delegate for the Auditor-General of Victoria



Bowling green at the Point Lonsdale Bowls Club.



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Glossary

Accrual accounting	System of accounting where items are brought to account and included in the Financial Statements as they are earned or incurred, rather than as they are received or paid.
Assets	Future economic benefits controlled by Council as a result of past transactions or other past events.
Bad and doubtful debts expenditure	Bad debts written off and the movement in the bad debt provision for infringement debtors, caravan park debtors and sundry debtors.
Balance sheet	A quantitative summary of Council's financial position at 30 June, including assets, liabilities and net equity.
Borrowing costs	Interest incurred on loan borrowings.
Cash and cash equivalents assets	Cash and investments readily convertible to cash, including cash on hand, cash held in the bank, deposits at call and highly liquid investments.
Comprehensive Income Statement	A financial statement highlighting the accounting surplus or deficit of Council. It provides an indication of whether the Council has sufficient revenue to meet expenses in the current year, including non-cash costs such as depreciation and amortisation expenditure. It also includes other comprehensive income items including net asset revaluation increment (decrements) reversals and share of other comprehensive income of associates and joint ventures accounted for by the equity method to arrive at a 'comprehensive result'. The comprehensive result equates to the movement in net assets or total equity from the prior year.
Contributions income	Contributions received by Council for the purpose of providing and improving public open space, provision / improvement of the drainage system and in relation to specific projects.
Current assets	Assets for which Council expects to receive the future economic benefit within the next twelve months unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Current liabilities	Liabilities for which Council expects to 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 and amortisation expenditure	An expense which recognises the value of a fixed asset as it is used up over time.
Employee benefits expenditure	Relates to wages and salaries, casual staff payments, annual leave, long service leave, superannuation, fringe benefits tax and WorkCover.
Equity	The residual interest in the assets of Council after deduction of its liabilities, which is made up of accumulated surplus and reserves. Total equity is also equal to net assets.
Equity method	A method of assessing profits earned by joint venture investments. The reported income value is based on Council's share of joint venture assets.
Expense	An outgoing payment made by Council.
Financial Performance Indicator	A prescribed indicator measuring the effectiveness of financial management in Council covering operating position, liquidity, obligations, stability and efficiency.
Fixed assets	See Property, infrastructure, plant and equipment.
G21 Regional Alliance	A formal alliance of government, business and community organisations working together to improve the lives of people within the Geelong region across five member municipalities – Colac Otway Shire Council, Golden Plains Shire Council, City of Greater Geelong, Borough of Queenscliffe and Surf Coast Shire Council.
Governance and Management Checklist	An outline of Council's performance against a set of policies, plans and strategies (e.g. annual Budget, community engagement policy, disaster recovery plan).
Grants – recurrent income	Grant income received on a regular basis (e.g. quarterly or annually) and granted to Council by another entity for specific or general purposes.
Indicator	A measure to demonstrate Council's performance across a variety of areas.
Interest 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.
Land – non specialised	Includes freehold land, where Council is the owner of the land.
Land – specialised	Includes Crown land assets, where Council is the Committee of Management, and land under roads, where Council has operational control of the land.
Liabilities	Future sacrifices of economic benefits that Council is presently obliged to make to other entities as a result of past transactions or other past events.
Materials and services expenditure	Expenditure incurred in relation to contract payments and trade services, building maintenance, general maintenance, plant and equipment maintenance, utilities, consultants, office and administration, insurance, financial and legal costs and information technology costs.
Measure	A unit or set of units against which to determine whether Council has achieved set targets.
Movement in equity for the period	The change in the net surplus (deficit), asset revaluation increments (decrements) and movement in other reserves. This is also equal to the change in equity.

Net assets	The difference between total assets and total liabilities, which represents Council's net worth. Net assets are also equal to total equity.
Net asset revaluation increment (decrement)	This represents the increase (decrease) between the old valuation and new valuation of property and infrastructure asset classes, which were re-valued during the year.
Net gain (loss) on disposal of property, plant and equipment, infrastructure	The net income received in relation to the sale of assets and the carrying amount of assets sold, replaced or disposed of during the year.
Non-current assets	Assets where the future economic benefit is not expected to be received within the next twelve months or where the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
Non-current assets classified as held for sale	Non-current assets that Council intends to sell within the next twelve months.
Non-current liabilities	Liabilities where the obligation is not expected to be fulfilled within the next twelve months or where Council has a right to defer settlement of the liability for at least 12 months after reporting date.
Other expenses	Includes auditors' remuneration, Councillors' allowances, operating lease rentals, impairment losses and asset write-offs.
Other income	Income received from investment property rental, other rental income, interest income and reimbursements.
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.
Prepayments	Payments made by Council in advance of receiving the goods or services.
Property, infrastructure, plant and equipment assets	Often referred to as Fixed Assets, this is the largest component of Council's asset base or worth. It represents the value of all land, buildings, roads, footpaths, drains, vehicles, plant and equipment and so on, which are recorded on Council's asset register.
Provisions	Includes accrued long-service leave, annual leave, time in lieu and rostered days off owing to employees at reporting date.
Ramsar Convention	Also known as the Convention on Wetlands of International Importance. It is an intergovernmental treaty that provides the framework for national action and international cooperation for the conservation and wise use of wetlands and their resources.
Rate cap	An annual limit set each year by the Minister for Local Government. The rate cap applies to general rate increases for all councils during a particular financial year. It does not apply to waste management charges or the Fire Services Property Levy. The rate cap for 2016–17 was 2.5%.
Rates and charges	Income received from ratepayers in relation to general rates, waste management charges and special rate schemes.
Reserves	Includes the asset revaluation reserve and the drainage contributions reserve. The asset revaluation reserve includes the net revaluation increments and decrements arising from the revaluation of fixed assets in accordance with AASB 1041 'Revaluation of Non-Current Assets'.
Revenue	The amount of money that Council actually receives from its activities, mostly from rates and services provided to customers and ratepayers.
Service performance indicator	A prescribed indicator measuring the effectiveness and efficiency of Council services covering appropriateness, quality, cost and service outcomes.
Statutory fees and fines income	Includes parking infringements and costs, Infringement Court recoveries, town planning fees, land information certificates, etc.
Surplus (deficit)	Represents the difference between total revenues, expenses, net gain (loss) on disposal of property, plant and equipment, infrastructure and share of net profits (losses) of associates and joint ventures accounted for by the equity method.
Sustainable capacity indicator	A prescribed indicator measuring whether Council has the capacity to meet the agreed service and infrastructure needs of the local community and absorb foreseeable changes and unexpected shocks into the future covering financial performance, capacity and governance and management.
Trade and other payables	Monies owed by Council to other entities / individuals.
Trade and other receivables	Monies owed to Council by ratepayers and other parties less the provisions for doubtful debts.
Trust funds and deposits	Monies received by Council for a specific purpose, which are to be refunded upon a specific event occurring (e.g. Council assets are not damaged). If that specific event does not occur, Council is entitled to recognise these monies as income.
User fees	Income received by Council from a variety of fees and charges such as aged and health services fees, animal and local law fines and registrations, building permits and other charges, debt collection recovery charges, ticket machine fees, and caravan and camping fees.

Abbreviations

AASB	Australian Accounting Standards Board
ABM	Association of Bayside Municipalities
ABS	Australian Bureau of Statistics
ASU	Australian Services Union
AUD	Australian dollars
BCN	Bellarine Catchment Network
BoQ	Borough of Queenscliffe
BRWMG	Barwon Regional Waste Management Group
CA	Chartered Accountants
CCMA	Corangamite Catchment Management Authority
CEEP	Community Energy Efficiency Program
CEO	Chief Executive Officer
CFL	Compact fluorescent lamps
CI	Continuous improvement
CIV	Capital Improved Value
CNAP	Carbon Neutral Action Plan
CPA	Certified Practising Accountant
Cr	Councillor
CVA	Conservation Volunteers Australia
DEPI	Department of Environment and Primary Industries
DPCD	Department of Planning and Community Development
DSE	Department of Sustainability and Environment
EEO	Equal employment opportunity
EMT	Executive Management Team
E-waste	Electronic waste
FBT	Fringe benefits tax
FinPro	Local Government Finance Professionals
GIS	Geographic information system
GST	Goods and services tax
HACC	Home and Community Care
IASB	International Accounting Standards Board
LASF	Local Authorities Superannuation Fund
LGA	Local Government Associations
LGPro	Local Government Professionals
MAV	Municipal Association of Victoria
NA	Not applicable
OHS	Occupational Health and Safety
QLBTA	Queenscliff Lonsdale Business and Tourism Association
RSL	Returned and Services League of Australia
SES	State Emergency Service
TGGB	Tourism Greater Geelong and The Bellarine
VAGO	Victorian Auditor-General's Office
VCAT	Victorian Civil and Administrative Tribunal
VIC	Visitor Information Centre
VLGA	Victorian Local Government Association

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&
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Melbourne

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